

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934 [FEE REQUIRED]

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934 [NO FEE REQUIRED]

For the fiscal year ended December 31, 1993
Commission file number 1-3970

HARSCO CORPORATION
(Exact name of registrant as specified in its charter)

Delaware 23-1483991
(State or other jurisdiction of (I.R.S. employer
incorporation or organization) Identification No.)

Camp Hill, Pennsylvania 17001-8888
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code 717-763-7064

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common stock, par value \$1.25 per share	New York Stock Exchange Pacific Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:

NONE
(Title of class)

Indicate by check mark if disclosure of delinquent filers pursuant to
Item 405 of Regulation S-K (Subsection 229.405 of this chapter) is not
contained herein, and will not be contained, to the best of
registrant's knowledge, in definitive proxy or information statements
incorporated by reference in Part III of this Form 10-K or any
amendment to this Form 10-K. (X)

Indicate by check mark whether the registrant (1) has filed all reports
required to be filed by Section 13 or 15(d) of the Securities Exchange
Act of 1934 during the preceding 12 months (or for such shorter period
that the registrant was required to file such reports), and (2) has
been subject to such filing requirements for the past 90 days. YES
(X) NO ()

The aggregate market value of the Company's voting stock held by
non-affiliates of the Company as of March 4, 1994 was \$1,135,870,000.

Indicate the number of shares outstanding of each of the registrant's
classes of common stock, as of the latest practicable date.

Classes	Outstanding at March 4, 1994
Common stock, par value \$1.25 per share	25,032,945
Preferred stock purchase rights	25,032,945

Documents Incorporated by Reference

Selected portions of the 1993 Annual Report to Shareholders are
incorporated by Reference in Parts I, II and IV of this Report.

Selected portions of the Notice of 1994 Meeting and Proxy Statement
dated March 25, 1994 are Incorporated by Reference in Part III of this
Report.

HARSCO CORPORATION AND SUBSIDIARY COMPANIES

INFORMATION REQUIRED IN REPORT

PART I

Item 1. Business:

(a) Description of Business:

The operations of Harsco Corporation (Harsco or the Company) are
broadly diversified and include products serving thousands of customers
engaged in steel, industrial, commercial, construction and
infrastructure, and defense applications. These operations fall into
three operating Groups: Industrial Services and Building Products,
Engineered Products and Defense. The Company primarily serves its
customers through its own salaried sales forces and independent
manufacturers' representatives, commission agents and distributors.
Harsco utilizes both Company-owned and leased sales offices and
warehouses. There were several significant changes in products,
services, and markets, but not in methods of distribution during the
1993 fiscal year.

In February 1993, the Company purchased certain assets of the Wayne Corporation, a manufacturer of school buses located in Richmond, Indiana for approximately \$2.1 million. In a defense conversion activity, production of these school buses was transferred to the BMY-Wheeled Vehicles Division in Marysville, Ohio, and Wayne Wheeled Vehicles was formed. Harsco entered into six new contracts for metal reclamation and specialized steel mill services in Mexico in 1993. In addition, the Company initiated service at a steelmaking location in Canada to provide environmental recycling of steel production residual materials, which is a new service developed through the Company's research and development efforts. On August 31, the Company completed the largest acquisition in Harsco's history by purchasing all of the outstanding capital stock of MultiServ International, N.V., the leading international provider of specialized steel mill services, for a consideration of \$384 million. MultiServ's operations were combined with the Company's Heckett Division, and Harsco is now the world leader in the provision of specialized steel mill services to over 130 locations in 27 countries on six continents.

Harsco acquired Electroforjados Nacionales, S.A. de C.V., a producer of steel and fiberglass grating products, with annual revenues of about \$10 million, located in Queretaro, Mexico during the fourth quarter. The Company also restructured and renamed the Patent Scaffolding Division to Patent Construction Systems Division to better describe the range of products and to emphasize a wide array of services in the construction marketplace. In January 1994, Harsco and FMC Corporation formed a joint venture, United Defense, L.P., by combining the BMY-Combat Systems Division with FMC's Defense Systems Group. Harsco obtained a 40% ownership in United Defense, L.P., which expects to achieve \$1 billion in revenues in 1994.

The Company's operations are conducted through 10 divisions, each of which has its own executive, supervisory and operating personnel. Each division has general responsibility for its own activities, including marketing. At the Company's headquarters, an executive management group, most of whom have been associated with the Company for many years, manages and provides leadership for business activities. This management group is responsible for establishing basic Company policy and strategic direction, especially in the areas of long-range planning, capital expenditures and finance, and, in addition, makes available to operating personnel technical assistance in a number of specialized fields.

(b) Financial Information about Industry Groups:

Financial information concerning Industry Groups is included in Note 12 to the consolidated financial statements of the 1993 Annual Report to Shareholders under Exhibit 13.

(c) Narrative Description of Business:

(1) A narrative description of the businesses by Operating Group is as follows:

Industrial Services and Building Products

The major product classes in this Group are metal reclamation and scaffolding, shoring and concrete forming equipment. Other classes include: slag abrasives, steel mill services, rental of plant equipment, roofing granules and miscellaneous.

Under metal reclamation the Company provides specialized services to steel producers worldwide which includes metal reclamation, scrap handling, cleaning of slag pits, handling of raw material and molten slag, filling and grading of specified areas and the renting of various types of plant equipment. Highly specialized recovery and cleaning equipment, installed and operated on the property of steel producers, together with standard materials handling equipment, including drag lines, cranes, bulldozers, tractors, hauling equipment, lifting magnets and buckets, are employed to reclaim metal. The customer uses this metal in lieu of steel scrap and makes periodic payments to the Company based upon the amounts of metal reclaimed. The nonmetallic residual slag is graded into various sizes at on-site Company-owned processing facilities and sold commercially. Graded slag is used as an aggregate material in asphalt paving applications, railroad ballast and building blocks. The Company also provides in-plant transportation and other specialized services.

The Company obtained a significant amount of new business in 1993, including six new contracts in Mexico to provide a variety of services at mini-mills and large, integrated producers. In Germany, the Company received a new contract for in-plant transportation services and expanded the scope of services performed in Holland to include responsibility for blast furnace and steel slag products. The Heckett MultiServ Division was established, effective January 1, 1994 and is the world leader in providing specialized steel mill services to over 130 locations in 27 countries, including Brazil, China, Russia and Slovakia, spanning six continents. Heckett MultiServ locations account for some 30 percent of the world's steelmaking capacity.

Slag abrasives and roofing granules are products derived from utility coal slag and are processed at 15 locations in 12 states. Slag abrasives are used for industrial surface preparation and cleaning of bridges, ship hulls and various structures. Roofing granules are sold to roofing shingle manufacturers.

In research and development activities, the Company continued to test market a dust suppressant product, designed to improve dusting conditions during the transfer of abrasives. In another project, Harsco, in an effort to identify future alternative materials for colored roofing granules, continued extensive lab testing, including coloring and weathering exposure. Harsco anticipates that the demand for slag abrasives will strengthen in 1994 because of increased activity in the infrastructure repair and rebuild market, particularly in the Northeast.

The Group's scaffolding, shoring and concrete forming operations include steel and aluminum support systems that are leased or sold to customers through a North American network of some 35 branch offices. The Division was renamed Patent Construction Systems, effective in December, to better describe the range of products and to emphasize a wide array of services in the construction marketplace. In addition, Patent Plant Services, headquartered in New Orleans, was organized to enhance marketing efforts and long-term scaffolding service contracts to paper mills, refineries, chemical and petrochemical applications and power plants. Several large orders were received from refineries in 1993.

During the second half, the Company introduced the Pro 1000 Scaffold Hoist, part of the motorized swinging scaffold line, which will be marketed worldwide.

For 1993, percentages of consolidated net sales of certain product classes were as follows: metal reclamation, 15%; scaffolding, shoring and concrete forming equipment, 6%; and five others, including mill services, rental of plant equipment, roofing granules, slag abrasives and miscellaneous, 7%

Engineered Products

Major product classes in this Group are gas control and containment, grating, pipe fittings, process equipment and railway maintenance equipment. Other classes include composite products, metal fabrication, wear products and miscellaneous.

Gas containment products include propane tanks, cryogenic equipment, high pressure cylinders, and composite products, while gas control products include valves and regulators serving a variety of markets. The cryogenics facility in Germany achieved ISO 9000 certification during the first quarter of 1993, which will enhance product quality and international marketing opportunities.

At the cylinder plant in Harrisburg, Pennsylvania, installation of a new high-efficiency billet furnace was underway at year-end. During the fourth quarter of 1993, Harsco formed a long-term commercial agreement with INFLEX, S.A., a manufacturer of a broad line of industrial cylinders, including NGV fuel tanks, located in Buenos Aires, Argentina. Early in 1994, the Division name was changed from Plant City Steel to Taylor-Wharton Gas Equipment to reflect the Company's broader strategic objective of continuing to grow this business through selective international acquisitions in a wide product range.

Several new proprietary products were brought to market in the gas control product class in 1993. Production was underway on the innovative new propane valve for 20-pound cylinders on gas grills in Canada during the first quarter, and the full program started in September. A disposable refrigerant valve, developed to meet evolving environmental market demands, was also introduced, as was a unique scuba mouthpiece.

The Company's product class of railroad maintenance equipment includes track machinery, which services private and government-owned railroads and urban transit systems. This machinery is classified in the categories of sleeper renewal, spike driving, Hy-Rail, rail grinding, tamping, ballast maintenance, track renewal, track geometry, utility vehicle and rail and overload line equipment.

Fairmont Tamper completed work on a Pony Track Renewal System for Japan Railways East, under a contract valued at over \$5 million, which was delivered in January 1994, and will be used to upgrade railroad track in that country over a course of 140 kilometers. The Company witnessed increased demand for products in China and Mexico, which included an order for over 25 HY-RAIL units, valued at more than \$5 million. At year-end, the backlog was significantly ahead of that at December 31, 1992.

Harsco's diverse product class of process equipment includes these product lines: heat transfer equipment, mass transfer equipment, air-cooled heat exchangers, process equipment, protective linings and wear products, including bar, plate and fabrication, and manganese products.

Demand for the Thermific boiler, first introduced in 1988, was again at a record level, paced by the institutional building and retrofit market. Two new commercial water heaters were brought to market early in the year, and the lab blender redesign program was completed near year-end. Plans were underway to achieve ISO 9000 certification for major lines, which will aid in international marketing. In wear products, the Company conducted a research and development project to achieve enhanced weld requirements for product improvement.

Harsco manufactures a varied line of industrial grating products at numerous plants in North America. The Company produces riveted, pressure-locked and welded grating in steel and aluminum, used mainly in industrial flooring applications for power, paper, chemical, refining and processing applications, among others. The Company also produces varied products for bridge and decking uses, as well as fiberglass grating used principally in the process industries.

Production operations at a facility in Canada were phased out late in 1993, although sales and service continue in that country. A state-of-the-art slitting machine, the most powerful of its type in this country, was fully operational at the facility in Channelview, Texas during the first quarter. During the fourth quarter, the Company completed the acquisition of Electroforjados Nacionales, S.A. de C.V. (ENSA), a producer of steel and fiberglass grating products located in Queretaro, Mexico. ENSA, with annual sales of about \$10 million, and the Company's other grating operations were consolidated into the Queretaro facility. The Division now operates at 13 facilities in North America.

The Company is a major supplier of pipe fittings for the plumbing, industrial, hardware and energy industries and produces a variety of product lines, including forged and stainless steel fittings, conduit fittings, nipples and couplings. During the first quarter, machinery, tooling and equipment were installed at the facility in Houston for the new line of swaged nipples and bull plugs, primarily serving industrial and energy-related applications, which went on stream during the second half. Also during the same quarter, production ceased at a plant in Detroit, but service there is ongoing. The Division headquarters was relocated to another facility in the metropolitan Columbus, Ohio region.

For 1993, percentages of consolidated net sales of certain product classes were as follows: gas control and containment, 13%; grating products, 6%; pipe fittings, 6%; process equipment, 5%; railway maintenance equipment, 6%; and four others, including structural composites, specialty metal fabrications, wear products and miscellaneous, 4%.

Defense

The Defense Group had two divisions at year-end 1993, which were BMY-Combat Systems and BMY-Wheeled Vehicles. In 1993, this Group led the Company in earnings. In January 1994, Harsco and FMC Corporation completed the joint venture, first announced in December 1992, to combine the BMY-Combat Systems Division with FMC's Defense Systems Group. The new partnership, known as United Defense, L.P., was effective on January 1, 1994 and expects to achieve annual sales of about \$1 billion in 1994. Harsco holds a 40 percent ownership in United Defense, L.P., and FMC will manage the business.

United Defense, L.P. produces tracked vehicles, including self-propelled howitzers, ammunition resupply units, military earthmovers and battle tank recovery vehicles for the U.S. Government and several international customers. Research and development programs are also performed, and United Defense, L.P. is a coproducer of tracked vehicles with the Republic of Korea.

Additional products of United Defense, L.P. include the Bradley Fighting Vehicle and its derivatives, the Armored Gun System, the Multiple Launch Rocket System carrier, and the M113 Armored Personnel Carrier family of vehicles. The partnership also makes naval guns and launching systems, military track for armored vehicles and provides overhaul and conversion services.

In 1993, BMY-Combat Systems delivered 70 M109A6 Paladin Howitzers to the U.S. Government. Deliveries of this vehicle are scheduled through 1994, and the Company will continue to participate in the production of Paladin Howitzers through the defense business partnership, United Defense, L.P. In 1993, the Company continued its nine-year coproduction contract for M109 SPH vehicle kits with the Republic of Korea and delivered 110 Howitzer kits. BMY-Combat Systems delivered 57 Armored Combat Earthmover (ACE) kits in 1993 to the Republic of Korea, and deliveries are scheduled into 1995. In October, the Company received a new contract from the U.S. Government for production of these M9 ACE units, valued at about \$78 million. The Company delivered 68 M88A1 Recovery Vehicles for international customers in 1993. In October, the Company leased a facility in Fayette County, Pennsylvania to expand its role in military vehicle maintenance and support activities.

BMY-Wheeled Vehicles produces various models of the five-ton truck and other commercial vehicles. In 1993, the BMY-Wheeled Vehicles Division delivered 861 five-ton trucks to the U.S. Government and international customers. The Company has produced over 25,000 of these units in various configurations and anticipates the receipt of additional orders in 1994. The Division will restart the production line in 1994 to accommodate foreign production booked as of year-end.

In February 1993, the Company acquired certain assets from the Wayne Corporation, a manufacturer of school buses, for approximately \$2.1 million, and production of these buses was transferred to the Marysville facility. This is a significant defense conversion effort on the part of Harsco to use the skills of a work force in another highly-regulated industry. The Company will continue to seek

additional commercial opportunities for production at that location.

For 1993, percentages of consolidated net sales of certain product classes were as follows: tracked vehicles, 24% and wheeled vehicles, 8%.

(1) (i) The products and services of Harsco can be divided into a number of classes. The product classes that contributed 10% or more as a percentage of consolidated net sales in either of the last three fiscal years are as set forth in the following table.

	1993	1992	1991
Wheeled Vehicles	8%	24%	40%
Tracked Vehicles	24	24	14
Gas Control and Containment	13	11	9
Metal Reclamation	15	7	6

(1) (ii) New products and services are added from time to time; however, currently none require the investment of a material amount of the Company's assets.

(1) (iii) The manufacturing requirements of the Company's operations are such that no unusual sources of supply for raw materials are required. The raw materials used by the Company include steel and aluminum which usually are readily available.

(1) (iv) While Harsco has a number of trademarks, patents and patent applications, it does not consider that any material part of its business is dependent upon them.

(1) (v) Harsco furnishes building products and materials and a wide variety of specialized equipment for commercial, industrial, public works and residential construction which are seasonal in nature. In 1993, construction related operations accounted for 9% of total sales.

(1) (vi) The practices of the Company relating to working capital items are not unusual compared with those practices of other manufacturers servicing mainly industrial and commercial markets. Under the Defense Group, due to the nature of long-term contracts, sizable amounts of inventory are carried by the Company; however, these are partially funded through progress payments by the U.S. Government and advance payments by Foreign Governments. See Note 3 to consolidated financial statements and "Advances on long-term contracts" on the balance sheets in selected portions of the 1993 Annual Report to Shareholders under Exhibit 13.

(1) (vii) Other than in the Defense Group of the Company's business, whose principal customer has been the U.S. Government, as further described under the Defense Group, no material part of the business of the Company is dependent upon a single customer or a few customers, the loss of any one of which would have a material adverse effect upon the Company.

Sales to U.S. Government agencies in 1993, 1992 and 1991 amounted to 21%, 35% and 44% of the total sales, respectively.

(1) (viii) Backlog of orders stood at \$146,751,000 and \$738,978,000 as of December 31, 1993 and 1992, respectively. It is expected that approximately 22% of the total backlog at December 31, 1993, will not be filled within 1994. Excluded from the 1993 backlog is \$397,939,000 contributed to United Defense, L.P. There is no significant seasonal aspect to the Company's backlog.

(1) (ix) Under the terms and regulations applicable to government contracts, the Government has the right to terminate its contracts with the Defense Group in accordance with procedures specified in the regulations and, under certain circumstances, has the right to renegotiate profits. In 1993, this group accounted for 32% of total sales.

(1) (x) The various fields in which Harsco operates are highly competitive and the Company encounters active competition in all of its activities from both larger and smaller companies who produce the same or similar products or services or who produce different products appropriate for the same uses.

(1) (xi) The expense for internal product improvement and product development activities was \$5,156,000, \$4,590,000 and \$3,647,000 in 1993, 1992 and 1991, respectively. Customer-sponsored research and development expenditures were \$23,008,000, \$17,889,000 and \$8,872,000, in 1993, 1992 and 1991, respectively.

(1) (xii) The Company has become subject, as have others, to more stringent air and water quality control legislation. The Clean Air Act Amendments of 1990 will impose greater costs on the Company and most other domestic manufacturers in the future but the effect on the Company's business is not yet determinable. In general, the Company has not experienced substantial difficulty in complying with these environmental regulations in the past and does not anticipate making any major capital expenditures for environmental control facilities in 1994 or 1995. While the Company expects that environmental regulations may expand, and its expenditures for air and water quality control will

continue, it cannot predict the effect on its business of such expanded regulations. Additional information regarding environmental consideration is incorporated by reference to Note 1 and Note 10 to the Consolidated Financial Statements under Exhibit No. 13.

(1) (xiii) As of December 31, 1993, the Company had approximately 14,200 employees.

(d) Financial Information about Foreign and Domestic Operations and Export Sales:

Financial information concerning foreign and domestic operations and export sales is included in Note 12 to consolidated financial statements in selected portions of the 1993 Annual Report to Shareholders under Exhibit 13.

Item 2. Properties:

Information as to the principal plants owned and operated by Harsco is summarized in the following table:

Location	Floor Space (Sq. Ft.)	Principal Products
Industrial Services and Building Products:		
Marion, Ohio	135,000	Construction
Equipment		
Moundsville, West Virginia	12,000	Roofing
Granules/Abrasives		
Drakesboro, Kentucky	19,000	Roofing Granules
Gary, Indiana	15,000	Roofing
Granules/Abrasives		
Engineered Products:		
Pomona, California	75,000	Composite
Pressure Vessels		
Hamden, Connecticut	47,000	Pipe Fittings
Fitchburg, Massachusetts	30,000	Pipe Fittings
Houston, Texas	26,000	Pipe Fittings
West Jefferson, Ohio	144,000	Pipe Fittings
Clinton, Ontario, Canada	55,000	Pipe Fittings
Chicago, Illinois	35,000	Pipe Fittings
* Crowley, Louisiana	172,000	Pipe Fittings
Plant City, Florida	182,000	Metal Fabrication

* This property is under a lease-purchase agreement, with purchase price at a nominal amount.

Birmingham, Alabama	133,000	Wear Products
Jesup, Georgia	43,000	Propane Tanks
Bloomfield, Iowa	40,000	Propane Tanks
West Jordan, Utah	26,000	Propane Tanks
Fairmont, Minnesota	312,000	Railroad Equipment
West Columbia, South Carolina	224,000	Railroad Equipment
Nottingham, England	33,000	Railroad Equipment
East Stroudsburg, Pennsylvania	172,000	Process Equipment
Tulsa, Oklahoma	41,000	Fractionation Trays
Tulsa, Oklahoma	131,000	Heat Exchangers
Tulsa, Oklahoma	13,000	Fractionation Trays
Mexico City, Mexico	31,000	Grating
Queretaro, Oro, Mexico	63,000	Grating
Madera, California	42,000	Grating
Nashville, Tennessee	83,000	Grating
Nashville, Tennessee	212,000	Grating
Long Island City, New York	48,000	Grating
Leeds, Alabama	45,000	Grating
Channelview, Texas	82,000	Grating
Carlisle, Ohio	26,000	Grating
Cheswick, Pennsylvania	54,000	Grating
Charlotte, North Carolina	23,000	Grating
Lockport, New York	104,000	Valve Manufacturing
Harrisburg, Pennsylvania	317,000	Cylinders
Theodore, Alabama	275,000	Cryogenic Storage
Vessels		
Husum, Germany	60,000	Cryogenic Storage
Vessels		
Shah Alam, Malaysia	20,000	Cryogenic Storage
Vessels		

Defense:

Marysville, Ohio	306,000	Military Vehicles & School Buses
York, Pennsylvania	1,022,000	Military Vehicles

Harsco also operates the following plants which are leased:

Expiration Dates of Location Lease	Floor Space (Sq. Ft.)	Principal Products
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Engineered Products:

Cleveland, Ohio 09/30/95	40,000	Brass Castings
Decatur, Georgia 06/30/95	19,000	Pipe Fittings
Lansing, Ohio 01/31/95	67,000	Pipe Fittings
Baltimore, Maryland 12/31/95	15,000	Pipe Fittings
Brendale, Australia 10/18/97	110,000	Railroad Equipment
Bilston, England 09/26/00	37,000	Fractionation Trays
Bilston, England 09/26/00	41,000	Air Heating Systems

Defense:

Lamond Furnace, PA 10/31/96	175,000	Military Vehicles
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Harsco operates from a number of other plants, branches, warehouses and offices in addition to the above. In particular, the Company has over 130 locations related to metal reclamation in twenty-seven countries, however since these facilities are on the property of the steel mill being serviced they are not listed. The Company considers all of its properties to be in satisfactory condition.

Item 3. Legal Proceedings:

Information regarding legal proceedings is incorporated by reference to Note 10 to the Consolidated Financial Statements, under Exhibit 13.

Item 4. Submission of Matters to a
Vote of Security Holders:

There were no matters that were submitted during the fourth quarter of the year covered by this report to a vote of security holders, through the solicitation of proxies or otherwise.

PART II

Item 5. Market for Registrant's Common Stock
and Related Stockholder Matters:

Harsco common stock is traded on the New York, Pacific, Boston, and Philadelphia Stock Exchanges under the symbol HSC. At the end of 1993, there were 24,967,801 shares outstanding. In 1993, the stock traded in a range of 45-35 and closed at a year-end high of 40 5/8. For additional information regarding Harsco common stock market price, dividends declared, and numbers of shareholders see Part II, Item 6.

Item 6. Selected Financial Data:

Five-year selected financial data is included under Exhibit 13.

Item 7. Management's Discussion of Financial
Condition and Results of Operations:

Management's Discussion of Financial Condition and Results of Operations is included in selected portions of the 1993 Annual Report to Shareholders under Exhibit 13.

Item 8. Financial Statements and Supplementary Data:

The financial statements and supplementary data is included in selected portions of the 1993 Annual Report to Shareholders under Exhibit 13.

Item 9. Changes in and Disagreements with Accountants
on Accounting and Financial Disclosure:

None.

PART III

Item 10. Directors and Executive Officers of the Registrant:

(a) Identification of Directors:

Information regarding the identification of directors and positions held is incorporated by reference to the Proxy Statement dated March 25, 1994. M. W. Gambill informed the Board of Directors that he is retiring as non-executive Chairman of the Board and Director effective April 1, 1994. Upon his retirement as Chief Executive Officer on January 1, 1994, the Company entered into a Retirement and Consulting Agreement with Mr. Gambill. Under the Agreement, Mr. Gambill will receive monthly compensation at the rate of \$370,000 per annum ending June 9, 1995. Mr. Gambill's age and employment background are as follows.

Name	Age
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M. W. Gambill	63
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Principal Occupation or Employment

Served as non-executive Chairman of the Board since January 1, 1994 and is a Director. Chairman of the Board and Chief Executive Officer from May 1, 1991 to January 1, 1994. From 1987 to 1991, President and Chief Executive Officer. From 1985 to 1987 served as President and Chief Operating Officer and from 1984 to 1985 served as Executive Vice President of the Corporation and from 1975 to 1984 served as President of the Heckett Division of the Corporation. Mr. Gambill is a director of York International Corporation.

(b) Identification of Executive Officers:

Set forth below, as of March 24, 1994, are the executive officers (this excludes certain corporate officers who are not deemed "executive officers" within the meaning of applicable Securities and Exchange Commission regulations) of the Company and certain information with respect to each of them. The executive officers were elected to their respective offices on April 27, 1994, or at various times during the year as noted. All terms expire on April 30, 1994. There are no family relationships between any of the officers.

Corporate Officers:

Name	Age
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D. C. Hathaway	49
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Principal Occupation or Employment

President and Chief Executive Officer effective January 1, 1994, and has been elected Chairman of the Board effective April 1, 1994. Director since 1991. From May 1, 1991 to December 31, 1993, served as President and Chief Operating Officer. From 1986 to 1991 served as Senior Vice President-Operations of the Corporation. Served as Group Vice President from 1984 to 1986 and as President of the Dartmouth Division of the Corporation from 1979 until October 1984.

Name	Age
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W. D. Etzweiler	58
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Principal Occupation or Employment

Senior Vice President and Chief Operating Officer - Commercial and Industrial Products of the Corporation effective January 25, 1994. From 1992 to January 24, 1994, served as Senior Vice President - Operations of the Corporation. Served as President of the Corporation's Patterson-Kelley Division from 1982 to 1991, Vice President Sales and Marketing of the Patterson-Kelley Division from 1979 to 1982, Vice President of Marketing for the Patterson-Kelley Division from 1971 to 1979, and various manager positions with the Patterson-Kelley Division from 1966 to 1971.

Name	Age
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B. W. Taussig	54
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Principal Occupation or Employment

Senior Vice President and Chief Operating Officer - Defense of the Corporation effective January 25, 1994. From 1992 to January 24, 1994, served as Senior Vice President - Operations of the Corporation. Served as President of the BMV Defense Group from July 1, 1991 to year-end, as President of the BMV Combat Systems Division from 1989 to 1991, and as Vice President Business Development of the BMV Combat

Systems Division from July 1989 to November 1989. From 1984 to 1989, was Vice President and General Manager of the Naval Systems Division of FMC Corporation, where he was responsible for a unit manufacturing defense products with 3,100 employees and sales of approximately \$350 million per year.

Name Age

L. A. Campanaro 45

Principal Occupation or Employment

Senior Vice President-Finance and Chief Financial Officer of the Corporation effective December 1, 1992 and served as Vice President and Controller from April 1, 1992 to November 30, 1992. Served as Vice President of the BMY-Wheeled Vehicles Division from February 1, 1992 to March 31, 1992, and previously served as Vice President and Controller of the BMY-Wheeled Vehicles Division from 1988 to 1992, Vice President Cryogenics of the Plant City Steel Division from 1987 to 1988, Senior Vice President Taylor-Wharton Division from 1985 to 1987, Vice President and Controller of Taylor-Wharton from 1982 to 1985, and Director of Auditing of the Corporation from 1980 to 1982.

Name Age

P. C. Coppock 43

Principal Occupation or Employment

Senior Vice President, General Counsel, Secretary and Chief Administrative Officer of the Corporation effective January 1, 1994. Served as Vice President, General Counsel and Secretary of the Corporation from May 1, 1991 to December 31, 1993. From 1989 to 1991 served as Secretary and Corporate Counsel and as Assistant Secretary and Corporate Counsel from 1986 to 1989. Served in various Corporate Attorney positions for the Corporation since 1981.

Name Age

S. D. Fazzolari 41

Principal Occupation or Employment

Vice President and Controller of the Corporation effective January 25, 1994. Served as Controller of the Corporation from January 26, 1993 to January 24, 1994. Previously served as Director of Auditing from 1985 to January 25, 1993, and served in various auditing positions from 1980 to 1985.

Item 11. Executive Compensation:

Information regarding compensation of executive officers and directors is incorporated by reference to the Sections entitled "Executive Compensation and Other Information", and "Directors' Compensation" of the Proxy Statement dated March 25, 1994.

Item 12. Security Ownership of Certain Beneficial Owners and Management:

Information regarding security ownership of certain beneficial owners and management is incorporated by reference to the section entitled "Share Ownership of Management" of the Proxy Statement dated March 25, 1994.

Item 13. Certain Relationships and Related Transactions:

Information regarding certain relationships and related transactions is incorporated by reference to the section entitled "Employment Agreements with Officers of the Company" of the Proxy Statement dated March 25, 1994.

PART IV

Item 14. Exhibits, Financial Statement Schedules, and Reports on Form 8-K:

The following portions of the Company's 1993 Annual Report to Shareholders are incorporated herein by reference under Exhibit 13: The consolidated financial statements and notes thereto, the related report of Coopers & Lybrand, independent accountants, Management's Discussion of Financial Condition and Results of Operations, Selected Financial Data for the years 1989 through 1993, Market for Registrant's Common Stock and Related Security Holder Matters, and the supplemental financial data, Three-Year Summary of Quarterly Results.

Exhibit

Number

(a) 1. Consolidated Financial Statements:

Consolidated Balance Sheets
December 31, 1993 and 1992

13

Consolidated Statements of Income
for the years 1993, 1992 and 1991

13

Consolidated Statements of Cash Flows
for the years 1993, 1992 and 1991

13

Consolidated Statements of Changes in
Shareholders' Equity for the years
1993, 1992 and 1991

13

Notes to Consolidated Financial
Statements

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Schedules other than those listed above are omitted for the reason that they are either not applicable or not required or because the information required is contained in the financial statements or notes thereto.

Condensed financial information of the registrant is omitted since there are no substantial amounts of "restricted net assets" applicable to the Company's consolidated subsidiaries.

Financial statements of 50% or less owned associated companies are not submitted inasmuch as (1) the registrant's investment in and advances to such companies do not exceed 20% of the total consolidated assets, (2) the registrant's proportionate share of the total assets of such companies does not exceed 20% of the total consolidated assets, (3) the registrant's equity in the income before income taxes of such companies does not exceed 20% of the total consolidated income before income taxes.

(a) 3. Listing of Exhibits Filed with Form 10-K:

Exhibit Number	Data Required	Location in 10-K
2(a) to 1993	MultiServ International, N.V. Acquisition Documents: - Securities Purchase Agreement Dated July 8, 1993 - Supplemental Agreement Dated July 8, 1993	Incorporated by reference Form 8-K dated August 31,
2(b) to	Joint Venture with FMC Corporation Combining Harsco's	Incorporated by reference Form 8-K dated February

14, 1994	<p>EMY-Combat Systems Division with FMC Defense Systems Group</p> <ul style="list-style-type: none"> - Participation Agreement Dated as of January 1, 1994 - Partnership Agreement Dated as of January 1, 1994 - Registration Rights Agreement Dated as of January 1, 1994 	
3(a)	Articles of Incorporation as amended April 24, 1990	Exhibit volume, 1990 10-K
	Certificate of Designation filed September 29, 1987	Exhibit volume, 1987 10-K
3(b)	By-laws as amended April 25, 1990	Exhibit volume, 1990 10-K
4(a) to Form dated	Debt Securities Registered under Rule 415 (8 3/4% Notes)	Incorporated by reference S-3, File No. 2-97504, May 29, 1985
4(b) to Form October 2,	Harsco Corporation Rights Agreement dated as of September 29, 1987 with Chase Manhattan Bank, N.A.	Incorporated by reference 8-A, Exhibit 1, dated
4(c) to Form	Registration of Preferred Stock Purchase Rights	Incorporated by reference 8-A dated October 2, 1987
4(d) to Form 1987	Current Report on dividend distribution of Preferred Stock Purchase Rights	Incorporated by reference 8-K dated October 13,
4(e) to Form dated May	Debt Securities Registered under Rule 415 (8 3/4% Notes)	Incorporated by reference S-3, File No. 33-21526 23, 1988
4(f) to the dated dated	8 3/4% 1991 Notes due May 15, 1996 described in Prospectus Supplement dated May 7, 1991 to Form S-3 Registration under Rule 415 dated May 23, 1988	Incorporated by reference Prospectus Supplement May 7, 1991 to Form S-3, Registration No. 33-21526 May 23, 1988
4(g) to Form 33-42389	Debt Securities Registered under Rule 415 (6% Notes)	Incorporated by reference S-3, Registration No. dated August 23, 1991
4(h) to the dated S-3, dated	6% 1993 Notes due September 15, 2003 described in Prospectus Supplement dated September 8, 1993 to Form S-3 Registration under Rule 415 dated August 23, 1991	Incorporated by reference Prospectus Supplement September 8, 1993 to Form Registration No. 33-42389 August 23, 1991
	Material Contracts - Credit facility	
10(a)	Revolving Credit facility Agreement as amended and restated as of October 20, 1993.	Exhibit volume, 1993 10-K
	Material Contracts - Underwriting	
10(b)	Underwriting Agreement for Debt Securities dated October 22, 1987	Exhibit volume, 1987 10-K
	Material Contracts - Government contracts	
10(c)	Summary of Contract DAAE07-86-C-J111 with United States of America May 14, 1986	Exhibit volume, 1986 10-K
10(d)	Contract Modification dated February 3, 1988 to Contract DAAE07-86-C-J111 with United States Government	Exhibit volume, 1987 10-K
10(e)	Novation agreement, ARVECO, Inc., and Harsco Corporation and United States of America Contract	Exhibit volume, 1986 10-K

Material Contracts - Management Contracts and Compensatory Plans

10(f)	Harsco Corporation Incentive Plan as amended March 18, 1992	Exhibit volume, 1992 10-K
10(g)	Harsco Corporation Supplemental Retirement Benefit Program as amended	Exhibit volume, 1991 10-K
10(h)	Trust Agreement between Harsco Corporation and Dauphin Deposit Bank and Trust Company dated July 1, 1987 relating to the Supplemental Retirement Benefit Plan	Exhibit volume, 1987 10-K
10(i)	Harsco Corporation Supplemental Executive Retirement Plan as amended	Exhibit volume, 1991 10-K
10(j)	Trust Agreement between Harsco Corporation and Dauphin Deposit Bank and Trust Company dated November 22, 1988 relating to the Supplemental Executive Retirement Plan	Exhibit volume, 1988 10-K
10(k)	1986 Stock Option Plan as amended	Exhibit volume, 1990 10-K
	Employment Agreements -	
10(l)	M. W. Gambill	Exhibit volume, 1989 10-K
10(l)	same as	Uniform agreement, the shown for J. J. Burdge
10(l)	D. C. Hathaway	Exhibit volume, 1989 10-K
10(l)	same as	Uniform agreement, the shown for J. J. Burdge
10(l)	L. A. Campanaro	Exhibit volume, 1989
10-K		Uniform agreement, the
10(l)	same as	shown for J. J. Burdge
10(l)	W. D. Etzweiler	Exhibit volume, 1989
10-K		Uniform agreement, the
10(l)	same as	shown for J. J. Burdge
10(l)	B. W. Taussig	Exhibit volume, 1989 10-K
10(l)	same as	Uniform agreement, the shown for J. J. Burdge
	Retirement Agreements -	
10(m)	Special Supplemental Retirement Benefit Agreement and Amendment for J. J. Burdge	Exhibit volume, 1988 10-K
10(n)	Special Supplemental Retirement Benefit Agreement for D. C. Hathaway	Exhibit Volume, 1988 10-K
10(n)	Retirement and Consulting Agreement for M. W. Gambill	Exhibit Volume, 1993 10-K
10(n)	Special Supplemental Retirement Benefit Agreement for B. W. Taussig	Exhibit volume, 1993 10-K
	Director Indemnity Agreements -	
10(o)	J. J. Burdge	Exhibit volume, 1989 10-K Uniform agreement, same as shown for J. J. Burdge
10(o)	M. W. Gambill	Exhibit volume, 1989 10-K Uniform agreement, same as shown for J. J. Burdge
10(o)	F. E. Masland, III	Exhibit volume, 1989 10-K Uniform agreement, same as shown for J. J. Burdge
10(o)	R. F. Nation	Exhibit volume, 1989 10-K Uniform agreement, same as shown for J. J. Burdge
10(o)	D. C. Smith, Jr.	Exhibit volume, 1989 10-K Uniform agreement, same as shown for J. J. Burdge

10 (o)	A. J. Sordoni, III	Exhibit volume, 1989 10-K Uniform agreement, same as shown for J. J. Burdge
10 (o)	R. C. Wilburn	Exhibit volume, 1989 10-K Uniform agreement, same as shown for J. J. Burdge
10 (o)	R. L. Kirk	Exhibit volume, 1989 10-K Uniform agreement, same as shown for J. J. Burdge
10 (o)	N. H. Prater	Exhibit volume, 1989 10-K Uniform agreement, same as shown for J. J. Burdge
10 (o)	D. C. Hathaway	Exhibit volume, 1989 10-K Uniform agreement, same as shown for J. J. Burdge
10 (o)	R. C. Smith	Exhibit volume, 1989 10-K Uniform agreement, same as shown for J. J. Burdge
10 (o)	J. E. Marley	Exhibit volume, 1989 10-K Uniform agreement, same as shown for J. J. Burdge
10 (p)	Harsco Corporation Directors Retirement Plan	Exhibit volume, 1990 10-K
10 (q)	Stock Option Agreement with M. W. Gambill dated April 22, 1991 awarded in lieu of increase in cash salary compensation upon promotion to Chairman and Chief Executive Officer	Exhibit volume, 1991 10-K
10 (r)	Stock Option Agreement with M. W. Gambill dated April 27, 1992 awarded in lieu of increase in cash salary compensation	Exhibit volume, 1992 10-K
10 (s)	Stock Option Agreement with M. W. Gambill dated April 26, 1993 awarded in lieu of increase in cash salary compensation	Exhibit volume 1993 10-K
11	Computation of Fully Diluted Net Income per Common Share	Exhibit volume, 1993 10-K
12	Computation of ratios of earnings to fixed charges	Exhibit volume, 1993 10-K
13	Annual report to shareholders	Exhibit volume, 1993 10-K
21	Subsidiaries of the registrant	Exhibit volume, 1993 10-K
23	Consent of Independent Accountants	Exhibit volume, 1993 10-K
99	Additional exhibits	
	- Undertakings of Harsco	Incorporated by reference
to	relating to registration	Exhibit 28, Form 10-K for
the	statement on Form S-16	year ended December 31,
1982	(Reg. No. 2-58121)	
	- Undertakings of Harsco	Incorporated by reference
to	relating to registration	Exhibit 28, Form 10-K for
the	statement on Form S-8	year ended December 31,
1982	(Reg. No. 2-57876)	
	- Undertakings of Harsco	Incorporated by reference
to	relating to registration	Form S-8, Registration
No.	statement on Form S-8	33-14064, dated May 6,
1987	(Reg. No. 33-14064)	
	- Undertakings of Harsco	Incorporated by reference
to	relating to registration	Form S-3, Registration
No.	statement on Form S-3	2-97504 dated May 29,
1985	(Reg. No. 2-97504)	

to No. 1988	- Undertakings of Harsco relating to registration statement on Form S-3 (Reg. No. 33-21526)	Incorporated by reference Form S-3, Registration 33-21526 dated May 23,
to No. 23, 1991	- Undertakings of Harsco relating to registration statement on Form S-3 (Reg. No. 33-42389)	Incorporated by reference Form S-3, Registration 33-42389, dated August
	- Undertakings of Harsco with respect to indemnification of directors, officers or persons controlling Harsco incorporated by reference into registration statements on Form S-8, Registration File Numbers 2-57876, 33-5300, 33-14064 and 33-24854	Exhibit volume, 1990 10-K

Exhibits other than those listed above are omitted for the reason that they are either not applicable or not material.

The foregoing Exhibits are available from the Secretary of the Company upon receipt of a fee of \$10 to cover the Company's reasonable cost of providing copies of such Exhibits.

(b) The Company filed a Report on Form 8-K dated January 8, 1993 reporting that the Company had received the decision of The Armed Services Board of Contract Appeals in case ASBCA No. 36805 concerning the Company's claim for reimbursement of after-imposed Retail Federal Excise Tax paid on sales to the United States Government of certain five-ton trucks under a 1986 contract. The decision holds that, as a result of the extension of the Federal Excise Tax law beyond its original October 1, 1988 expiration date, Harsco is entitled to payment of a price adjustment to the contract to reimburse Federal Excise Tax paid on vehicles to be delivered after October 1, 1988.

The Company filed a Report on Form 8-K dated July 8, 1993 reporting that the Company had signed a definitive purchase agreement with the shareholders representing the majority of the shares of MultiServ International, N.V. for the acquisition of all of the outstanding capital stock of MultiServ International, N.V.

The Company filed a Report on Form 8-K dated August 31, 1993 reporting that the Company had acquired all of the outstanding capital stock of MultiServ International, N.V.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

HARSCO CORPORATION

Date	March 18, 1994	By /s/ Leonard A. Campanaro Leonard A. Campanaro Senior Vice President-Finance
and		Chief Financial Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

SIGNATURE	CAPACITY	DATE
(Malcolm W. Gambill)	Chairman	
(Derek C. Hathaway)	President & Chief Executive Officer	
(Leonard A. Campanaro)	Senior Vice President-Finance and Chief Financial Officer (Principal Financial Officer)	
(Salvatore D. Fazzolari)	Vice President and Controller (Principal Accounting Officer)	
(Jeffrey J. Burdge)	Director	
(Robert L. Kirk)	Director	
	Director	

(James E. Marley)

Director

(Frank E. Masland III)

Director

(Robert F. Nation)

Director

(Nilon H. Prater)

Director

(DeWitt C. Smith, Jr.)

Director

(Roy C. Smith)

Director

(Andrew J. Sordoni III)

Director

(Dr. Robert C. Wilburn)

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

HARSCO CORPORATION

Date March 18, 1994
Campanaro

By /S/ Leonard A.

Leonard A. Campanaro
Senior Vice

President-Finance and

Chief Financial Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

SIGNATURE	CAPACITY	DATE
/S/ Malcolm W. Gambill 23, 1994 (Malcolm W. Gambill)	Chairman	March
/S/ Derek C. Hathaway 24, 1994 (Derek C. Hathaway)	President & Chief Executive Officer	March
/S/ Leonard A. Campanaro 24, 1994 (Leonard A. Campanaro)	Senior Vice President-Finance and Chief Financial Officer (Principal Financial Officer)	March
/S/ Salvatore D. Fazzolari 25, 1994 (Salvatore D. Fazzolari)	Vice President and Controller (Principal Accounting Officer)	March
/S/ Jeffrey J. Burdge 18, 1994 (Jeffrey J. Burdge)	Director	March
/S/ Robert L. Kirk 18, 1994 (Robert L. Kirk)	Director	March
/S/ James E. Marley 18, 1994 (James E. Marley)	Director	March
/S/ Frank E. Masland III 18, 1994 (Frank E. Masland III)	Director	March
/S/ Robert F. Nation 18, 1994 (Robert F. Nation)	Director	March
/S/ Nilon H. Prater 18, 1994 (Nilon H. Prater)	Director	March
/S/ DeWitt C. Smith, Jr. 18, 1994 (DeWitt C. Smith, Jr.)	Director	March
/S/ Roy C. Smith 18, 1994 (Roy C. Smith)	Director	March
/S/ Andrew J. Sordoni III 18, 1994 (Andrew J. Sordoni III)	Director	March

REPORT OF INDEPENDENT ACCOUNTANTS

To the Shareholders of
 Harsco Corporation

Our report on the consolidated financial statements of Harsco Corporation and subsidiary companies, which includes explanatory paragraphs regarding (i) uncertainties concerning the Company's involvement in various disputes regarding Federal Excise Tax and other contract matters primarily relating to the five-ton truck contract and the ultimate outcome of the Company's claims against the Government relating to certain contracts and (ii) changes in the Company's method of accounting for income taxes and postretirement benefits other than pensions, has been incorporated by reference in this Form 10-K from page 56 of the 1993 Annual Report to Shareholders of Harsco Corporation. In connection with our audits of such consolidated financial statements, we have also audited the related consolidated financial statement schedules listed in the index (Item 14(a) 2.) on page 20 of this Form 10-K.

In our opinion, the consolidated financial statement schedules referred to above, when considered in relation to the basic consolidated financial statements taken as a whole, present fairly, in all material respects, the information required to be included therein.

COOPERS & LYBRAND

Philadelphia, Pennsylvania
 February 1, 1994, except
 as to the first and third
 paragraphs of Note 10, for
 which the dates are February
 25, 1994 and March 4, 1994,
 respectively.

SCHEDULE V. PROPERTY, PLANT AND EQUIPMENT
 (dollars in thousands)

CLASSIFICATION	COLUMN A	COLUMN B	COLUMN C	COLUMN D	COLUMN E	COLUMN F
		Balance at Beginning of Period	Additions, at Cost Ordinary Acquisitions	Retirements	Changes Due to Currency Translation Adjustments	Balance at End of Period
For the year 1993:						
Land		\$ 11,232	\$ 335	\$ 902	\$ (289)	\$ 12,648
Bldgs. & Improvements		138,175	4,344	14,166	(1,372)	157,528
Machinery and equipment		653,928	61,410	175,776	23,969	857,941
Uncompleted construction		12,040	17,306	11,397	7,774	32,612
		<u>\$815,375</u>	<u>\$83,395</u>	<u>\$202,241</u>	<u>\$10,200</u>	<u>\$1,060,729</u>

Machinery and equipment additions reflect expenditures for expansion, replacement and modernization relating principally to the operating group, Industrial Services and Building Products. Includes three acquisitions of plant, property and equipment, primarily in the Industrial Services and Building Products Group for MultiServ International, N.V.

NOTE: For domestic and foreign facilities, property, plant and equipment is depreciated over the estimated useful lives of the assets using principally the straight-line method. The estimated useful lives of various classes of assets are as follows:

Buildings, general	10-50 years	10-50 years
Certain plant buildings and installations	5-20 years	5-25 years
Machinery and equipment	3-25 years	3-25 years
Aircraft and automotive equipment	3-10 years	3-10 years
Furniture and fixtures	5-15 years	5-15 years

SCHEDULE V. PROPERTY, PLANT AND EQUIPMENT
(dollars in thousands)

COLUMN A	COLUMN B	COLUMN C		COLUMN D	COLUMN E	COLUMN F
Classification	Balance at Beginning of Period	Ordinary	Additions, at Cost Acquisitions	Retirements	Changes Due to Currency Translation Adjustments	Balance at End of Period
For the year 1992:						
Land	\$ 11,296	\$ 197	\$ 1,160	\$ 1,281	\$ (140)	\$ 11,232
Bldgs. and improvements	135,873	9,102	4,370	10,609	(561)	138,175
Machinery and equipment	668,322	41,744	12,092	54,598	(13,632)	653,928
Uncompleted construction	20,489	(8,323)	-	103	(23)	12,040
	<u>\$835,980</u>	<u>\$42,720</u>	<u>\$17,622</u>	<u>\$66,591</u>	<u>\$(14,356)</u>	<u>\$815,375</u>

Machinery and equipment additions reflect expenditures for expansion, replacement and modernization relating principally to the operating group, Industrial Services and Building Products. Includes the disposition of certain businesses associated with two product classes (plastic products and hydraulic tool products) amounting to \$34,542,000. Relates to acquisition of Tamper business of Cannon, Inc.

SCHEDULE V. PROPERTY, PLANT AND EQUIPMENT
(dollars in thousands)

COLUMN A	COLUMN B	COLUMN C		COLUMN D	COLUMN E	COLUMN F
Classification	Balance at Beginning of Period	Ordinary	Additions, at Cost Acquisitions	Retirements	Changes Due to Currency Translation Adjustments	Balance at End of Period
For the year 1991:						
Land	\$ 10,532	\$ 711	\$ 141	\$ 47	\$ (41)	\$ 11,296
Bldgs. and improvements	130,964	6,270	848	2,028	(181)	135,873
Machinery and equipment	645,761	48,783	1,915	28,054	(83)	668,322
Uncompleted construction	23,467	(1,918)	-	1,079	19	20,489
	<u>\$810,724</u>	<u>\$53,846</u>	<u>\$2,904</u>	<u>\$31,208</u>	<u>\$(286)</u>	<u>\$835,980</u>

Machinery and equipment additions reflect expenditures for expansion, replacement and modernization relating principally to the operating group, Industrial Services and Building Products. Machinery and equipment retirements related principally to the operating group, Industrial Services and Building Products.

SCHEDULE VI. ACCUMULATED DEPRECIATION OF PROPERTY, PLANT AND EQUIPMENT
(dollars in thousands)

COLUMN A	COLUMN B	COLUMN C		COLUMN D	COLUMN E	COLUMN F
	Balance at	Charged	Additions Charged		Changes due to Currency	Balance at

Description	Beginning of Period	to Cost & Expenses	to Other Expenses	Acquisitions	Retirements	Translation Adjustments, Etc.	End of Period
For the year 1993:							
Bldgs. and improvements	\$ 68,033	\$ 7,806	\$ (208)	\$ -	\$ 522	\$ (141)	\$ 74,968
Machinery and equipment	468,656	61,752	(2,959)	-	26,863	(6,480)	494,106
	<u>\$536,689</u>	<u>\$69,558</u>	<u>\$(3,167)</u>	<u>\$ -</u>	<u>\$27,385</u>	<u>\$(6,621)</u>	<u>\$569,074</u>
For the year 1992:							
Bldgs. and improvements	\$ 66,004	\$ 8,714	\$ 85	\$ -	\$ 6,721	\$ (49)	\$ 68,033
Machinery and equipment	473,403	48,350	1,465	1,109	45,397	(10,274)	468,656
	<u>\$539,407</u>	<u>\$57,064</u>	<u>\$ 1,550</u>	<u>\$1,109</u>	<u>\$52,118</u>	<u>\$(10,323)</u>	<u>\$536,689</u>
For the year 1991:							
Bldgs. and improvements	\$ 60,776	\$ 6,554	\$ 208	\$ -	\$ 1,508	\$ (26)	\$ 66,004
Machinery and equipment	449,224	51,110	273	-	27,046	(158)	473,403
	<u>\$510,000</u>	<u>\$57,664</u>	<u>\$ 481</u>	<u>\$ -</u>	<u>\$28,554</u>	<u>\$(184)</u>	<u>\$539,407</u>

Provision (Income) for facility discontinuances or disposals.

Reserves of companies acquired during the year. See note on Schedule V

related to the addition of property, plant and equipment through acquisitions.

Includes the disposition of certain businesses associated with two product

classes (plastic products and hydraulic tool products) amounting to \$22,333,000.

Machinery and equipment retirements related principally to the operating group, Industrial Services and Building Products.

SCHEDULE VIII. VALUATION AND QUALIFYING ACCOUNTS
(dollars in thousands)

Description	COLUMN A	COLUMN B Balance at Beginning of Period	COLUMN C Additions Charged to Cost and Expenses	COLUMN D Deductions		COLUMN E Balance at End of Period
				Due to Currency Translation Adjustments	Other	
For the year 1993:						
Deducted from Receivables: Uncollectible accounts		\$10,244	\$ 2,761	\$ (7)	\$ (467)	\$13,479
		<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Deducted from Inventories: Inventory valuations		\$ 8,708	\$ 6,682	\$ 61	\$6,116	\$ 9,213
		<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
For the year 1992:						
Deducted from Receivables: Uncollectible accounts		\$13,489	\$ 2,914	\$ 171	\$5,988	\$10,244
		<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Deducted from Inventories: Inventory valuations		\$12,844	\$(2,217)	\$ 146	\$1,773	\$ 8,708
		<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
For the year 1991:						
Deducted from Receivables: Uncollectible accounts		\$13,578	\$2,935	\$ 16	\$3,008	\$13,489
		<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Deducted from Inventories: Inventory valuations		\$11,940	\$3,330	\$ 4	\$2,422	\$12,844
		<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Amounts charged to valuation account during the year.

SCHEDULE IX. SHORT-TERM BORROWINGS
(dollars in thousands)

COLUMN A	COLUMN B	COLUMN C	COLUMN D	COLUMN E	COLUMN F
Category of Aggregate Short-Term Borrowings	Balance at End of Period	Weighted Average Interest Rate at 12/31	Maximum Amount Outstanding During the Period	Average Amount Outstanding During the Period	Weighted Average Interest Rate During the Period
For the year 1993: Payable to banks	\$51,884	4.9%	\$51,998	\$21,732	8.1%
For the year 1992: Payable to banks	\$10,564	9.3%	\$16,361	\$13,140	12.1%
For the year 1991: Payable to banks	\$18,274	10.4%	\$39,231	\$25,099	11.4%

Includes \$21,884 of foreign bank overdrafts at various interest rates payable upon demand and \$30,000 revolving credit facility at 3.57%, variable.

Includes \$10,564 of foreign bank overdrafts at various interest rates payable upon demand.

Includes \$18,274 of foreign bank overdrafts at various interest rates payable upon demand.

Calculated on the basis of the aggregate maximum amount outstanding at any month-end during the year.

Calculated on the basis of the average balance of borrowings outstanding at each month-end.

Actual interest cost divided by average debt amount.

SCHEDULE X. SUPPLEMENTARY INCOME STATEMENT INFORMATION (dollars in thousands)

COLUMN A Item	COLUMN B Charged to Costs and Expenses		
	1993	1992	1991
Maintenance and repairs	\$55,947	\$47,670	\$47,826

AMENDED AND RESTATED CREDIT AGREEMENT

Dated as of August 24, 1993

Amended and Restated as of October 20, 1993

THE CHASE MANHATTAN BANK
(NATIONAL ASSOCIATION),
as Agent

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AMENDED AND RESTATED CREDIT AGREEMENT dated as of August 24, 1993, amended and restated as of October 20, 1993, between: HARSCO CORPORATION, a corporation duly organized and validly existing under the laws of the State of Delaware (the Company"); each of the lenders that is a signatory hereto identified under the caption "BANKS" on the signature pages hereto or that, pursuant to Section 12.06(b) hereof, shall become a "Bank" hereunder (individually, a "Bank" and, collectively, the "Banks"); and THE CHASE MANHATTAN BANK (NATIONAL ASSOCIATION), a national banking association, as agent for the Banks (in such capacity, together with its successors in such capacity, the "Agent").

The Company, Chase as the sole lender party thereto and the Agent are party to a Credit Agreement dated as of August 24, 1993 (as modified and supplemented and in effect immediately prior to the Amendment Effective Date referred to below, the "Original Credit Agreement") providing (i) a term loan facility of \$300,000,000, of which \$250,000,000 was borrowed on the Closing Date and \$102,000,000 remains outstanding on the Restatement Date (the "Existing Term Loan") and (ii) a short term revolving credit facility of \$150,000,000, which on the Restatement Date remains undrawn (the "Existing Revolving Credit Facility"). The proceeds of the Existing Term Loan were used to purchase the shares of MultiServ International N.V. ("MSI"), to repay certain indebtedness of MSI and its subsidiaries and to pay related costs and expenses.

The Company wishes to (i) increase the Existing Term Loan up to \$150,000,000, (ii) eliminate the amortization of the Existing Term Loan, (iii) be able to denominate the Existing Term Loan in other currencies in addition to Dollars and (iv) to make the Existing Term Loan and the Existing Revolving Credit Facility also available to

designated subsidiaries of the Company; and Chase wishes to syndicate the Existing Term Loan and the Existing Revolving Credit Facility. Accordingly, the Company has requested that the Banks and the Agent agree to amend and restate the Original Credit Agreement, and the Banks and the Agent are willing to amend and restate the Original Credit Agreement, all on the terms and conditions hereinafter set forth so that, as amended and restated, the Original Credit Agreement reads in its entirety as provided herein.

Section 1. Definitions and Accounting Matters.

1.01 Certain Defined Terms. As used herein, the following terms shall have the following meanings (all terms defined in this Section 1.01 or in other provisions of this Agreement in the singular to have the same meanings when used in the plural and vice versa):

"Affiliate" shall mean any Person that directly or indirectly controls, or is under common control with, or is controlled by, the Company and, if such Person is an individual, any member of the immediate family (including parents, spouse, children and siblings) of such individual and any trust whose principal beneficiary is such individual or one or more members of such immediate family and any Person who is controlled by any such member or trust. As used in this definition, "control" (including, with its correlative meanings, "controlled by" and "under common control with") shall mean possession, directly or indirectly, of power to direct or cause the direction of management or policies (whether through ownership of securities or partnership or other ownership interests, by contract or otherwise), provided that, in any event, any Person that owns directly or indirectly securities having 5% or more of the voting power for the election of directors or other governing body of a corporation or 5% or more of the partnership or other ownership interests of any other Person (other than as a limited partner of such other Person) will be deemed to control such corporation or other Person. Notwithstanding the foregoing, (a) no individual shall be an Affiliate solely by reason of his or her being a director, officer or employee of the Company or any of its Subsidiaries and (b) none of the Subsidiaries of the Company shall be Affiliates.

"Agent's Account" shall mean (a) in respect of (i) Dollars, account number NYAO-DI-900-9-000002 maintained by the Agent with Chase at the Principal Office, (ii) Belgian Francs, account number 550877160077 maintained by Chase with Banque Paribas Belgique S.A. at World Trade Center Blvd., Emile Jacomain 162 BTE 2, 1210 Brussels, Belgium, (iii) French Francs, account number 001014421280 maintained by Chase with Societe Generale at 29 Boulevard Haussmann, 75009 Paris, France, (iv) Deutschemarks, account number 400887330900 maintained by Chase with Commerzbank, A.G., Neue Mainzer Strasse 32-36, 60311 Frankfurt am Main 1, Germany, and (v) Pounds Sterling, account number 440/00/04403657 maintained by Chase with National Westminster Bank PLC at National Westminster Tower, 25 Old Broad Street, London EC2, England or (b) any other account in respect of any such Currency as the Agent shall designate in a notice to the Company and the Banks.

"Alternative Currency" shall mean at any time any of Belgian Francs, French Francs, Deutschemarks and Pounds Sterling, so long as at such time, (i) such Currency is dealt with in the London interbank deposit market, (ii) such Currency is freely transferable and convertible into Dollars in the London foreign exchange market and (iii) no central bank or other governmental authorization in the country of issue of such Currency is required to permit use of such Currency by any Bank for making any Loan hereunder and/or to permit the relevant Borrower to borrow and repay the principal thereof and to pay the interest thereon, unless such authorization has been obtained.

"Amendment Effective Date" shall mean the date on which all of the conditions set forth in Section 7.01 hereof shall have been satisfied or waived by the Banks and the Agent.

"Applicable Lending Office" shall mean, for each Bank and for each Type and Currency of Loan, the "Lending Office" of such Bank (or of an affiliate of such Bank) designated for such Type and Currency of Loan on the signature pages hereof or such other office of such Bank (or of an affiliate of such Bank) as such Bank may from time to time specify to the Agent and the Company as the office by which its Loans of such Type and Currency are to be made and maintained.

"Applicable Margin" shall mean: (a) with respect to Base Rate Loans, 0% per annum; (b) with respect to LIBOR Loans that are Revolving Credit Loans, the rate for each rating level period set forth in the schedule below under the caption "Revolving Credit Loans"; and (c) with respect to LIBOR Loans that are Eurocurrency Loans, the rate for each rating level period set forth in the schedule below under the caption "Eurocurrency Loans":

Rating Loans	LIBOR Loans	
	Revolving Credit Loans	Eurocurrency
Level I Period	0.3125%	0.4125%
Level II Period	0.4375%	0.5000%
Level III Period	0.5000%	0.5625%

Any change in the Applicable Margin for any Class of LIBOR Loans by reason of a change in the Standard & Poor's Rating or the Moody's Rating shall become effective on the date of announcement or publication by the respective rating agencies of a change in such rating or, in the absence of such announcement or publication, on the effective date of such changed rating.

"Approved Borrower" shall mean any Wholly Owned Subsidiary of the Company as to which a Designation Letter has been delivered to the Agent and as to which a Termination Letter shall not have been delivered to the Agent, which Subsidiary has been approved as a borrower hereunder by all of the Banks, all in accordance with Section 2.10 hereof.

"Bankruptcy Code" shall mean the Federal Bankruptcy Code of 1978, as amended from time to time.

"Base Rate" shall mean, for any day, a rate per annum equal to the higher of (a) the Federal Funds Rate for such day plus 1/2 of 1% and (b) the Prime Rate for such day. Each change in any interest rate provided for herein based upon the Base Rate resulting from a change in the Base Rate shall take effect at the time of such change in the Base Rate.

"Base Rate Loans" shall mean Syndicated Loans that bear interest at rates based upon the Base Rate.

"Belgian Francs" shall mean lawful money of the Kingdom of Belgium.

"BMY Joint Venture" shall have the meaning assigned to such term in Section 9.05(d) hereof.

"Borrowers" shall mean the Company and each Approved Borrower.

"Business Day" shall mean (a) any day on which commercial banks are not authorized or required to close in New York City and (b) if such day relates to the giving of notices or quotes in connection with a LIBOR Auction or to a borrowing of, a payment or prepayment of principal of or interest on, or an Interest Period for, a LIBOR Loan or a LIBOR Market Loan or a notice by the Company with respect to any such borrowing, payment, prepayment or Interest Period, any day on which dealings in deposits are carried out in the London interbank market and (c) if such day relates to a borrowing of, a payment or prepayment of principal of or interest on, or an Interest Period for, any Eurocurrency Loan denominated in an Alternative Currency, or a notice by the Company with respect to any such borrowing, payment, prepayment or Interest period, any day on which foreign exchange trading is carried out in the London interbank market and on which banks are open in the place of payment in the country in whose Currency such Eurocurrency Loan is denominated.

"Capitol Lease Obligations" shall mean, for any Person, all obligations of such Person to pay rent or other amounts under a lease of (or other agreement conveying the right to use) Property to the extent such obligations are required to be classified and accounted for as a capital lease on a balance sheet of such Person under GAAP, and, for purposes of this Agreement, the amount of such obligations shall be the capitalized amount thereof, determined in accordance with GAAP.

"Chase" shall mean The Chase Manhattan Bank (National Association).

"Class" shall have the meaning assigned to such term in Section 1.03 hereof.

"Closing Date" shall mean August 30, 1993, the date upon which the initial Loan was made hereunder.

"Code" shall mean the Internal Revenue Code of 1986, as amended from time to time.

"Commitments" shall mean the Revolving Credit Commitments and the Eurocurrency Commitments.

"Convert", "Conversion" and "Converted" shall refer to a conversion pursuant to Section 5.04 hereof of one Type of Loan into another Type of Loan, which may be accompanied by the transfer by a Bank (at its sole discretion) of a Loan from one Applicable Lending Office to another.

"Currency" shall mean Dollars or any Alternative Currency.

"Date of this Agreement" and "date hereof" shall mean August 24, 1993.

"Default" shall mean an Event of Default or an event that with notice or lapse of time or both would become an Event of Default.

"Deutschemarks" shall mean lawful money of the Federal Republic of Germany.

"Disposition" shall mean any sale, assignment, transfer or other disposition of any Property (whether now owned or hereafter acquired) by the Company or any of its Subsidiaries to any other Person excluding any sale, assignment, transfer or other disposition of any Property sold or disposed of in the ordinary course of business and on ordinary

business terms. The terms "Dispose" and "Disposed" used as a verb shall have a correlative meaning.

"Dollar Equivalent" shall mean, with respect to any Eurocurrency Loan denominated in an Alternative Currency as at any date of determination thereof, the amount of Dollars that would be required to purchase the amount of the Alternative Currency of such Loan on the date two Business Days prior to the date of such Loan, based upon the arithmetic mean (rounded upwards, if necessary, to the nearest 1/100 of 1%), as determined by the Agent, of the spot selling rate at which the Reference Banks offer to sell such Alternative Currency for Dollars in the London foreign exchange market at approximately 11:00 a.m. London time for delivery on the date of such Loan.

"Dollars" and "\$" shall mean lawful money of the United States of America.

"Domestic Subsidiary" shall mean any Subsidiary organized or incorporated under the law of one of the States of the United States of America, the laws of the District of Columbia or the Federal laws of the United States of America.

"Environmental Claim" shall mean, with respect to any Person, any written or oral notice, claim, demand or other communication (collectively, a "claim") by any other Person alleging or asserting such Person's liability for investigatory costs, cleanup costs, governmental response costs, damages to natural resources or other Property, personal injuries, fines or penalties arising out of, based on or resulting from (i) the presence, or Release into the environment, of any Hazardous Material at any location, whether or not owned by such Person, or (ii) circumstances forming the basis of any violation, or alleged violation, of any Environmental Law. The term "Environmental Claim" shall include, without limitation, any claim by any governmental authority for enforcement, cleanup, removal, response, remedial or other actions or damages pursuant to any applicable Environmental Law, and any claim by any third party seeking damages, contribution, indemnification, cost recovery, compensation or injunctive relief resulting from the presence of Hazardous Materials or arising from alleged injury or threat of injury to health, safety or the environment.

"Environmental Laws" shall mean any and all present and future Federal, state, local and foreign laws, rules or regulations, and any orders or decrees, in each case as now or hereafter in effect, relating to the regulation or protection of human health, safety or the environment or to emissions, discharges, releases or threatened releases of pollutants, contaminants, chemicals or toxic or hazardous substances or wastes into the indoor or outdoor environment, including, without limitation, ambient air, soil, surface water, ground water, wetlands, land or subsurface strata, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of pollutants, contaminants, chemicals or toxic or hazardous substances or wastes.

"Equity Rights" shall mean, with respect to any Person, any subscriptions, options, warrants, commitments, preemptive rights or agreements of any kind (including, without limitation, any stockholders, or voting trust agreements) for the issuance, sale, registration or voting of, or securities convertible into, any additional shares of capital stock of any class, or partnership or other ownership interests of any type in, such Person.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended from time to time.

"ERISA Affiliate" shall mean any corporation or trade or business that is a member of any group of organizations (i) described in Section 414(b) or (c) of the Code of which the Company is a member and (ii) solely for purposes of potential liability under Section 302(c)(11) of ERISA and Section 412(c)(11) of the Code and the lien created under Section 302(f) of ERISA and Section 412(n) of the Code, described in Section 414(m) or (o) of the Code of which the Company is a member.

"Eurocurrency Banks" shall mean Banks having Eurocurrency Commitments and/or holding Eurocurrency Loans.

"Eurocurrency Commitment" shall mean, for each Eurocurrency Bank, the obligation of such Bank to make Eurocurrency Loans in an aggregate amount at any one time outstanding up to but not exceeding (a) in the case of a Eurocurrency Bank that is a party to this Agreement as of the Restatement Date, the amount set opposite the name of such Bank on the signature pages hereof under the caption "Eurocurrency Commitment" and (b) in the case of any other Eurocurrency Bank, the aggregate amount of the Eurocurrency Commitment(s) of other Bank(s) acquired by it pursuant to Section 12.06(b) hereof (in each case, as the same may be increased or reduced from time to time pursuant to said Section 12.06(b)). The original aggregate principal amount of the Eurocurrency Commitments is \$150,000,000.

"Eurocurrency Commitment Termination Date" shall mean the last Business Day in September, 1998.

"Eurocurrency Loans" shall mean the Syndicated Loans provided for by Section 2.01(b) hereof, which may be Base Rate Loans and/or LIBOR Loans.

"Eurocurrency Notes" shall mean the promissory notes provided for by

Section 2.08(b) hereof and all promissory notes delivered in substitution or exchange therefor, in each case as the same shall be modified and supplemented and in effect from time to time.

"Event of Default" shall have the meaning assigned to such term in Section 10 hereof.

"Federal Funds Rate" shall mean, for any day, the rate per annum (rounded upwards, if necessary, to the nearest 1/100 of 1%) equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers on such day, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day, provided that (a) if the day for which such rate is to be determined is not a Business Day, the Federal Funds Rate for such day shall be such rate on such transactions on the immediately preceding Business Day as so published on the next succeeding Business Day and (b) if such rate is not so published for any Business Day, the Federal Funds Rate for such Business Day shall be the average rate charged to Chase on such Business Day on such transactions as determined by the Agent.

"French Francs" shall mean lawful money of the Republic of France.

"GAAP" shall mean generally accepted accounting principles applied on a basis consistent with those that, in accordance with the last sentence of Section 1.02(a) hereof, are to be used in making the calculations for purposes of determining compliance with this Agreement.

"Guarantee" shall mean a guarantee, an endorsement, a contingent agreement to purchase or to furnish funds for the payment or maintenance of, or otherwise to be or become contingently liable under or with respect to, the Indebtedness, other obligations, net worth, working capital or earnings of any Person, or a guarantee of the payment of dividends or other distributions upon the stock or equity interests of any Person, or an agreement to purchase, sell or lease (as lessee or lessor) Property, products, materials, supplies or services primarily for the purpose of enabling a debtor to make payment of such debtor's obligations or an agreement to assure a creditor against loss, and including, without limitation, causing a bank or other financial institution to issue a letter of credit or other similar instrument for the benefit of another Person, but excluding endorsements for collection or deposit in the ordinary course of business. The terms "Guarantee" and "Guaranteed" used as a verb shall have a correlative meaning.

"Guarantor" shall mean the Company in its capacity as the guarantor under Section 6 hereof.

"Hazardous Material" shall mean, collectively, (a) any petroleum or petroleum products, flammable explosives, radioactive materials, asbestos in any form that is or could become friable, urea formaldehyde foam insulation, and transformers or other equipment that contain dielectric fluid containing polychlorinated biphenyls (PCB's), (b) any chemicals or other materials or substances that are now or hereafter become defined as or included in the definition of "hazardous substances", "hazardous wastes", "hazardous materials", "extremely hazardous wastes", "restricted hazardous wastes", "toxic substances", "toxic pollutants", "contaminants", "pollutants" or words of similar import under any Environmental Law and (c) any other chemical or other material or substance, exposure to which is now or hereafter prohibited, limited or regulated under any Environmental Law.

"Indebtedness" shall mean, for any Person: (a) obligations created, issued or incurred by such Person for borrowed money (whether by loan, the issuance and sale of debt securities or the sale of Property to another Person subject to an understanding or agreement, contingent or otherwise, to repurchase such Property from such Person); (b) obligations of such Person to pay the deferred purchase or acquisition price of Property or services, other than trade accounts payable (other than for borrowed money) arising, and accrued expenses incurred, in the ordinary course of business so long as such trade accounts payable are payable within 180 days of the date the respective goods are delivered or the respective services are rendered; (c) Indebtedness of others secured by a Lien on the Property of such Person, whether or not the respective indebtedness so secured has been assumed by such Person; (d) obligations of such Person in respect of letters of credit, bankers' acceptances or similar instruments issued or accepted by banks and other financial institutions for account of such Person; (e) Capital Lease Obligations of such Person; and (f) Indebtedness of others Guaranteed by such Person.

"Interest Coverage Ratio" shall mean, for any period, the ratio of (a) Net Operating Income for such period to (b) Interest Expense for such period.

"Interest Expense" shall mean, for any period, the sum, for the Company and its Subsidiaries (determined on a consolidated basis without duplication in accordance with GAAP), of the following: (a) all interest in respect of Indebtedness (including, without limitation, the interest component of any payments in respect of Capital Lease Obligations) accrued or capitalized during such period (whether or not actually paid during such period) plus (b) the net amount payable (or minus the net amount receivable) under Interest Rate Protection Agreements during such period (whether or not actually paid or received during such period).

"Interest Period" shall mean:

(a) with respect to any LIBOR Loan, each period commencing on the date such LIBOR Loan is made and ending on the numerically corresponding day in the first, second, third or sixth calendar month thereafter, as the Company (on its own behalf and on behalf of any other Borrower) may select as provided in Section 4.05 hereof, except that each Interest Period that commences on the last Business Day of a calendar month (or on any day for which there is no numerically corresponding day in the appropriate subsequent calendar month) shall end on the last Business Day of the appropriate subsequent calendar month;

(b) with respect to any Base Rate Loan, the period commencing on the date such Base Rate Loan is made and ending on the Quarterly Date next succeeding such date;

(c) With respect to any Set Rate Loan, the period commencing on the date such Set Rate Loan is made and ending on any Business Day up to 180 days thereafter, as the Company (on its own behalf and on behalf of any other Borrower) may select as provided in Section 2.03(b) hereof; and

(d) With respect to any LIBOR Market Loan, the period commencing on the date such LIBOR Market Loan is made and ending on the numerically corresponding day in the first, second, third or sixth calendar month thereafter, as the Company (on its own behalf and on behalf of any other Borrower) may select as provided in Section 2.03(b) hereof, except that each Interest Period that commences on the last Business Day of a calendar month (or any day for which there is no numerically corresponding day in the appropriate subsequent calendar month) shall end on the last Business Day of the appropriate subsequent calendar month.

Notwithstanding the foregoing: (i) no Interest Period for any Money Market Loan may end after the Revolving Credit Termination Date; (ii) no Interest Period for any Revolving Credit Loan may end after the Revolving Credit Termination Date; (iii) no Interest Period for any Eurocurrency Loan may end after the Eurocurrency Commitment Termination Date; (iv) each Interest Period that would otherwise end on a day that is not a Business Day shall end on the next succeeding Business Day (or, in the case of an Interest Period for a LIBOR Loan or a LIBOR Market Loan, if such next succeeding Business Day falls in the next succeeding calendar month, on the immediately preceding Business Day); and (v) notwithstanding clauses (i), (ii) and (iii) above, no Interest Period for any LIBOR Loan or LIBOR Market Loan may have a duration of less than one month.

"Interest Rate Protection Agreement" shall mean, for any Person, an interest rate swap, cap or collar agreement or similar arrangement between such Person and one or more financial institutions providing for the transfer or mitigation of interest risks either generally or under specific contingencies.

"Investment" shall mean, for any Person: (a) the acquisition (whether for cash, Property, services or securities or otherwise) of capital stock, bonds, notes, debentures, partnership or other ownership interests or other securities of any other Person or any agreement to make any such acquisition (including, without limitation, any "short sale" or any sale of any securities at a time when such securities are not owned by the Person entering into such sale); (b) the making of any deposit with, or advance, loan or other extension of credit to, any other Person (including the purchase of Property from another Person subject to an understanding or agreement, contingent or otherwise, to resell such Property to such Person), but excluding any such advance, loan or extension of credit having a term not exceeding 180 days representing the purchase price of inventory or supplies sold by such Person in the ordinary course of business); (c) the entering into of any Guarantee of, or other contingent obligation with respect to, Indebtedness or other liability of any other Person and (without duplication) any amount committed to be advanced, lent or extended to such Person; or (d) the entering into of any Interest Rate Protection Agreement.

"Level I Period" shall mean any period during which (a) no Event of Default has occurred and is continuing, (b) the Standard & Poor's Rating is at or above A (or any successor rating) and (c) the Moody's Rating is at or above A3 (or any successor rating).

"Level II Period" shall mean any period, other than a Level I Period, during which (a) no Event of Default has occurred and is continuing, (b) the Standard & Poor's Rating is at or above BBB (or any successor rating) and (c) the Moody's Rating is at or above Baa2 (or any successor rating).

"Level III Period" shall mean any period, other than a Level I Period or a Level II Period, during which (a) no Event of Default has occurred and is continuing, (b) the Standard & Poor's Rating is at or above BBB- (or any successor rating) and (c) the Moody's Rating is at or above Baa3 (or any successor rating).

"Level IV Period" shall mean any period that is not a Level I Period, a Level II Period or a Level III Period.

"LIBO Base Rate" shall mean, with respect to any LIBOR Loan in any Currency for any Interest Period therefor, the arithmetic mean (rounded upwards, if necessary, to the nearest 1/100 of 1%), as determined by the Agent, of the rates per annum quoted by each respective Reference Bank at approximately 11:00 a.m. London time (or as soon thereafter as

practicable) on the date two Business Days prior to the first day of such Interest Period for the offering by the respective Reference Banks to leading banks in the London interbank market of deposits in such Currency having a term comparable to such Interest Period and in an amount comparable to the principal amount of the LIBOR Loan to be made by the respective Reference Banks for such Interest Period. If any Reference Bank is not participating in any LIBOR Loans during any Interest Period therefor, the LIBO Base Rate for such Loans for such Interest Period shall be determined by reference to the amount of such Loans that such Reference Bank would have made or had outstanding had it been participating in such Loan during such Interest Period; provided that in the case of any LIBOR Market Loan, the LIBO Base Rate for such Loan shall be determined with reference to deposits of \$25,000,000. If any Reference Bank does not timely furnish such information for determination of any LIBO Base Rate, the Agent shall determine such LIBO Base Rate on the basis of the information timely furnished by the remaining Reference Banks.

"LIBO Margin" shall have the meaning assigned to such term in Section 2.03(c) (ii) (C) hereof.

"LIBO Rate" shall mean, for any LIBOR Loan, a rate per annum (rounded upwards, if necessary, to the nearest 1/100 of 1%) determined by the Agent to be equal to the rate of interest specified in the definition of "LIBO Base Rate" in this Section 1.01 for the Interest Period for such Loan divided by 1 minus the Reserve Requirement (if any) for such Loan for such Interest Period.

"LIBOR Auction" shall mean a solicitation of Money Market Quotes setting forth LIBO Margins based on the LIBO Rate pursuant to Section 2.03 hereof.

"LIBOR Loans" shall mean Syndicated Loans interest rates on which are determined on the basis of LIBO Rates and, for the purposes of the definition of "LIBO Base Rate" in this Section 1.01 and in Section 5 hereof, LIBOR Market Loans.

"LIBOR Market Loans" shall mean Money Market Loans interest rates on which are determined on the basis of LIBO Rates pursuant to a LIBOR Auction.

"Lien" shall mean, with respect to any Property, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such Property. For purposes of this Agreement, a Person shall be deemed to own subject to a Lien any Property that it has acquired or holds subject to the interest of a vendor or lessor under any conditional sale agreement, capital lease or other title retention agreement (other than an operating lease) relating to such Property.

"Loans" shall mean Syndicated Loans and Money Market Loans.

"Majority Banks" shall mean Majority Revolving Credit Banks and Majority Eurocurrency Banks.

"Majority Eurocurrency Banks" shall mean Eurocurrency Banks having more than 50% of the aggregate amount of the Eurocurrency Commitments, or if the Eurocurrency Commitments shall have terminated, Banks holding more than 50% of the aggregate unpaid principal amount of the Eurocurrency Loans.

"Majority Revolving Credit Banks" shall mean Revolving Credit Banks having more than 50% of the aggregate amount of the Revolving Credit Commitments or, if the Revolving Credit Commitments shall have terminated, Banks holding more than 50% of the sum of (a) the aggregate unpaid principal amount of the Revolving Credit Loans plus (b) the aggregate unpaid principal amount of the Money Market Loans.

"Margin Stock" shall mean "margin stock" within the meaning of Regulation U and Regulation X.

"Material Adverse Effect" shall mean a material adverse effect on (a) the Property, business, operations, financial condition, prospects, liabilities or capitalization of the Company and its Subsidiaries taken as a whole, (b) the ability of the Company or any Approved Borrower to perform its obligations hereunder and under the Notes, (c) the validity or enforceability of this Agreement or of the Notes, (d) the rights and remedies of the Banks and the Agent hereunder and under the Notes or (e) the timely payment of the principal of or interest on the Loans or other amounts payable in connection therewith.

"Money Market Borrowing" shall have the meaning assigned to such term in Section 2.03(b) hereof.

"Money Market Loan Limit" shall have the meaning assigned to such term in Section 2.03(c) (ii) hereof.

"Money Market Loans" shall mean the loans provided for by Section 2.03 hereof.

"Money Market Notes" shall mean the promissory notes provided for by Section 2.08(c) hereof and all promissory notes delivered in substitution or exchange therefor, in each case as the same shall be modified and supplemented and in effect from time to time.

"Money Market Quote" shall mean an offer in accordance with Section 2.03(c) hereof by a Bank to make a Money Market Loan with one single specified interest rate.

"Money Market Quote Request" shall have the meaning assigned to such term in Section 2.03(b) hereof.

"Moody's" shall mean Moody's Investors Service, Inc. or any successor thereto.

"Moody's Rating" shall mean, at any time, the then current rating (including the failure to rate) by Moody's of the Company's senior unsecured, unguaranteed long term public debt.

"Multiemployer Plan" shall mean a multiemployer plan defined as such in Section 3(37) of ERISA to which contributions have been made by the Company or any ERISA Affiliate and that is covered by Title IV of ERISA.

"Net Income" shall mean, for any period for the Company and its Subsidiaries (determined on a consolidated basis without duplication in accordance with GAAP), net income for such period.

"Net Operating Income" shall mean, for any period for the Company and its Subsidiaries (determined on a consolidated basis without duplication in accordance with GAAP), net income (calculated before interest income and expense, equity in net income or loss of unconsolidated companies, taxes, cumulative effect(s) of accounting change(s) and extraordinary and unusual items) for such period plus, if the BMY Joint Venture is formed and the transactions referred to in Section 9.05(d) hereof are consummated, equity in net income or loss attributable to the BMY Joint Venture (to the extent not included in determining net income) for such period.

"Net Worth" shall mean, as at any date, the sum for the Company and its Subsidiaries (determined on a consolidated basis without duplication in accordance with GAAP) of the following:

- (a) the amount of common stock; plus
- (b) the amount of any preferred stock that does not have any requirement for the Company to purchase, redeem, retire or otherwise acquire the same; plus
- (c) the amount of additional paid-in capital and retained earnings (or, in the case of an additional paid-in capital or retained earnings deficit, minus the amount of such deficit); plus
- (d) cumulative translation adjustments (or, in the case of negative adjustments, minus the amount of such adjustments); plus
- (e) cumulative pension liability adjustments (or, in the case of negative adjustments, minus the amount of such adjustments); minus
- (f) the cost of treasury stock.

"Notes" shall mean the Syndicated Notes and the Money Market Notes.

"Obligors" shall mean the Borrowers and the Guarantor.

"Original Notes" shall mean the promissory notes of the Company delivered to the lenders party to the Original Credit Agreement on the Closing Date pursuant to the Original Credit Agreement.

"PBGC" shall mean the Pension Benefit Guaranty Corporation or any entity succeeding to any or all of its functions under ERISA.

"Person" shall mean any individual, corporation, company, voluntary association, partnership, joint venture, trust, unincorporated organization or government (or any agency, instrumentality or political subdivision thereof).

"Plan" shall mean an employee benefit or other plan established or maintained by the Company or any ERISA Affiliate and that is covered by Title IV of ERISA, other than a Multiemployer Plan.

"Post-Default Rate" shall mean, in respect of any principal of any Loan or any other amount under this Agreement or any Note that is not paid when due (whether at stated maturity, by acceleration, by optional prepayment or otherwise), a rate per annum during the period from and including the due date to but excluding the date on which such amount is paid in full equal to 2% plus the Base Rate as in effect from time to time plus the Applicable Margin for Base Rate Loans (provided that, if the amount so in default is principal of a LIBOR Loan or a Money Market Loan and the due date thereof is a day other than the last day of the Interest Period therefor, the "Post-Default Rate" for such principal shall be, for the period from and including such due date to but excluding the last day of such Interest Period, 2% plus the interest rate for such Loan as provided in Section 3.02 hereof and, thereafter, the rate provided for above in this definition).

"Pounds Sterling" shall mean lawful money of England.

"Prime Rate" shall mean the rate of interest from time to time announced by Chase at the Principal Office as its prime commercial lending rate.

"Principal Office" shall mean the principal office of Chase, located on the date hereof at 1 Chase Manhattan Plaza, New York, New York 10081.

"Property" shall mean any right or interest in or to property of any kind whatsoever, whether real, personal or mixed and whether tangible or intangible.

"Quarterly Dates" shall mean the last Business Day of March, June, September and December in each year, the first of which shall be the first such day after the date of this Agreement.

"Reference Banks" shall mean Canadian Imperial Bank of Commerce, Chase and Mellon Bank, N.A. (or their respective Applicable Lending Offices, as the case may be).

"Regulations A, Regulation D, Regulation U and Regulation X" shall mean Regulation A, Regulation D, Regulation U and Regulation X, respectively, of the Board of Governors of the Federal Reserve System (or any successor), as the same may be modified and supplemented and in effect from time to time.

"Regulatory Change" shall mean, with respect to any Bank, any change after the date of this Agreement in Federal, state or foreign law or regulations (including, without limitation, Regulation D) or the adoption or making after such date of any interpretation, directive or request applying to a class of banks including such Bank of or under any Federal, state or foreign law or regulations (whether or not having the force of law and whether or not failure to comply therewith would be unlawful) by any court or governmental or monetary authority charged with the interpretation or administration thereof.

"Release" shall mean any release, spill, emission, leaking, pumping, injection, deposit, disposal, discharge, dispersal, leaching or migration into the indoor or outdoor environment, including, without limitation, the movement of Hazardous Materials through ambient air, soil, surface water, ground water, wetlands, land or subsurface strata.

"Reserve Requirement" shall mean, for any Interest Period for any LIBOR Loan or LIBOR Market Loan, the average maximum rate at which reserves (including, without limitation, any marginal, supplemental or emergency reserves) are required to be maintained during such Interest Period under Regulation D by member banks of the Federal Reserve System in New York City with deposits exceeding one billion Dollars against "Eurocurrency liabilities" (as such term is used in Regulation D). Without limiting the effect of the foregoing, the Reserve Requirement shall include any other reserves required to be maintained by such member banks by reason of any Regulatory Change with respect to (i) any category of liabilities that includes deposits by reference to which the LIBO Rate for Eurocurrency Loans or LIBOR Market Loans (as the case may be) is to be determined as provided in the definition of "LIBO Base Rate" in this Section 1.01 or (ii) any category of extensions of credit or other assets that includes LIBOR Loans or LIBOR Market Loans.

"Restatement Date" shall mean October 20, 1993.

"Revolving Credit Banks" shall mean Banks having Revolving Credit Commitments and/or holding Revolving Credit Loans.

"Revolving Credit Commitment" shall mean, for each Revolving Credit Bank, the obligation of such Bank to make Revolving Credit Loans in an aggregate amount at any one time outstanding up to but not exceeding (a) in the case of a Revolving Credit Bank that is a party to this Agreement as of the Restatement Date, the amount set forth opposite the name of such Bank on the signature pages hereof under the caption "Revolving Credit Commitment" and (b) in the case of any other Revolving Credit Bank, the aggregate amount of the Revolving Credit Commitments of other Banks acquired by it pursuant to Section 12.06(b) hereof (in each case, as the same may be reduced or increased from time to time pursuant to Section 2.04 hereof or increased or reduced from time to time pursuant to said Section 12.06(b)). The original aggregate principal amount of the Revolving Credit Commitments is \$150,000,000.

"Revolving Credit Loans" shall mean the Syndicated Loans provided for by Section 2.01(a) hereof, which may be Base Rate Loans and/or LIBOR Loans.

"Revolving Credit Notes" shall mean the promissory notes provided for by Section 2.08(a) hereof, and all promissory notes delivered in substitution or exchange therefor, in each case as the same shall be modified and supplemented and in effect from time to time.

"Revolving Credit Termination Date" shall mean August 23, 1994, as the same may be extended pursuant to Section 2.11 hereof.

"Set Rate" shall have the meaning assigned to such term in Section 2.03(c) (ii) (D) hereof.

"Set Rate Auction" shall mean a solicitation of Money Market Quotes setting forth Set Rates pursuant to Section 2.03 hereof.

"Set Rate Loans" shall mean Money Market Loans the interest rates on which are determined on the basis of Set Rates pursuant to a Set Rate Auction.

"Standard & Poor's" shall mean Standard & Poor's Corporation or any successor thereto.

"Standard & Poor's Rating" shall mean, at any time, the then current rating (including the failure to rate) by Standard & Poor's of the

Company's senior unsecured, unguaranteed long term public debt.

"Subsidiary" shall mean, with respect to any Person, any corporation, partnership or other entity of which at least a majority of the securities or other ownership interests having by the terms thereof ordinary voting power to elect a majority of the board of directors or other persons performing similar functions of such corporation, partnership or other entity (irrespective of whether or not at the time securities or other ownership interests of any other class or classes of such corporation, partnership or other entity shall have or might have voting power by reason of the happening of any contingency) is at the time directly or indirectly owned or controlled by such Person or one or more Subsidiaries of such Person or by such Person and one or more Subsidiaries of such Person.

"Syndicated Loans" shall mean the Revolving Credit Loans and the Eurocurrency Loans.

"Syndicated Notes" shall mean the Revolving Credit Notes and the Eurocurrency Notes.

"Tangible Net Worth" shall mean, as at any date, Net Worth minus, for the Company and its Subsidiaries (determined on a consolidated basis without duplication in accordance with GAAP), the sum of the following: the book value of all assets that should be classified as intangibles (without duplication of deductions in respect of items already deducted in arriving at additional paid-in capital and retained earnings) but in any event including goodwill, cost in excess of net assets of companies acquired, minority interests, research and development costs, trademarks, trade names, copyrights, patents and franchises, unamortized debt discount and expense, all reserves deducted from shareholders' equity not already deducted in the calculation of Net Worth and any write-up in the book value of assets resulting from a revaluation thereof subsequent to December 31, 1992.

"Total Assets" shall mean, as at any date of determination thereof, the aggregate book value of all assets of the Company and its Subsidiaries that would appear on a consolidated balance sheet of the Company and its subsidiaries prepared in accordance with generally accepted accounting principles.

"Total Capital" shall mean, at any time, Net Worth plus Total Debt.

"Total Debt" shall mean, at any time, the aggregate outstanding principal amount of all Indebtedness of the Company and its Subsidiaries at such time (other than Indebtedness described in clause (d) of the definition of the term "Indebtedness") determined on a consolidated basis (without duplication) in accordance with GAAP; provided that the term "Total Debt" shall include any preferred stock that provides for the mandatory purchase, retirement, redemption or other acquisition of the same by the Company.

"Type" shall have the meaning assigned to such term in Section 1.03 hereof.

"Wholly Owned Subsidiary" shall mean, with respect to any Person, any Subsidiary of such Person of which all of the equity securities or other ownership interests (other than, in the case of a corporation, directors' qualifying shares) are owned or controlled by such Person.

1.02 Accounting Terms and Determinations.

(a) Except as otherwise expressly provided herein, all accounting terms used herein shall be interpreted, and all financial statements and certificates and reports as to financial matters required to be delivered to the Banks hereunder shall (unless otherwise disclosed to the Banks in writing at the time of delivery thereof in the manner described in subsection (b) below) be prepared, in accordance with generally accepted accounting principles applied on a basis consistent with those used in the preparation of the latest financial statements furnished to the tanks hereunder (which, prior to the delivery of the first financial statements under Section 9.01 hereof, shall mean the audited financial statements as at December 31, 1992 referred to in Section 8.02 hereof). All calculations made for the purposes of determining compliance with this Agreement shall (except as otherwise expressly provided herein) be made by application of generally accepted accounting principles applied on a basis consistent with those used in the preparation of the latest annual or quarterly financial statements furnished to the Banks pursuant to Section 9.01 hereof (or, prior to the delivery of the first financial statements under Section 9.01 hereof, used in the preparation of the audited financial statements as at December 31, 1992 referred to in Section 8.02 hereof) unless (i) the Company shall have objected to determining such compliance on such basis at the time of delivery of such financial statements or (ii) the Majority Banks shall so object in writing within 30 days after delivery of such financial statements, in either of which events such calculations shall be made on a basis consistent with those used in the preparation of the latest financial statements as to which such objection shall not have been made (which, if objection is made in respect of the first financial statements delivered under Section 9.01 hereof, shall mean the audited financial statements referred to in Section 8.02 hereof).

(b) The Company shall deliver to the Banks at the same time as the delivery of any annual or quarterly financial statement under Section 9.01 hereof (i) a description in reasonable detail of any material variation between the application of accounting principles employed in

the preparation of such statement and the application of accounting principles employed in the preparation of the next preceding annual or quarterly financial statements as to which no objection has been made in accordance with the last sentence of subsection (a) above and (ii) reasonable estimates of the difference between such statements arising as a consequence thereof.

(c) To enable the ready and consistent determination of compliance with the covenants set forth in Section 8 hereof, the Company will not change the last day of its fiscal year from December 31 of each year, or the last days of the first three fiscal quarters in each of its fiscal years from March 31, June 30, and September 30 of each year, respectively.

1.03 Classes and Types of Loans. Loans hereunder are distinguished by "Class", by "Type" and by "Currency". The "Class" of a Loan (or of a Commitment to make a Loan) refers to whether such Loan is a Money Market Loan, a Revolving Credit Loan, or a Eurocurrency Loan, each of which constitutes a Class. The "Type" of a Loan refers to whether such Loan is a Base Rate Loan, a LIBOR Loan, a Set Rate Loan or a LIBOR Market Loan, each of which constitutes a Type. Loans may be identified by both Class and Type and Eurocurrency Loans that are LIBOR Loans may also be identified by Currency.

Section 2. Commitments, Loans, Notes and Prepayments.

2.01 Syndicated Loans.

(a) Revolving Credit Loans. Each Revolving Credit Bank severally agrees, on the terms and conditions of this Agreement, to make loans to any Borrower in Dollars during the period from and including the Closing Date to but not including the Revolving Credit Termination Date in an aggregate principal amount at any one time outstanding up to but not exceeding the amount of the Revolving Credit Commitment of such Bank as in effect from time to time (such Loans being herein called "Revolving Credit Loans"). Subject to the terms and conditions of this Agreement, during such period each Borrower may borrow, repay and reborrow the amount of the Revolving Credit Commitments by means of Base Rate Loans and LIBOR Loans.

(b) Eurocurrency Loans. Pursuant to Section 2.01(b) of the Original Credit Agreement, Chase made on the Closing Date the Existing Term Loan to the Company in Dollars as a Base Rate Loan. On the Amendment Effective Date the Existing Term Loan shall be deemed hereunder to be a Eurocurrency Loan that is a Base Rate Loan in Dollars having an Interest Period that ends on the date four Business Days after the Amendment Effective Date and the Eurocurrency Banks shall be deemed to have acquired from Chase interests in the Existing Term Loan in such amounts so that after giving effect to such assignments, the Eurocurrency Banks shall hold Eurocurrency Loans hereunder that are Base Rate Loans in Dollars with Interest Periods that end on the date four Business Days after the Amendment Effective Date ratably in accordance with their respective Eurocurrency Commitments. Thereafter, each Eurocurrency Bank severally agrees, on the terms and conditions of this Agreement, to make loans to any Borrower in Dollars or in any of the Alternative Currencies during the period from and including the Restatement Date to but not including the Eurocurrency Commitment Termination Date in an aggregate principal amount at any one time outstanding up to but not exceeding the amount of the Eurocurrency Commitment of such Bank as in effect from time to time (such Loans being herein called "Eurocurrency Loans"). Subject to the terms and conditions of this Agreement, during such period each Borrower may borrow, repay and reborrow the amount of the Eurocurrency Commitments by means of Base Rate Loans in Dollars and LIBOR Loans in any Currency. For purposes of determining whether the amount of any borrowing would, together with all other outstanding Eurocurrency Loans, exceed the Eurocurrency Commitments, and for purposes of determining the unused portion of the Eurocurrency Commitments, the amount of each Eurocurrency Loan denominated in an Alternative Currency shall be deemed to be the Dollar Equivalent of the amount in the Alternative Currency of such Eurocurrency Loan.

(c) Limit on LIBOR Loans. No more than six separate Interest Periods in respect of LIBOR Loans of a Class (other than Money Market Loans) from each Bank may be outstanding at any one time.

2.02 Borrowings of Syndicated Loans. The Company (on its own behalf and on behalf of any other Borrower) shall give the Agent notice of each borrowing hereunder as provided in Section 4.05 hereof. Not later than 1:00 p.m. New York time (in the case of Loans denominated in Dollars) or 11:00 a.m. local time in the location of the Agent's Account (in the case of Eurocurrency Loans denominated in an Alternative Currency) on the date specified for each borrowing of Syndicated Loans hereunder, each Bank shall, subject to Section 4.01(a) hereof, make available the amount of the Syndicated Loan or Loans to be made by it on such date to the Agent, at the Agent's Account for the Currency of such Loans in immediately available funds, for account of the relevant Borrower. The amount so received by the Agent shall, subject to the terms and conditions of this Agreement, be made available to the relevant Borrower by depositing the same, in immediately available funds, in an account of the relevant Borrower designated by the Company.

2.03 Money Market Loans.

(a) In addition to borrowings of Syndicated Loans, at any time prior to the Revolving Credit Termination Date each Borrower may, as set

forth in this Section 2.03, request the Revolving Credit Banks to make offers to make Money Market Loans to it in Dollars. The Revolving Credit Banks may, but shall have no obligation to, make such offers and such Borrower may, but shall have no obligation to, accept any such offers in the manner set forth in this Section 2.03. Money Market Loans may be LIBOR Market Loans or Set Rate Loans (each a "Type" of Money Market Loan), provided that:

(i) there may be no more than ten different Interest Periods for both Syndicated Loans and Money Market Loans outstanding at the same time (for which purpose Interest Periods described in different lettered clauses of the definition of the term "Interest Period" shall be deemed to be different Interest Periods even if they are coterminous); and

(ii) the aggregate principal amount of all Money Market Loans, together with the aggregate principal amount of all Revolving Credit Loans, at any one time outstanding shall not exceed the aggregate amount of the Revolving Credit Commitments at such time.

(b) When any Borrower wishes to request offers to make Money Market Loans, the Company (on its own behalf and on behalf of any other Borrower) shall give the Agent (which shall promptly notify the Revolving Credit Banks) notice (a "Money Market Quote Request") so as to be received no later than 11:00 a.m. New York time on (x) the fourth Business Day prior to the date of borrowing proposed therein, in the case of a LIBOR Auction or (y) the Business Day immediately preceding the date of borrowing proposed therein, in the case of a Set Rate Auction (or, in any such case, such other time and date as the Company and the Agent, with the consent of the Majority Revolving Credit Banks, may agree). Offers to make Money Market Loans may be requested for up to three different Interest Periods in a single notice (for which purpose Interest Periods in different lettered clauses of the definition of the term "Interest Period" shall be deemed to be different Interest Periods even if they are coterminous); provided that the request for each separate Interest Period shall be deemed to be a separate Money Market Quote Request for a separate borrowing (a "Money Market Borrowing"). Each such notice shall be substantially in the form of Exhibit D hereto and shall specify as to each Money Market Borrowing:

(i) the name of the Borrower and the proposed date of such borrowing, which shall be a Business Day;

(ii) the aggregate amount of such Money Market Borrowing, which shall be at least \$25,000,000 (or a larger multiple of \$5,000,000) but shall not cause the limits specified in Section 2.03(a) hereof to be violated;

(iii) the duration of the Interest Period applicable thereto;

(iv) whether the Money Market Quotes requested for a particular Interest Period are seeking quotes for LIBOR Market Loans or Set Rate Loans; and

(v) if the Money Market Quotes requested are seeking quotes for Set Rate Loans, the date, if such date is different from the proposed date of the borrowing, on which the Money Market Quotes are to be submitted (the date on which such Money Market Quotes are to be submitted is called the "Quotation Date"). If no such date is specified, the Quotation Date is the proposed date of borrowing.

Except as otherwise provided in this Section 2.03(b), no Money Market Quote Request shall be given within five Business Days (or such other number of days as the Company and the Agent, with the consent of the Majority Revolving Credit Banks, may agree) of any other Money Market Quote Request.

(c) (i) Each Revolving Credit Bank may submit one or more Money Market Quotes, each containing an offer to make a Money Market Loan in response to any Money Market Quote Request; provided that, if the request under Section 2.03(b) hereof specified more than one Interest Period, such Bank may make a single submission containing one or more Money Market Quotes for each such Interest Period. Each Money Market Quote must be submitted to the Agent not later than (x) 2:00 p.m. New York time on the fourth Business Day prior to the proposed date of borrowing, in the case of a LIBOR Auction or (y) 10:00 a.m. New York time on the Quotation Date, in the case of a Set Rate Auction (or, in any such case, such other time and date as the Company and the Agent, with the consent of the Majority Revolving Credit Banks, may agree); provided that any Money Market Quote may be submitted by Chase (or its Applicable Lending Office) only if Chase (or such Applicable Lending Office) notifies the Company of the terms of the offer contained therein not later than (x) 1:00 p.m. New York time on the fourth Business Day prior to the proposed date of borrowing, in the case of a LIBOR Auction or (y) 9:45 a.m. New York time on the Quotation Date, in the case of a Set Rate Auction. Subject to Sections 5.02(b), 5.03, 7.03 and 10 hereof, any Money Market Quote so made shall be irrevocable except with the consent of the Agent given on the instructions of the Company.

(ii) Each Money Market Quote shall be substantially in the form of Exhibit E hereto and shall specify:

(A) the name of the Borrower the proposed date of borrowing and the Interest Period therefor;

(B) the principal amount of the Money Market Loan for which each such

offer is being made, which principal amount shall be at least \$5,000,000 (or a larger multiple of \$1,000,000); provided that the aggregate principal amount of all Money Market Loans for which a Revolving Credit Bank submits Money Market Quotes (x) may be greater or less than the Revolving Credit Commitment of such Bank but (y) may not exceed the principal amount of the Money Market Borrowing for a particular Interest Period for which offers were requested;

(C) in the case of a LIBOR Auction, the margin above or below the applicable LIBO Rate (the LIBO Margin) offered for each such Money Market Loan, expressed as a percentage (rounded upwards, if necessary, to the nearest 1/10,000 of 1%) to be added to or subtracted from the applicable LIBO Rate;

(D) in the case of a Set Rate Auction, the rate of interest per annum (rounded upwards, if necessary, to the nearest 1/10,000 of 1%) offered for each such Money Market Loan (the "Set Rate"); and

(E) the identity of the quoting Bank.

Unless otherwise agreed by the Agent and the Company, no Money Market Quote shall contain qualifying, conditional or similar language or propose terms other than or in addition to those set forth in the applicable Money Market Quote Request and, in particular, no Money Market Quote may be conditioned upon acceptance of all (or some specified minimum) of the principal amount of the Money Market Loan for which such Money Market Quote is being made; provided that the submission by any Bank containing more than one Money Market Quote may be conditioned on offers contained in such submission not being accepted to the extent that it would result in such Bank making Money Market Loans pursuant thereto in excess of a specified aggregate amount (the "Money Market Loan Limit").

(d) The Agent shall (x) in the case of a Set Rate Auction, as promptly as practicable after the Money Market Quote is submitted (but in any event not later than 10:15 a.m. New York time on the Quotation Date) or (y) in the case of a LIBOR Auction, by 4:00 p.m. New York time on the day a Money Market Quote is submitted, notify the Company (which will promptly notify the relevant Borrower if it is not the Company) of the terms (i) of any Money Market Quote submitted by a Revolving Credit Bank that is in accordance with Section 2.03(c) hereof and (ii) of any Money Market Quote that amends, modifies or is otherwise inconsistent with a previous Money Market Quote submitted by such Bank with respect to the same Money Market Quote Request. Any such subsequent Money Market Quote shall be disregarded by the Agent unless such subsequent Money Market Quote is submitted solely to correct a manifest error in such former Money Market Quote. The Agent's notice to the Company shall specify (A) the aggregate principal amount of the Money Market Borrowing for which offers have been received and (B) the respective principal amounts and LIBO Margins or Set Rates, as the case may be, so offered by each Revolving Credit Bank (identifying the Bank that made each Money Market Quote).

(e) Not later than 11:00 a.m. New York time on (x) the third Business Day prior to the proposed date of borrowing, in the case of a LIBOR Auction or (y) the Quotation Date, in the case of a Set Rate Auction (or, in any such case, such other time and date as the Company and the Agent, with the consent of the Majority Revolving Credit Banks, may agree), the Company (on behalf of the relevant Borrower) shall notify the Agent of its acceptance or nonacceptance of the offers so notified to it pursuant to Section 2.03(d) hereof (which notice shall specify the aggregate principal amount of offers from each Bank for each Interest Period that are accepted; and the failure of the Company to give such notice by such time shall constitute nonacceptance) and the Agent shall promptly notify each affected Bank. The notice of the Agent shall also specify the aggregate principal amount of offers for each Interest Period that were accepted and the lowest and highest LIBO Margins and Set Rates that were accepted for each Interest Period. Any Money Market Quote may be accepted in whole or in part (provided that any Money Market Quote accepted in part shall be at least \$5,000,000 or a larger multiple of \$1,000,000); provided that:

(i) the aggregate principal amount of each Money Market Borrowing may not exceed the applicable amount set forth in the related Money Market Quote Request;

(ii) the aggregate principal amount of each Money Market Borrowing shall be at least \$25,000,000 (or a larger multiple of \$5,000,000) but shall not cause the limits specified in Section 2.03(a) hereof to be violated;

(iii) acceptance of offers may, subject to clause (v) below, be made only in ascending order of LIBO Margins or Set Rates, as the case may be, in each case beginning with the lowest rate so offered;

(iv) no offer may be accepted where the Agent has advised the Company that such offer fails to comply with Section 2.03(c) (ii) hereof or otherwise fails to comply with the requirements of this Agreement (including, without limitation, Section 2.03(a) hereof); and

(v) the aggregate principal amount of each Money Market Borrowing from any Bank may not exceed any applicable Money Market Loan Limit of such Bank.

If offers are made by two or more Revolving Credit Banks with the same LIBO Margins or Set Rates, as the case may be, for a greater aggregate principal amount than the amount in respect of which offers are

accepted for the related Interest Period, the principal amount of Money Market Loans in respect of which such offers are accepted shall be allocated by the Company on behalf of the relevant Borrower among such Banks as nearly as possible (in amounts of at least \$5,000,000 or larger multiples of \$1,000,000) in proportion to the aggregate principal amount of such offers. Determinations by the Company on behalf of the relevant Borrower of the amounts of Money Market Loans shall be conclusive in the absence of manifest error.

(f) Any Revolving Credit Bank whose offer to make any Money Market Loan has been accepted in accordance with the terms and conditions of this Section 2.03 shall, not later than 1:00 p.m. New York time on the date specified for the making of such Loan, make the amount of such Loan available to the Agent at the Agent's Account for Dollars in immediately available funds, for account of the relevant Borrower. The amount so received by the Agent shall, subject to the terms and conditions of this Agreement, be made available to such Borrower on such date by depositing the same, in immediately available funds, in an account maintained with Chase at the Principal Office designated by the Company.

(g) The amount of any Money Market Loan made by any Bank shall not constitute a utilization of such Bank's Revolving Credit Commitment.

(h) The Company on behalf of the relevant Borrower shall pay to the Agent a fee of \$3000 each time the Company gives a Money Market Quote Request to the Agent.

2.04 Chances of Commitments.

(a) The aggregate amount of the Revolving Credit Commitments shall automatically terminate at the open of business on the Revolving Credit Termination Date.

(b) The aggregate amount of the Eurocurrency Commitments shall automatically terminate at the open of business on the Eurocurrency Commitment Termination Date.

(c) The Company shall have the right at any time or from time to time (i) so long as no Revolving Credit Loans or Money Market Loans are outstanding, to terminate the Revolving Credit Commitments, (ii) so long as no Eurocurrency Loans are outstanding, to terminate the Eurocurrency Commitments, and (iii) to reduce the aggregate unused amount of the Revolving Credit Commitments (for which purpose use of the Revolving Credit Commitments shall be deemed to include the aggregate principal amount of all Money Market Loans) or the Eurocurrency Commitments, as the case may be; provided that (x) the Company shall give notice of each such termination or reduction as provided in Section 4.05 hereof and (y) each partial reduction shall be in an aggregate amount at least equal to \$3,000,000 (or a larger multiple of \$1,000,000).

(d) Any Commitment once terminated or reduced may not be reinstated.

2.05 Facility Fees. The Company shall pay to the Agent for account of each Revolving Credit Bank a facility fee on the daily average amount of such Bank's Revolving Credit Commitment (whether or not utilized), for the period from and including the Amendment Effective Date to but not including the earlier of the date such Revolving Credit Commitment is terminated, at a rate per annum equal to (a) 0.1250% during any Level I Period, (b) 0.1875% during any Level II Period, (c) 0.2500% during any Level III Period and (d) 0.3750% during any Level IV Period. The Company shall pay to the Agent for account of each Eurocurrency Bank a facility fee on the daily average amount of such Bank's Eurocurrency Commitment (whether or not utilized), for the period from and including the Amendment Effective Date to but not including the earlier of the date such Eurocurrency Commitment is terminated, at a rate per annum equal to (a) 0.1500% during any Level I Period, (b) 0.2500% during any Level II Period, (c) 0.3125% during any Level III Period and (d) 0.3750% during any Level IV Period. Accrued facility fee shall be payable on each Quarterly Date and on the earlier of the date the Revolving Credit Commitments or the Eurocurrency Commitments, as the case may be, are terminated. Any change in a facility fee by reason of a change in the Standard & Poor's Rating or the Moody's Rating shall become effective on the date of announcement or publication by the respective rating agencies of a change in such rating or, in the absence of such announcement or publication, on the effective date of such changed rating.

2.06 Lending Offices. The Loans of each Type and Currency made by each Bank shall be made and maintained at such Bank's Applicable Lending Office for Loans of such Type and Currency.

2.07 Several Obligations: Remedies Independent. The failure of any Bank to make any Loan to be made by it on the date specified therefor shall not relieve any other Bank of its obligation to make its Loan on such date, but neither any Bank nor the Agent shall be responsible for the failure of any other Bank to make a Loan to be made by such other Bank, and no Bank shall have any obligation to the Agent or any other Bank for the failure by such Bank to make any Loan required to be made by such Bank. The amounts payable by any Borrower at any time hereunder and under the Notes to each Bank shall be a separate and independent debt and each Bank shall be entitled to protect and enforce its rights arising out of this Agreement and the Notes, and it shall not be necessary for any other Bank or the Agent to consent to, or be joined as an additional party in, any proceedings for such purposes.

2.08 Notes.

(a) The Revolving Credit Loans made by each Bank to any Borrower shall be evidenced by a single promissory note of the relevant Borrower, with the guarantee of the Company endorsed thereon in the case of an Approved Borrower, substantially in the form of Exhibit A-1 hereto, dated the Amendment Effective Date, payable to the order of such Bank and otherwise duly completed.

(b) The Eurocurrency Loans made by each Bank to any Borrower shall be evidenced by a single promissory note of the relevant Borrower, with the guarantee of the Company endorsed thereon in the case of an Approved Borrower, substantially in the form of Exhibit A-2 hereto, dated the Amendment Effective Date, payable to the order of such Bank and otherwise duly completed.

(c) The Money Market Loans made by any Bank to any Borrower shall be evidenced by a single promissory note of the relevant Borrower, with the guarantee of the Company endorsed thereon in the case of an Approved Borrower, substantially in the form of Exhibit A-3 hereto, dated the Amendment Effective Date, payable to the order of such Bank and otherwise duly completed.

(d) The date, amount, Type, Currency (in the case of Eurocurrency Loans) interest rate and duration of Interest Period of each Loan of each Class made by each Bank to each Borrower, and each payment made on account of the principal thereof, shall be recorded by such Bank on its books and, prior to any transfer of the Note evidencing the Loans of such Class held by it, endorsed by such Bank on the schedule attached to such Note or any continuation thereof; provided that the failure of such Bank to make, or any error in making, any such recordation or endorsement shall not affect the obligations of such Borrower to make a payment when due of any amount owing hereunder or under such Note in respect of the Loans to be evidenced by such Note.

(e) No Bank shall be entitled to have its Notes subdivided, by exchange for promissory notes of lesser denominations or otherwise, except in connection with a permitted assignment of all or any portion of such Bank's relevant Commitment, Loans and Notes pursuant to Section 12.06(b) hereof.

2.09 Prepayments. Subject to Sections 4.04 and 5.05 hereof, Loans may be prepaid at any time or from time to time, provided that the Company shall give the Agent notice of each such prepayment as provided in Section 4.05 hereof (and, upon the date specified in any such notice of prepayment, the amount to be prepaid shall become due and payable hereunder).

2.10 Borrowings by Approved Borrowers. The Company may, at any time or from time to time, designate one or more Wholly Owned Subsidiaries as Borrowers hereunder by furnishing to the Agent a letter (a "Designation Letter") in duplicate, substantially in the form of Exhibit G-1 hereto, duly completed and executed by the Company and such Subsidiary. Upon approval by all of the Banks (which approval shall not be unreasonably withheld) of such Subsidiary as an Approved Borrower, which approval shall be evidenced by the Agent signing and returning to the Company a copy of such Designation Letter, such Subsidiary shall be an Approved Borrower. There may be no more than ten Approved Borrowers at any one time. So long as all principal and interest on all Loans of any Approved Borrower hereunder have been paid in full, the Company may terminate its status as an Approved Borrower hereunder by furnishing to the Agent a letter (a "Termination Letter"), substantially in the form of Exhibit G2 hereto, duly completed and executed by the Company and such Approved Borrower. Any Termination Letter furnished in accordance with this Section 2.10 shall be effective upon receipt by the Agent. Notwithstanding the foregoing, the delivery of a Termination Letter with respect to any Approved Borrower shall not affect any obligation of such Approved Borrower theretofore incurred.

2.11 Extension of Revolving Credit Termination Date. (a) The Company may, by notice to the Agent (which shall promptly deliver a copy to each of the Revolving Credit Banks) not less than 60 days and not more than 90 days prior to the Revolving Credit Termination Date then in effect hereunder (the "Existing Termination Date"), request that the Revolving Credit Banks extend the Revolving Credit Termination Date for an additional 364 days from the Consent Date (as defined below). Each Revolving Credit Bank, acting in its sole discretion, shall, by notice to the Company and the Agent given on the date (and, subject to the proviso below, only on the date) 30 days prior to the Existing Termination Date (provided, if such date is not a Business Day, then such notice shall be given on the next succeeding Business Day) (the "Consent Date"), advise the Company whether or not such Revolving Credit Bank agrees to such extension; provided that each Revolving Credit Bank that determines not to extend the Revolving Credit Termination Date (a "Non-extending Bank") shall notify the Agent (which shall notify the Company) of such fact promptly after such determination (but in any event no later than the Consent Date) and any Revolving Credit Bank that does not advise the Company on or before the Consent Date shall be deemed to be a Non-extending Bank. The election of any Revolving Credit Bank to agree to such extension shall not obligate any other Revolving Credit Bank to agree.

(b) The Company shall have the right on or before the Existing Termination Date to replace each Non-extending Bank with, and otherwise add to this Agreement, one or more other banks (which may include any Bank, each prior to the Existing Commitment Termination Date an

"Additional Commitment Bank") with the approval of the Agent (which approval shall not be unreasonably withheld), each of which Additional Commitment Banks shall have entered into an agreement in form and substance satisfactory to the Company and the Agent pursuant to which such Additional Commitment Bank shall, effective as of the Existing Termination Date, undertake a Revolving Credit Commitment (if any such Additional Commitment Bank is a Revolving Credit Bank, its Revolving Credit Commitment shall be in addition to such Revolving Credit Bank's Revolving Credit Commitment hereunder on such date).

(c) If (and only if) Revolving Credit Banks holding Revolving Credit Commitments that, together with the Additional Revolving Credit Commitments of the Additional Commitment Banks that will become effective on the Existing Termination Date, aggregate at least 90% of the aggregate amount of the Revolving Credit Commitments (not including the additional Revolving Credit Commitments of the Additional Commitment Banks) on the Consent Date shall have agreed to extend the Existing Termination Date, then, effective as of the Existing Termination Date, the Existing Termination Date shall be extended to the date falling 364 days after the Consent Date (provided, if such date is not a Business Day, then the Revolving Credit Termination Date as so extended shall be the next preceding Business Day) and each Additional Commitment Bank shall thereupon become a "Revolving Credit Bank" with a Revolving Credit Commitment for all purposes of this Agreement.

Notwithstanding the foregoing, the extension of the Revolving Credit Termination Date shall not be effective with respect to any Revolving Credit Bank unless:

(i) no Default shall have occurred and be continuing on each of the date of the notice requesting such extension, on the Consent Date or on the Existing Termination Date;

(ii) each of the representations and warranties of the Company in Section 8 hereof shall be true and correct on and as of each of the date of the notice requesting such extension, the Consent Date and the Existing Termination Date with the same force and effect as if made on and as of each such date (or, if any such representation or warranty is expressly stated to have been made as of a specific date, as of such specific date); and

(iii) each Non-extending Bank shall have been paid in full by the Company all principal of, interest on and all other amounts payable hereunder in respect of its Revolving Credit Loans and Money Market Loans and any accrued facility fee payable to it in respect of its Revolving Credit Commitment under Section 2.05 hereof on or before the Existing Termination Date.

Even if the Existing Termination Date is extended as aforesaid, the Revolving Credit Commitment of each Non-extending Bank shall terminate on the Existing Termination Date.

Section 3. Payments of Principal and Interest.

3.01 Repayment of Loans.

(a) Each Borrower hereby promises to pay to the Agent for account of each Revolving Credit Bank the principal amount of each Revolving Credit Loan made by such Bank to such Borrower, and each Revolving Credit Loan shall mature, on the last day of the Interest Period for such Revolving Credit Loan.

(b) Each Borrower hereby promises to pay to the Agent for account of each Revolving Credit Bank that makes any Money Market Loan to such Borrower the principal amount of such Money Market Loan, and such Money Market Loan shall mature, on the last day of the Interest Period for such Money Market Loan.

(c) Each Borrower hereby promises to pay to the Agent for account of each Eurocurrency Bank the principal amount of each Eurocurrency Loan made by such Bank to such Borrower, and each Eurocurrency Loan shall mature, on the last day of the Interest Period for such Eurocurrency Loan.

3.02 Interest. Each Borrower hereby promises to pay to the Agent for account of each Bank interest on the unpaid principal amount of each Loan made by such Bank to such Borrower for the period from and including the date of such Loan to but excluding the date such Loan shall be paid in full, at the following rates per annum:

(a) if such Loan is a Base Rate Loan, the Base Rate (as in effect from time to time) plus the Applicable Margin;

(b) if such Loan is a Syndicated Loan that is a LIBOR Loan, for each Interest Period relating thereto, the LIBO Rate for such Loan for such Interest Period plus the Applicable Margin;

(c) if such Loan is a LIBOR Market Loan, the LIBO Rate for such Loan for the Interest Period therefor plus (or minus) the LIBO Margin quoted by the Bank making such Loan in accordance with Section 2.03 hereof; and

(d) if such Loan is a Set Rate Loan, the Set Rate for such Loan for the Interest Period therefor quoted by the Bank making such Loan in accordance with Section 2.03 hereof.

Notwithstanding the foregoing, each Borrower hereby promises to pay to the Agent for account of each Bank interest at the applicable Post-Default Rate on any principal of any Loan made by such Bank to such Borrower and on any other amount payable by such Borrower hereunder or under the Notes of such Borrower held by such Bank to or for account of such Bank, that shall not be paid in full when due (whether at stated maturity, by acceleration, by optional prepayment or otherwise), for the period from and including the due date thereof to but excluding the date the same is paid in full. Accrued interest on each Loan shall be payable (i) in the case of a Base Rate Loan, on the Quarterly Dates, (ii) in the case of a LIBOR Loan or a Money Market Loan, on the last day of the Interest Period therefor and, if such Interest Period is longer than 90 days (in the case of a Set Rate Loan) or three months (in the case of a LIBOR Loan or a LIBOR Market Loan), at 90-day or three-month intervals, respectively, following the first day of such Interest Period, and (iii) in the case of any Loan, upon the payment or prepayment thereof (but only on the principal amount so paid or prepaid), except that interest payable at the Post-Default Rate shall be payable from time to time on demand. Promptly after the determination of any interest rate provided for herein or any change therein, the Agent shall give notice thereof to the Banks to which such interest is payable and to the Company.

Section 4. Payments: Pro Rata Treatment; Computations: Etc.

4.01 Payments.

(a) Except to the extent otherwise provided herein, all payments of principal of and interest on Loans made in Dollars, and other amounts (other than the principal of and interest on Eurocurrency Loans made in an Alternative Currency) payable by any Borrower and the Guarantor under this Agreement and the Notes, shall be made in Dollars, and all payments of principal of and interest on Eurocurrency Loans made in an Alternative Currency shall be made in such Alternative Currency, in immediately available funds, without deduction, set-off or counterclaim, to the Agent's Account for such Currency, for account of the Agent, not later than 1:00 p.m. New York time (in the case of Loans denominated in Dollars) or 11:00 a.m. local time in the location of the Agent's Account (in the case of Eurocurrency Loans denominated in an Alternative Currency), on the date on which such payment shall become due (each such payment made after such time on such due date to be deemed to have been made on the next succeeding Business Day), provided that if a new Loan is to be made by any Bank to any Borrower on a date such Borrower is to repay any principal of an outstanding Loan of such Bank in the same Currency, such Bank shall apply the proceeds of such new Loan to the payment of the principal to be repaid and only an amount equal to the difference between the principal to be borrowed and the principal to be repaid shall be made available by such Bank to the Agent as provided in Section 2.02 hereof or paid by such Borrower to the Agent pursuant to this Section 4.01, as the case may be.

(b) Any Bank for whose account any such payment is to be made may (but shall not be obligated to) debit the amount of any such payment that is not made by such time to any ordinary deposit account of the relevant Borrower or the Company with such Bank (with notice to the Company and the Agent).

(c) Each Borrower shall, at the time of making each payment under this Agreement or any Note for account of any Bank, specify to the Agent (which shall so notify the intended recipient(s) thereof) the Loans or other amounts payable by such Borrower hereunder to which such payment is to be applied (and in the event that such Borrower fails to so specify, or if an Event of Default has occurred and is continuing, the Agent may distribute such payment to the Banks for application in such manner as it or the Majority Banks, subject to Section 4.02 hereof, may determine to be appropriate).

(d) Each payment received by the Agent under this Agreement or any Note for account of any Bank shall be paid by the Agent promptly to such Bank, in immediately available funds, for account of such Bank's Applicable Lending Office for the Loan or other obligation in respect of which such payment is made.

(e) If the due date of any payment under this Agreement or any Note would otherwise fall on a day that is not a Business Day, such date shall be extended to the next succeeding Business Day, and interest shall be payable for any principal so extended for the period of such extension.

4.02 Pro Rata Treatment. Except to the extent otherwise provided herein: (a) each borrowing of Loans of a particular Class (other than of Money Market Loans) from the Banks under Section 2.01 hereof shall be made from the relevant Banks, each payment of facility fee under Section 2.05 hereof in respect of Revolving Credit Commitments or Eurocurrency Commitments, as the case may be, shall be made for account of the Revolving Credit Banks or the Eurocurrency Banks, respectively, and each termination or reduction of the amount of the Revolving Credit Commitments or Eurocurrency Commitments, as the case may be, under Section 2.04 hereof shall be applied to the respective Revolving Credit Commitments or Eurocurrency Commitments, as the case may be, of the Revolving Credit Banks or the Eurocurrency Banks, respectively, pro rata according to the amounts of their respective Commitments of such Class; (b) the making of Revolving Credit Loans and Eurocurrency Loans of a particular Type (other than Conversions provided for by Section 5.04 hereof) shall be made pro rata among the relevant Banks according to the amounts of their respective Revolving Credit Commitments and Eurocurrency Commitments and the then current Interest Period for each

LIBOR Loan of any Class made on the same date to the same Borrower shall be coterminous; (c) each payment or prepayment of principal of Revolving Credit Loans or Eurocurrency Loans by any Borrower shall be made for account of the relevant Banks pro rata in accordance with the respective unpaid principal amounts of the Syndicated Loans of such Class held by them; and (d) each payment of interest on Revolving Credit Loans and Eurocurrency Loans by such Borrower shall be made for account of the relevant Banks pro rata in accordance with the amounts of interest on such Loans then due and payable to the respective Banks.

4.03 Computations. Interest on Money Market Loans and LIBOR Loans (other than LIBOR Loans denominated in Pounds Sterling) and facility fee shall be computed on the basis of a year of 360 days and actual days elapsed (including the first day but excluding the last day) occurring in the period for which payable and interest on Base Rate Loans and LIBOR Loans denominated in Pounds Sterling shall be computed on the basis of a year of 365 or 366 days, as the case may be, and actual days elapsed (including the first day but excluding the last day) occurring in the period for which payable. Notwithstanding the foregoing, for each day that the Base Rate is calculated by reference to the Federal Funds Rate, interest on Base Rate Loans shall be computed on the basis of a year of 360 days and actual days elapsed.

4.04 Minimum Amounts. Except for Conversions or prepayments made pursuant to Section 5.04 hereof, each borrowing and partial prepayment of principal of Loans shall be in an aggregate amount at least equal to \$1,000,000, in the case of Base Rate Loans, and \$5,000,000, in the case of LIBOR Loans, (or, in either case, a larger multiple of \$1,000,000) (borrowings or prepayments of or into Loans of different Types or, in the case of LIBOR Loans, having different Interest Periods at the same time hereunder to be deemed separate borrowings and prepayments for purposes of the foregoing, one for each Type or Interest Period). Anything in this Agreement to the contrary notwithstanding, the aggregate principal amount of LIBOR Loans having the same Interest Period shall be in an amount at least equal to \$10,000,000 (or a larger multiple of \$1,000,000) and, if any LIBOR Loans would otherwise be in a lesser principal amount for any period, such Loans shall be Base Rate Loans during such period.

4.05 Certain Notices. Except as otherwise provided in Section 2.03 hereof with respect to Money Market Loans, notices by the Company to the Agent of terminations or reductions of the Commitments, of borrowings and optional prepayments of Loans and of Classes of Loans, of Types of Loans and of the duration of Interest Periods shall be irrevocable and shall be effective only if received by the Agent not later than 10:00 a.m. New York time on the number of Business Days prior to the date of the relevant termination, reduction, borrowing, or prepayment or the first day of such Interest Period specified below:

Notice	Number of Business Days Prior
Termination or reduction of Commitments	3
Borrowing or prepayment of Base Rate Loans	1
Borrowing or prepayment of, or duration of Interest Period for, LIBOR Loans	3

Each such notice of termination or reduction shall specify the amount and the Class of the Commitments to be terminated or reduced. Each such notice of borrowing or optional prepayment shall specify the Class of Loans to be borrowed or prepaid, (subject to Section 4.04 hereof) the amount in Dollars (or, in the case of Loans in Alternative Currencies, the Dollar Equivalent) and Type of each Loan to be borrowed or prepaid, the date of borrowing or optional prepayment (which shall be a Business Day) and, in the case of Eurocurrency Loans, the Currency or Currencies in which such Loans are to be made and the account of the relevant Borrower maintained with a commercial bank in the country in whose Currency such Eurocurrency Loans are denominated at which such Loans are to be made available to such Borrower. Each such notice of the duration of an Interest Period shall specify the Loans to which such Interest Period is to relate. The Agent shall promptly notify the Banks of the contents of each such notice. In the event that the relevant Borrower fails to select the Type of Loan, or the duration of any Interest Period for any Eurocurrency Loan, within the time period and otherwise as provided in this Section 4.05, such Loan will be made as a Base Rate Loan. Anything in this Agreement to the contrary notwithstanding, in the event that any Borrower shall have outstanding any Base Rate Loans and at least one Business Day prior to the maturity thereof the Company (on behalf of the relevant Borrower) shall have failed to notify the Agent (in compliance with the foregoing provisions of this Section 4.05) that such Borrower intends to reborrow the aggregate amount of such Base Rate Loans on the maturity thereof, then the Company and such Borrower shall be deemed to have requested a new borrowing of Base Rate Loans in the same aggregate principal amount as the maturing Base Rate Loans then outstanding, and the proviso to Section 4.01(a) hereof shall be applicable thereto.

4.06 Non-Receipt of Funds by the Agent. Unless the Agent shall have been notified by a Bank or any Borrower (the "Payor") prior to the date on which the Payor is to make payment to the Agent of (in the case of a

Bank) the proceeds of a Loan to be made by such Bank hereunder or (in the case of any Borrower) a payment to the Agent for account of one or more of the Banks hereunder (such payment being herein called the "Required Payment"), which notice shall be effective upon receipt, that the Payor does not intend to make the Required Payment to the Agent, the Agent may assume that the Required Payment has been made and may, in reliance upon such assumption (but shall not be required to), make the amount thereof available to the intended recipient(s) on such date; and, if the Payor has not in fact made the Required Payment to the Agent, the recipient(s) of such payment shall, on demand, repay to the Agent the amount so made available together with interest thereon in respect of each day during the period commencing on the date (the "Advance Date") such amount was so made available by the Agent until the date the Agent recovers such amount at a rate per annum equal to the Federal Funds Rate for such day and, if such recipient(s) shall fail promptly to make such payment, the Agent shall be entitled to recover such amount, on demand, from the Payor, together with interest as aforesaid, provided that if neither the recipient(s) nor the Payor shall return the Required Payment to the Agent within three Business Days of the Advance Date, then, retroactively to the Advance Date, the Payor and the recipient(s) shall each be obligated to pay interest on the Required Payment as follows:

(i) if the Required Payment shall represent a payment to be made by any Borrower to the Banks, such Borrower and the recipient(s) shall each be obligated retroactively to the Advance Date to pay interest in respect of the Required Payment at the Post-Default Rate (and, in case the recipient(s) shall return the Required Payment to the Agent, without limiting the obligation of such Borrower under Section 3.02 hereof to pay interest to such recipient(s) at the Post-Default Rate in respect of the Required Payment) and

(ii) if the Required Payment shall represent proceeds of a Loan to be made by the Banks to any Borrower, the Payor and such Borrower shall each be obligated retroactively to the Advance Date to pay interest in respect of the Required Payment at the rate of interest provided for such Required Payment pursuant to Section 3.02 hereof (and, in case such Borrower shall return the Required Payment to the Agent, without limiting any claim such Borrower may have against the Payor in respect of the Required Payment).

4.07 Sharing of Payments, Etc.

(a) Each Obligor agrees that, in addition to (and without limitation of) any right of set-off, banker's lien or counterclaim a Bank may otherwise have, each Bank shall be entitled, at its option, to offset balances held by it for account of such Obligor at any of its offices, in Dollars or in any other currency, against any principal of or interest on any of such Bank's Loans or any other amount payable to such Bank hereunder, that is not paid when due (regardless of whether such balances are then due to such Obligor) in which case it shall promptly notify such Obligor (through notification to the Company) and the Agent thereof, provided that such Bank's failure to give such notice shall not affect the validity thereof.

(b) If any Bank shall obtain from any Obligor payment of any principal of or interest on any Loan of any Class owing to it or payment of any other amount under this Agreement through the exercise of any right of set-off, banker's lien or counterclaim or similar right or otherwise (other than from the Agent as provided herein), and, as a result of such payment, such Bank shall have received a greater percentage of the principal of or interest on the Loans of such Class or such other amounts then due hereunder by such Obligor to such Bank than the percentage received by any other Bank, it shall promptly purchase from such other Banks participations in (or, if and to the extent specified by such Bank, direct interests in) the Loans of such Class or such other amounts, respectively, owing to such other Banks (or in interest due thereon, as the case may be) in such amounts, and make such other adjustments from time to time as shall be equitable, to the end that all the Banks shall share the benefit of such excess payment (net of any reasonable expenses that may be incurred by such Bank in obtaining or preserving such excess payment) pro rata in accordance with the unpaid principal of and/or interest on the Loans of such Class or such other amounts, respectively, owing to each of the Banks. To such end all the Banks shall make appropriate adjustments among themselves (by the resale of participations sold or otherwise) if such payment is rescinded or must otherwise be restored.

(c) Each Obligor agrees that any Bank so purchasing such a participation (or direct interest) may exercise all rights of set-off, banker's lien, counterclaim or similar rights with respect to such participation as fully as if such Bank were a direct holder of Loans or other amounts (as the case may be) owing to such Bank in the amount of such participation.

(d) Nothing contained herein shall require any Bank to exercise any such right or shall affect the right of any Bank to exercise, and retain the benefits of exercising, any such right with respect to any other indebtedness or obligation of the Company. If, under any applicable bankruptcy, insolvency or other similar law, any Bank receives a secured claim in lieu of a set-off to which this Section 4.07 applies, such Bank shall, to the extent practicable, exercise its rights in respect of such secured claim in a manner consistent with the rights of the Banks entitled under this Section 4.07 to share in the benefits of any recovery on such secured claim.

Section 5. Yield Protection, Etc.

5.01 Additional Costs.

(a) Each Borrower shall pay directly to each Bank from time to time such amounts as such Bank may determine to be necessary to compensate such Bank for any costs that such Bank determines are attributable to its making or maintaining of any LIBOR Loans or its obligation to make any LIBOR Loans hereunder, or any reduction in any amount receivable by such Bank hereunder in respect of any of such Loans or such obligation (such increases in costs and reductions in amounts receivable being herein called "Additional Costs"), resulting from any Regulatory Change that:

(i) shall subject any Bank (or its Applicable Lending Office for any of such Loans) to any tax, duty or other charge in respect of such Loans or its Notes or changes the basis of taxation of any amounts payable to such Bank under this Agreement or its Notes in respect of any of such Loans (excluding changes in the rate of tax on the overall net income of such Bank or of such Applicable Lending Office by the jurisdiction in which such Bank has its principal office or such Applicable Lending Office); or

(ii) imposes or modifies any reserve, special deposit or similar requirements (other than the Reserve Requirement utilized in the determination of the LIBO Rate for such Loan) relating to any extensions of credit or other assets of, or any deposits with or other liabilities of, such Bank (including, without limitation, any of such Loans or any deposits referred to in the definition of "LIBO Base Rate" in Section 1.01 hereof), or any commitment of such Bank (including, without limitation, the Commitments of such Bank hereunder); or

(iii) imposes any other condition affecting this Agreement or its Notes (or any of such extensions of credit or liabilities) or its Commitments.

If any Bank requests compensation from any Borrower under this Section 5.01(a), the Company may, by notice to such Bank (with a copy to the Agent), suspend the obligation of such Bank thereafter to make Loans of the Type with respect to which compensation is requested to such Borrower until the Regulatory Change giving rise to such request ceases to be in effect (in which case the provisions of Section 5.04 hereof shall be applicable), provided that such suspension shall not affect the right of such Bank to receive the compensation so requested.

(b) Without limiting the effect of the provisions of paragraph (a) of this Section 5.01, in the event that, by reason of any Regulatory Change, any Bank either (i) incurs Additional Costs based on or measured by the excess above a specified level of the amount of a category of deposits or other liabilities of such Bank that includes deposits by reference to which the interest rate on LIBOR Loans is determined as provided in this Agreement or a category of extensions of credit or other assets of such Bank that includes LIBOR Loans or (ii) becomes subject to restrictions on the amount of such a category of liabilities or assets that it may hold, then, if such Bank so elects by notice to the Company (with a copy to the Agent), the obligation of such Bank to make LIBOR Loans of such Type hereunder shall be suspended until such Regulatory Change ceases to be in effect (in which case the provisions of Section 5.04 hereof shall be applicable).

(c) Without limiting the effect of the foregoing provisions of this Section 5.01 (but without duplication), the Company shall pay directly to each Bank from time to time on request such amounts as such Bank may determine to be necessary to compensate such Bank (or, without duplication, the bank holding company of which such Bank is a subsidiary) for any costs that it determines are attributable to the maintenance by such Bank (or any Applicable Lending Office or such bank holding company), pursuant to any law or regulation or any interpretation, directive or request (whether or not having the force of law and whether or not failure to comply therewith would be unlawful) of any court or governmental or monetary authority (i) following any Regulatory Change or (ii) implementing any risk-based capital guideline or other requirement (whether or not having the force of law and whether or not the failure to comply therewith would be unlawful) heretofore or hereafter issued by any government or governmental or supervisory authority implementing at the national level the Basle Accord (including, without limitation, the Final Risk-Based Capital Guidelines of the Board of Governors of the Federal Reserve System (12 C.F.R. Part 208, Appendix A; 12 C.F.R. Part 225, Appendix A) and the Final Risk-Based Capital Guidelines of the Office of the Comptroller of the Currency (12 C.F.R. Part 3, Appendix A)), of capital in respect of its Commitments or Loans (such compensation to include, without limitation, an amount equal to any reduction of the rate of return on assets or equity of such Bank (or any Applicable Lending Office or such bank holding company) to a level below that which such Bank (or any Applicable Lending Office or such bank holding company) could have achieved but for such law, regulation, interpretation, directive or request). For purposes of this Section 5.01(c), "Basle Accord" shall mean the proposals for risk-based capital framework described by the Basle Committee on Banking Regulations and Supervisory Practices in its paper entitled "International Convergence of Capital Measurement and Capital Standards" dated July 1988, as amended, modified and supplemented and in effect from time to time or any replacement thereof.

(d) Each Bank shall notify the Company of any event occurring after the date of this Agreement entitling such Bank to compensation under paragraph (a) or (c) of this Section 5.01 as promptly as practicable,

but in any event within 45 days, after such Bank obtains actual knowledge thereof; provided that (i) if any Bank fails to give such notice within 45 days after it obtains actual knowledge of such an event, such Bank shall, with respect to compensation payable pursuant to this Section 5.01 in respect of any costs resulting from such event, only be entitled to payment under this Section 5.01 for costs incurred from and after the date 45 days prior to the date that such Bank does give such notice and (ii) each Bank will designate a different Applicable Lending Office for the Loans of such Bank affected by such event if such designation will avoid the need for, or reduce the amount of, such compensation and will not, in the sole opinion of such Bank, be disadvantageous to such Bank, except that such Bank shall have no obligation to designate an Applicable Lending Office located in the United States of America. Each Bank will furnish to the Company a certificate setting forth the basis and amount of each request by such Bank for compensation under paragraph (a) or (c) of this Section 5.01. Determinations and allocations by any Bank for purposes of this Section 5.01 of the effect of any Regulatory Change pursuant to paragraph (a) or (b) of this Section 5.01, or of the effect of capital maintained pursuant to paragraph (c) of this Section 5.01, on its costs or rate of return of maintaining Loans or its obligation to make Loans, or on amounts receivable by it in respect of Loans, and of the amounts required to compensate such Bank under this Section 5.01, shall be conclusive, provided that such determinations and allocations are made on a reasonable basis.

5.02 Limitation on Types of Loans. Anything herein to the contrary notwithstanding, if, on or prior to the determination of any LIBO Base Rate for any Interest Period:

(a) the Agent determines, which determination shall be conclusive, that quotations of interest rates for the relevant deposits referred to in the definition of "LIBO Base Rate" in Section 1.01 hereof are not being provided in the relevant amounts or for the relevant maturities for purposes of determining rates of interest for either Type of LIBOR Loans as provided herein; or

(b) if the related Loans are Revolving Credit Loans, the Majority Revolving Credit Banks or, if the related Loans are Eurocurrency Loans, the Majority Eurocurrency Banks determine (or any Bank that has outstanding a Money Market Quote with respect to a LIBOR Market Loan determines), which determination shall be conclusive, and notify (or notifies, as the case may be) the Agent that the relevant rates of interest referred to in the definition of "LIBO Base Rate" in Section 1.01 hereof upon the basis of which the rate of interest for LIBOR Loans (or LIBOR Market Loans, as the case may be) for such Interest Period is to be determined are not likely adequately to cover the cost to such Banks (or to such quoting Bank) of making or maintaining LIBOR Loans for such Interest Period; or

(c) in the case of Eurocurrency Loans denominated in an Alternative Currency, any Bank shall determine (which determination shall be conclusive) and notify the Agent that the relevant Alternative Currency is not available in the relevant amounts or for the relevant periods, or that a change in national or international financial, political or economic conditions or exchange controls has occurred which would, in the opinion of such Bank, make it impracticable for such Bank to make, fund or maintain its Loans to be made in such Alternative Currency or for the relevant Borrower to pay the principal of or interest on such Loans as provided in this Agreement;

then the Agent shall give the Company and each Bank prompt notice thereof and, so long as such condition remains in effect, the Banks (or such quoting Bank) shall be under no obligation to make additional Loans of the affected Type or Currency, as the case may be.

5.03 Illegality. Notwithstanding any other provision of this Agreement, in the event that it becomes unlawful for any Bank or its Applicable Lending Office to honor its obligation to make or maintain LIBOR Loans or LIBOR Market Loans hereunder, then such Bank shall promptly notify the Company thereof (with a copy to the Agent) and such Bank's obligation to make LIBOR Loans shall be suspended until such time as such Bank may again make and maintain LIBOR Loans (in which case the provisions of Section 5.04 hereof shall be applicable), and such Bank shall no longer be obligated to make any LIBOR Market Loan that it has offered to make.

5.04 Treatment of Affected Loans. If the obligation of any Bank to make LIBOR Loans shall be suspended pursuant to Section 5.01 or 5.03 hereof, such Bank's LIBOR Loans shall be Converted into Base Rate Loans denominated in Dollars (at the Dollar Equivalent if Converted from a LIBOR Loan denominated in an Alternative Currency) on such date as such Bank may specify to the Company (with a copy to the Agent) and, unless and until such Bank gives notice as provided below that the circumstances specified in Section 5.01 or 5.03 hereof that gave rise to such Conversion no longer exist:

(a) to the extent that such Bank's LIBOR Loans have been so Converted, all payments and prepayments of principal that would otherwise be applied to such Bank's LIBOR Loans shall be applied instead to its Base Rate Loans; and

(b) all Loans that would otherwise be made as LIBOR Loans shall be made instead as Base Rate Loans in the Dollar Equivalent of the LIBOR Loan that would otherwise be made.

Each Bank agrees to give prompt notice to the Company with a copy to

the Agent that the circumstances specified in Section 5.01 or 5.03 hereof that gave rise to the Conversion of such Bank's LIBOR Loans pursuant to this Section 5.04 no longer exist.

5.05 Compensation. Each Borrower shall pay to the Agent for account of each Bank, upon the request of such Bank through the Agent, such amount or amounts as shall be sufficient (in the reasonable opinion of such Bank) to compensate it for any loss, cost or expense that such Bank determines is attributable to:

(a) any payment, optional prepayment or Conversion of a LIBOR Loan or a Set Rate Loan made by such Bank to such Borrower for any reason (including, without limitation, the acceleration of the Loans pursuant to Section 10 hereof) on a date other than the last day of the Interest Period for such Loan; or

(b) any failure by such Borrower for any reason (including, without limitation, the failure of any of the conditions precedent specified in Section 7 hereof to be satisfied) to borrow a LIBOR Loan or a Set Rate Loan (with respect to which, in the case of a Money Market Loan, the Company has accepted a Money Market Quote) from such Bank on the date for such borrowing specified in the relevant notice of borrowing given pursuant to Section 2.02 or 2.03(b) hereof.

Without limiting the effect of the preceding sentence, such compensation shall include an amount equal to the excess, if any, of (i) the amount of interest that otherwise would have accrued on the principal amount so paid, prepaid or Converted or not borrowed for the period from the date of such payment, prepayment, Conversion or failure to borrow to the last day of the then current Interest Period for such Loan (or, in the case of a failure to borrow, the Interest Period for such Loan that would have commenced on the date specified for such borrowing) at the applicable rate of interest for such Loan provided for herein over (ii) the amount of interest that otherwise would have accrued on such principal amount at a rate per annum equal to the interest component of the amount such Bank would have bid in the London interbank market for deposits in the applicable currency of leading banks (if such Loan is a LIBOR Loan or a LIBOR Market Loan) or in the United States certificate of deposit market for issuance at face value of certificates of deposit for Dollar deposits (if such Loan is a Set Rate Loan) in amounts comparable to such principal amount and with maturities comparable to such period (as reasonably determined by such Bank).

5.06 U.S. Taxes.

(a) The Company and each other Borrower, that is a U.S. Person agrees to pay to each Bank that is not a U.S. Person such additional amounts as are necessary in order that the net payment of any amount due to such non-U.S. Person hereunder after deduction for or withholding in respect of any U.S. Taxes imposed with respect to such payment (or in lieu thereof, payment of such U.S. Taxes by such non-U.S. Person), will not be less than the amount stated herein to be then due and payable, provided that the foregoing obligation to pay such additional amounts shall not apply:

(i) to any payment to a Bank hereunder unless such Bank is, on the date hereof (or on the date it becomes a Bank as provided in Section 11.06(b) hereof) and on the date of any change in the Applicable Lending Office of such Bank, either entitled to submit a Form 1001 (relating to such Bank and entitling it to a complete exemption from withholding on all interest to be received by it hereunder in respect of the Loans) or Form 4224 (relating to all interest to be received by such Bank hereunder in respect of the Loans), or

(ii) to any U.S. Taxes imposed solely by reason of the failure by such non-U.S. Person to comply with applicable certification, information, documentation or other reporting requirements concerning the nationality, residence, identity or connections with the United States of America of such non-U.S. Person if such compliance is required by statute or regulation of the United States of America as a precondition to relief or exemption from such U.S. Taxes.

For the purposes of this Section 5.06(a), (w) "Form 1001" shall mean Form 1001 (Ownership, Exemption, or Reduced Rate Certificate) of the Department of the Treasury of the United States of America, (x) "Form 4224" shall mean Form 4224 (Exemption from Withholding of Tax on Income Effectively Connected with the Conduct of a Trade or Business in the United States) of the Department of the Treasury of the United States of America (or in relation to either such Form such successor and related forms as may from time to time be adopted by the relevant taxing authorities of the United States of America to document a claim to which such Form relates), (y) "U.S. Person" shall mean a citizen, national or resident of the United States of America, a corporation, partnership or other entity created or organized in or under any laws of the United States of America, or any estate or trust that is subject to Federal income taxation regardless of the source of its income and (z) "U.S. Taxes" shall mean any present or future tax, assessment or other charge or levy imposed by or on behalf of the United States of America or any taxing authority thereof or therein.

(b) Within 30 days after paying any amount to the Agent or any Bank from which it is required by law to make any deduction or withholding, and within 30 days after it is required by law to remit such deduction or withholding to any relevant taxing or other authority, the Company (on its own behalf and on behalf of the other Borrowers that are U.S. Persons) shall deliver to the Agent for delivery to such non-U.S.

Person evidence satisfactory to such Person of such deduction, withholding or payment (as the case may be).

5.07 Foreign Taxes. Each Approved Borrower that is not a U.S. Person agrees to pay to each Bank such additional amounts as are necessary in order that the net payment of any amount payable by such Approved Borrower to such Bank hereunder and under its Notes, after deduction for or withholding in respect of any present or future tax, assessment or other charge or levy imposed by or on behalf of the government of the country in which such Approved Borrower is organized, domiciled or resident (or any taxing authority thereof or therein) ("Foreign Taxes") on or with respect to such payment, will not be less than the amount stated herein and in such Notes to be payable. Without in any way affecting any Approved Borrower's obligations under this Section 5.07, if any such Approved Borrower is required by applicable law or regulation to make any deduction or withholding of any Foreign Taxes in respect of any payment hereunder to any Bank, such Approved Borrower agrees to furnish to such Bank (i) within 45 days of such payment, the originals or certified copies of all governmental tax receipts in respect of such Foreign Taxes and (ii) promptly at the request of such Bank, any other information, documents and receipts that such Bank may reasonably require (and that such Approved Borrower can obtain with reasonable efforts) to establish to its satisfaction the full and timely payment of such Foreign Taxes and to permit such Bank to claim such Foreign Taxes as a credit or a deduction in the computation of the income taxes imposed on such Bank by or on behalf of the government of the country in which such Bank is organized, domiciled or resident.

5.08 Replacement Banks. Provided that no Default shall have occurred and be continuing, the Company may, at any time, replace any Bank that has requested compensation from the Company or any Approved Borrower pursuant to Section 5.01 hereof or who shall have delivered the notification referred to in Section 5.02(c) hereof or whose obligation to make additional LIBOR Loans or LIBOR Market Loans has been suspended pursuant to Section 5.03 hereof or that is entitled to payment of additional amounts under Section 5.06 or Section 5.07 hereof or that has failed, and such failure has continued for two Business Days, to make payment to the Agent of the proceeds of a Loan to be made by such Bank hereunder after satisfaction of all conditions precedent to such Loan (any such Bank being herein called an "Affected Bank"), by giving not less than ten Business Days' prior written notice to the Agent (which shall promptly notify such Affected Bank and each other Bank), that it intends to replace such Affected Bank with one or more banks (including, but not limited to, any other Bank under this Agreement) selected by the Company and acceptable to the Agent (which shall not unreasonably withhold its acceptance). The method (whether by assignment or otherwise) of and documentation for such replacement shall be acceptable to the Affected Bank and the Agent (which shall not unreasonably withhold their acceptance and shall cooperate with the Company in effecting such replacement). Upon the effective date of any replacement pursuant to this Section 5.08 (and as a condition thereto), the Company shall, or shall cause the replacement bank(s) to, pay to the Affected Bank being replaced any amounts owing to such Affected Bank hereunder (including, without limitation, principal, interest, facility fees, compensation and additional amounts under this Section 5, in each case accrued to the effective date of such replacement), whereupon each replacement bank shall for all purposes of this Agreement become a "Revolving Credit Bank" having a Revolving Credit Commitment in the amount of such Affected Bank's Revolving Credit Commitment assumed by it, and/or a "Eurocurrency Bank" having a Eurocurrency Commitment in the amount of such Affected Bank's Eurocurrency Commitment assumed by it, as the case may be, in each case holding Loans acquired by it, and such Revolving Credit Commitment or Eurocurrency Commitment of the Affected Bank being replaced shall be terminated upon such effective date and all of such Affected Bank's rights and obligations under this Agreement shall terminate (provided that the obligations of the Company under Sections 5.01, 5.05, 5.06, 5.07 and 12.03 hereof to such Affected Bank and the obligations of such Affected Bank under Section 11.05 hereof to the Agent shall, in either case, survive such replacement as provided in Section 12.07 hereof).

Section 6. Guarantee.

6.01 Guarantee. The Guarantor hereby guarantees to each Bank and the Agent and their respective successors and assigns the prompt payment in full when due (whether at stated maturity, by acceleration, by optional prepayment or otherwise) of the principal of and interest on the Loans made by the Banks to, and the Notes held by each Bank of, any Approved Borrower and all other amounts from time to time owing to the Banks or the Agent by any Approved Borrower under this Agreement pursuant to its Designation Letter and under the Notes, in each case strictly in accordance with the terms thereof (such obligations being herein collectively called the "Guaranteed Obligations"). The Guarantor hereby further agrees that if any Approved Borrower shall fail to pay in full when due (whether at stated maturity, by acceleration, by optional prepayment or otherwise) any of the Guaranteed Obligations, the Guarantor will promptly pay the same, without any demand or notice whatsoever, and that in the case of any extension of time of payment or renewal of any of the Guaranteed Obligations, the same will be promptly paid in full when due (whether at extended maturity, by acceleration or otherwise) in accordance with the terms of such extension or renewal.

6.02 Obligations Unconditional. The obligations of the Guarantor under Section 6.01 hereof are absolute and unconditional irrespective of the value, genuineness, validity, regularity or enforceability of the obligations of any Approved Borrower under this Agreement, the Notes or any other agreement or instrument referred to herein or therein

(including, without limitation, any Designation Letter), or any substitution, release or exchange of any other guarantee of or security for any of the Guaranteed Obligations, and, to the fullest extent permitted by applicable law, irrespective of any other circumstance whatsoever which might otherwise constitute a legal or equitable discharge or defense of a surety or guarantor, it being the intent of this Section 6.02 that the obligations of the Guarantor hereunder shall be absolute and unconditional under any and all circumstances. Without limiting the generality of the foregoing, it is agreed that the occurrence of any one or more of the following shall not affect the liability of the Guarantor hereunder:

(i) at any time or from time to time, without notice to the Guarantor, the time for any performance of or compliance with any of the Guaranteed Obligations shall be extended, or such performance or compliance shall be waived;

(ii) any of the acts mentioned in any of the provisions of this Agreement or the Notes or any other agreement or instrument referred to herein or therein shall be done or omitted; or

(iii) the maturity of any of the Guaranteed obligations shall be accelerated, or any of the Guaranteed Obligations shall be modified, supplemented or amended in any respect, or any right under this Agreement or the Notes or any other agreement or instrument referred to herein or therein shall be waived or any other guarantee of any of the Guaranteed Obligations or any security therefor shall be released or exchanged in whole or in part or otherwise dealt with.

The Guarantor hereby expressly waives diligence, presentment, demand of payment, protest and all notices whatsoever, and any requirement that the Agent or any Bank exhaust any right, power or remedy or proceed against any Approved Borrower under this Agreement or the Notes or any other agreement or instrument referred to herein or therein, or against any other Person under any other guarantee of, or security for, any of the Guaranteed Obligations.

6.03 Reinstatement. The obligations of the Guarantor under this Section 6 shall be automatically reinstated if and to the extent that for any reason any payment by or on behalf of any Approved Borrower in respect of the Guaranteed Obligations is rescinded or must be otherwise restored by any holder of any of the Guaranteed Obligations, whether as a result of any proceedings in bankruptcy or reorganization or otherwise and the Guarantor agrees that it will indemnify the Agent and each Bank on demand for all reasonable costs and expenses (including, without limitation, fees of counsel) incurred by the Agent or such Bank in connection with such rescission or restoration.

6.04 Subrogation. The Guarantor hereby irrevocably waives all rights of subrogation or contribution, whether arising by operation of law (including, without limitation, any such right arising under the Federal Bankruptcy Code) or otherwise, by reason of any payment by it pursuant to the provisions of this Section 6 and further agrees that for the benefit of each of its creditors (including, without limitation, each Bank and the Agent) that any such payment by it of the Guaranteed Obligations of any Approved Borrower shall constitute a contribution of capital by the Guarantor to such Approved Borrower.

6.05 Remedies. The Guarantor agrees that, as between the Guarantor and the Banks, the obligations of any Approved Borrower under this Agreement and the Notes may be declared to be forthwith due and payable as provided in Section 10 hereof (and shall be deemed to have become automatically due and payable in the circumstances provided in said Section 10) for purposes of Section 6.01 hereof notwithstanding any stay, injunction or other prohibition preventing such declaration (or such obligations from becoming automatically due and payable) as against any Approved Borrower and that, in the event of such declaration (or such obligations being deemed to have become automatically due and payable), such obligations (whether or not due and payable by such Approved Borrower) shall forthwith become due and payable by the Guarantor for purposes of said section 6.01.

6.06 Continuing Guarantee. The guarantee in this Section 6 is a continuing guarantee, and shall apply to all Guaranteed Obligations whenever arising.

Section 7. Conditions Precedent.

7.01 Conditions to Effectiveness. The effectiveness of the amendment and restatement of the Original Credit Agreement provided for hereby is subject to the receipt by the Agent (with sufficient copies for each Bank) of the following documents, each of which shall be satisfactory to the Agent (and to the extent specified below, to each Bank) in form and substance:

(a) Corporate Documents. Certified copies of the charter and by-laws (or equivalent documents) of the Company and of all corporate authority for the Company (including, without limitation, board of director resolutions and evidence of the incumbency of officers) with respect to the execution, delivery and performance of this Agreement and the Notes of the Company and each other document to be delivered by the Company from time to time in connection herewith and the Loans hereunder (and the Agent and each Bank may conclusively rely on such certificate until it receives notice in writing from the Company).

(b) Officer's Certificate. A certificate of a senior officer of the Company, dated the Amendment Effective Date, to the effect set forth in

the first sentence of Section 7.03 hereof.

(c) Opinion of Counsel to the Company. An opinion, dated the Amendment Effective Date, of Mudge Rose Guthrie Alexander & Ferdon, counsel to the Company, substantially in the form of Exhibit B hereto and covering such other matters as the Agent or any Bank may reasonably request (and the Company hereby instructs such counsel to deliver such opinion to the Banks and the Agent).

(d) Opinion of Special New York Counsel to Chase. An opinion, dated the Amendment Effective Date, of Milbank, Tweed, Hadley & McCloy, special New York counsel to Chase, substantially in the form of Exhibit C hereto.

(e) Notes. A Revolving Credit Note, Money Market Note and Eurocurrency Note for each Bank, duly completed and executed by the Company dated in accordance with Section 2.08, hereof in exchange for the Original Notes.

(f) Other Documents. Such other documents as the Agent or any Bank or special New York counsel to Chase may reasonably request.

The effectiveness of the amendment and restatement of the Original Credit Agreement provided for hereby is also subject to (a) the payment by each Bank (other than Chase) to the Agent for account of Chase of an amount equal to the principal amount of the Eurocurrency Loan deemed to be acquired by such Bank pursuant to the second sentence of Section 2.01(b) hereof, (b) the payment by the Company to the Agent for account of Chase of interest on the Existing Term Loan, and facility fee under Section 2.05 of the Original Credit Agreement, in each case accrued to the Amendment Effective Date and (c) the payment by the Company of such fees as the Company shall have agreed to pay or deliver to any Bank or the Agent in connection herewith, including, without limitation, the reasonable fees and expenses of Milbank, Tweed, Hadley & McCloy, special New York counsel to Chase in connection with the negotiation, preparation, execution and delivery of this Agreement and the Notes and the making of the Loans hereunder (to the extent that statements for such fees and expenses have been delivered to the Company).

7.02 Initial Loan to any Approved Borrower. The obligation of any Bank to make its initial Loan hereunder to any Approved Borrower is subject to the following additional conditions precedent, each of which shall have been fulfilled to the satisfaction of such Bank:

(a) Corporate Documents. The Agent shall have received (with sufficient copies for each Bank) certified copies of the charter and by-laws (or equivalent documents) of such Approved Borrower and of all corporate authority for such Approved Borrower (including, without limitation, board of director resolutions and evidence of the incumbency of officers) with respect to the execution, delivery and performance of the Designation Letter delivered by such Approved Borrower, this Agreement and the Notes of such Approved Borrower and each other document to be delivered by such Approved Borrower from time to time in connection with any of the foregoing documents and instruments and the Loans hereunder (and the Agent and each Bank may conclusively rely on such certificate until it receives notice in writing from the Company).

(b) Opinion of Counsel to such Approved Borrower. The Agent shall have received (with sufficient copies for each Bank) an opinion of counsel (satisfactory to the Agent) to such Approved Borrower, substantially in the form of Exhibit B-2 hereto, with such changes therein as the Agent or any Bank may reasonably request to address matters of foreign law, and covering such other matters as the Agent or any Bank may reasonably request.

(c) Notes. The Agent shall have received for each Bank its Revolving Credit Note, Money Market Note and Eurocurrency Note duly completed and executed by such Approved Borrower.

(d) Designation Letter. The Agent shall have received (with sufficient copies for each Bank) a Designation Letter, duly executed by such Approved Borrower and the Company and acknowledged by the Agent.

(e) Financial Statements. The Agent shall have received (with sufficient copies for each Bank) the financial statements of such Approved Borrower required pursuant to the fourth paragraph of such Approved Borrower's Designation Letter.

(f) Other Documents. The Agent shall have received such other documents as the Agent and or any Bank or special New York counsel to Chase may reasonably request.

7.03 Initial and Subsequent Loans. The obligation of any Bank to make any Loan (including any Money Market Loan and such Bank's initial Syndicated Loan) hereunder is subject to the further conditions precedent that, both immediately prior to the making of such Loan and also after giving effect thereto and to the intended use thereof: (a) no Event of Default (and, if such borrowing will increase the aggregate outstanding principal amount of Loans of any Bank, no Default) shall have occurred and be continuing; and (b) the representations and warranties made by the Company in Section 8 hereof (other than, if such borrowing will not increase the aggregate outstanding principal amount of Loans of any Bank, the last sentence of Section 8.02 hereof and Section 8.03 hereof) shall be true and complete on and as of the date of the making of such Loan with the same force and effect as if made on and as of such date (or, if any such representation or warranty is

expressly stated to have been made as of a specific date, as of such specific date). Each notice of borrowing by the Company hereunder shall constitute a certification by the Company to the effect set forth in the preceding sentence (both as of the date of such notice and, unless the Company otherwise notifies the Agent prior to the date of such borrowing, as of the date of such borrowing).

Section 8. Representations and Warranties. The Company represents and warrants to the Agent and the Banks that:

Part A. Representations and Warranties of the Company.

8.01 Corporate Existence. Each of the Company and its Subsidiaries:

(a) is a corporation, partnership or other entity duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization; (b) has all requisite corporate or other power, and has all material governmental licenses, authorizations, consents and approvals necessary to own its assets and carry on its business as now being or as proposed to be conducted; and (c) is qualified to do business and is in good standing in all jurisdictions in which the nature of the business conducted by it makes such qualification necessary and where failure so to qualify could (either individually or in the aggregate) have a Material Adverse Effect.

8.02 Financial Condition. The Company has heretofore furnished to each of the Banks a consolidated balance sheet of the Company and its Subsidiaries as at December 31, 1992 and the related consolidated statements of income, cash flows and changes in shareholders' equity of the Company and its Subsidiaries for the fiscal year ended on said date, with the opinion thereon of Coopers & Lybrand, and the unaudited consolidated balance sheet of the Company and its Subsidiaries as at June 30, 1993 and the related consolidated statements of income and cash flows of the Company and its Subsidiaries for the six-month period ended on such date. All such financial statements present fairly, in all material respects, the consolidated financial condition of the Company and its Subsidiaries as at said dates and the consolidated results of their operations for the fiscal year and six-month period ended on said dates (subject, in the case of such financial statements as at June 30, 1993, to normal year-end audit adjustments), all in accordance with generally accepted accounting principles and practices applied on a consistent basis. None of the Company nor any of its Subsidiaries has on the date hereof any material contingent liabilities, liabilities for taxes, unusual forward or long-term commitments or unrealized or anticipated losses from any unfavorable commitments, except as referred to or reflected or provided for in said balance sheets as at said dates (or the notes thereto in the case of such yearend financial statements). Since December 31, 1992, there has been no material adverse change in the consolidated financial condition, operations, business or prospects taken as a whole of the Company and its Subsidiaries from that set forth in said financial statements as at said date (or the notes thereto).

8.03 Litigation. Except as disclosed in Schedule III hereto, there are no legal or arbitral proceedings, or any proceedings by or before any governmental or regulatory authority or agency, now pending or (to the knowledge of the Company) threatened against the Company or any of its Subsidiaries that, if adversely determined could (either individually or in the aggregate) have a Material Adverse Effect.

8.04 No Breach. None of the execution and delivery of this Agreement and the Notes, the consummation of the transactions herein contemplated or compliance with the terms and provisions hereof will conflict with or result in a breach of, or require any consent under, the charter or by-laws of the Company, or any applicable law or regulation, or any order, writ, injunction or decree of any court or governmental authority or agency, or any agreement or instrument to which the Company or any of its Subsidiaries is a party or by which any of them or any of their Property is bound or to which any of them is subject, or constitute a default under any such agreement or instrument.

8.05 Action. The Company has all necessary corporate power, authority and legal right to execute, deliver and perform its obligations under this Agreement and the Notes; the execution, delivery and performance by the Company of this Agreement and the Notes have been duly authorized by all necessary corporate action on its part (including, without limitation, any required shareholder approvals); and this Agreement has been duly and validly executed and delivered by the Company and constitutes, and each of the Notes when executed and delivered for value will constitute, its legal, valid and binding obligation, enforceable against the Company in accordance with its terms, except as such enforceability may be limited by (a) bankruptcy, insolvency, reorganization, moratorium or similar laws of general applicability affecting the enforcement of creditors' rights and (b) the application of general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

8.06 Approvals. No authorizations, approvals or consents of, and no filings or registrations with, any governmental or regulatory authority or agency, or any securities exchange, are necessary for the execution, delivery or performance by the Company of this Agreement or the Notes or for the legality, validity or enforceability hereof.

8.07 Use of Credit. None of the Company nor any of its Subsidiaries is engaged principally, or as one of its important activities, in the business of extending credit for the purpose, whether immediate, incidental or ultimate, of buying or carrying Margin Stock, and no part

of the proceeds of the Loans hereunder will be used to buy or carry any Margin Stock.

8.08 ERISA. Each Plan, and, to the knowledge of the Company, each Multiemployer Plan, is in compliance in all material respects with, and has been administered in all material respects in compliance with, the applicable provisions of ERISA, the Code and any other Federal or State law, and no event or condition has occurred and is continuing as to which the Company would be under an obligation to furnish a report to the Banks under Section 9.01(e) hereof.

8.09 Taxes. As of the Amendment Effective Date, the Company and its Domestic Subsidiaries are members of an affiliated group of corporations filing consolidated returns for Federal income tax purposes, of which the Company is the "common parent" (within the meaning of Section 1504 of the Code) of such group. The Company and its Subsidiaries have filed all Federal income tax returns and all other material tax returns that are required to be filed by them and have paid all taxes due pursuant to such returns or pursuant to any assessment received by the Company or any of its Subsidiaries. The charges, accruals and reserves on the books of the Company and its Subsidiaries in respect of taxes and other governmental charges are, in the opinion of the Company, adequate. The Company has not given or been requested to give a waiver of the statute of limitations relating to the payment of Federal, state, local and foreign taxes or other impositions.

8.10 Investment Company Act. Neither the Company nor any of its Subsidiaries is an "investment company", or a company "controlled" by an "investment company", within the meaning of the Investment Company Act of 1940, as amended.

8.11 Public Utility Holding Company Act. Neither the Company nor any of its Subsidiaries is a "holding company", or an "affiliate" of a "holding company" or a "subsidiary company" of a "holding company", within the meaning of the Public Utility Holding Company Act of 1935, as amended.

8.12 Material Agreements and Liens.

(a) Part A of Schedule I hereto is a complete and correct list, as of the Restatement Date, of each credit agreement, loan agreement, indenture, guarantee, letter of credit or other arrangement providing for or otherwise relating to any Indebtedness or any extension of credit (or commitment for any extension of credit) to, or guarantee by, the Company or any of its Subsidiaries the aggregate principal or face amount of which equals or exceeds (or may equal or exceed) \$5,000,000, and the aggregate principal or face amount outstanding or that may become outstanding under each such arrangement is correctly described in Part A of said Schedule I.

(b) Part B of Schedule I hereto is a complete and correct list, as of the Restatement Date, of each Lien securing Indebtedness of any Person the aggregate principal or face amount of which equals or exceeds (or may equal or exceed) \$5,000,000 and covering any Property of the Company or any of its Subsidiaries, and the aggregate Indebtedness secured (or that may be secured) by each such Lien and the Property covered by each such Lien is correctly described in Part B of said Schedule I.

8.13 Environmental Matters. Each of the Company and its Subsidiaries has obtained all environmental, health and safety permits, licenses and other authorizations required under all Environmental Laws to carry on its business as now being or as proposed to be conducted, except to the extent failure to have any such permit, license or authorization would not (either individually or in the aggregate) have a Material Adverse Effect. Each of such permits, licenses and authorizations is in full force and effect and each of the Company and its Subsidiaries is in compliance with the terms and conditions thereof, and is also in compliance with all other limitations, restrictions, conditions, standards, prohibitions, requirements, obligations, schedules and timetables contained in any applicable Environmental Law or in any regulation, code, plan, order, decree, judgment, injunction, notice or demand letter issued, entered, promulgated or approved thereunder, except to the extent failure to comply therewith would not (either individually or in the aggregate) have a Material Adverse Effect. There have been no environmental investigations, studies, audits, tests, reviews or other analyses conducted by or that are in the possession of the Company or any of its Subsidiaries in relation to any site or facility now or previously owned, operated or leased by the Company or any of its Subsidiaries that have not been made available to the Banks.

8.14 Subsidiaries, Etc. Set forth in Schedule II hereto is a complete and correct list, as of the Restatement Date, of all of the Subsidiaries of the Company, together with, for each such Subsidiary, (i) the jurisdiction of organization of such Subsidiary, (ii) each Person holding ownership interests in such Subsidiary and (iii) the nature of the ownership interests held by each such Person and the percentage of ownership of such Subsidiary represented by such ownership interests.

8.15 True and Complete Disclosure. The information, reports, financial statements, exhibits and schedules furnished in writing by or on behalf of the Company to the Agent or any Bank in connection with the negotiation, preparation or delivery of this Agreement or included herein or delivered pursuant hereto, when taken as a whole, do not

contain any untrue statement of material fact or omit to state any material fact necessary to make the statements herein or therein, in light of the circumstances under which they were made, not misleading. All written information furnished after the date hereof by the Company and its Subsidiaries to the Agent and the Banks in connection with this Agreement and the transactions contemplated hereby will be true, complete and accurate in every material respect, or (in the case of projections) based on reasonable estimates, on the date as of which such information is stated or certified. There is no fact known to the Company that could have a Material Adverse Effect that has not been disclosed herein or in a report, financial statement, exhibit, schedule, disclosure letter or other writing furnished to the Banks for use in connection with the transactions contemplated hereby.

Part B. Representations and Warranties of the Approved Borrowers. Each Approved Borrower represents and warrants to the Banks that:

8.16 Corporate Existence of Approved Borrower. It and each of its Subsidiaries: (a) is a corporation, partnership or other entity duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization; (b) has all requisite corporate or other power, and has all material governmental licenses, authorizations, consents and approvals necessary to own its assets and carry on its business as now being or as proposed to be conducted; and (c) is qualified to do business and is in good standing in all jurisdictions in which the nature of the business conducted by it makes such qualification necessary and where failure so to qualify would have a Material Adverse Effect.

8.17 No Breach. None of the execution and delivery of its Designation Letter, this Agreement and its Notes, the consummation of the transactions therein and herein contemplated and compliance with the terms and provisions thereof and hereof will conflict with or result in a breach of, or require any consent under, the charter or by-laws or other organizational documents of such Approved Borrower, or any applicable law or regulation, or any order, writ, injunction or decree of any court or governmental authority or agency, or any agreement or instrument to which such Approved Borrower or any of its Subsidiaries is a party or by which any of them or their Property is bound or to which any of them is subject, or constitute a default under any such agreement or instrument.

8.18 Action. Such Approved Borrower has all necessary corporate or other power and authority to execute, deliver and perform its obligations under its Designation Letter, this Agreement and its Notes, to perform its obligations hereunder and thereunder; the execution and delivery by such Approved Borrower of its Designation Letter, its Notes and the performance by such Approved Borrower hereof and thereof have been duly authorized by all necessary corporate or other action on its part (including, without limitation, any required shareholder approvals); and each of its Notes when executed and delivered for value and its Designation Letter when executed and delivered by such Approved Borrower, will constitute, the legal, valid and binding obligation of such Approved Borrower, enforceable against such Approved Borrower in accordance with its terms, except as such enforceability may be limited by (a) bankruptcy, insolvency, reorganization, moratorium or similar laws of general applicability affecting the enforcement of creditors' rights and (b) the application of general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

8.19 Approvals. No authorizations, approvals or consents of, and no filings or registrations with, any governmental or regulatory authority or agency are necessary for the execution, delivery or performance by such Approved Borrower of its Designation Letter, this Agreement or its Notes or for the validity or enforceability thereof.

8.20 Taxes on Payments of Approved Borrowers. Except as disclosed to the Banks in writing prior to the delivery of such Approved Borrower's Designation Letter, there is no income, stamp or other tax of any country, or of any taxing authority thereof or therein, imposed by or in the nature of withholding or otherwise, which is imposed on any payment to be made by such Approved Borrower pursuant hereto or on its Notes, or is imposed on or by virtue of the execution, delivery or enforcement of its Designation Letter, this Agreement or its Notes.

Section 9. Covenants of the Company. The Company covenants and agrees with the Banks and the Agent that, so long as any Commitment or Loan is outstanding and until payment in full of all amounts payable by each Obligor hereunder:

9.01 Financial Statements, Etc. The Company shall deliver to each of the Banks:

(a) as soon as available and in any event within 45 days after the end of each quarterly fiscal period of each fiscal year of the Company, consolidated statements of income, cash flows and shareholders' equity of the Company and its Subsidiaries for such period and for the period from the beginning of the respective fiscal year to the end of such period, and the related consolidated balance sheet of the Company and its Subsidiaries as at the end of such period, setting forth in each case in comparative form the corresponding consolidated figures for the corresponding periods in the preceding fiscal year, accompanied by a certificate of a senior financial officer of the Company, which certificate shall state that said consolidated financial statements present fairly, in all material respects, the consolidated financial condition and results of operations of the Company and its Subsidiaries

in accordance with generally accepted accounting principles, consistently applied (except that not all financial statements are accompanied by notes), as at the end of, and for, such period (subject to normal year-end audit adjustments);

(b) as soon as available and in any event within 90 days after the end of each fiscal year of the Company, consolidated statements of income, cash flows and shareholders' equity of the Company and its Subsidiaries for such fiscal year and the related consolidated balance sheet of the Company and its Subsidiaries as at the end of such fiscal year, setting forth in each case in comparative form the corresponding consolidated figures for the preceding fiscal year, and accompanied by an opinion thereon of independent certified public accountants of recognized national standing, which opinion shall state that said consolidated financial statements and the notes thereto present fairly, in all material respects, the consolidated financial condition and results of operations of the Company and its Subsidiaries as at the end of, and for, such fiscal year in accordance with generally accepted accounting principles, and a report of such accountants stating that, in connection with their audit, nothing came to their attention, except as specifically stated, that caused them to believe that the Company failed to comply with the terms, covenants, provisions or conditions of Section 9.07, 9.08, 9.09, 10(a) or 10(b) hereof (in the case of such Section 10(b), as such Section relates to any payment default by the Company or any of its Subsidiaries with respect to the principal of or interest on any of its Indebtedness (other than the Loans) aggregating \$11,000,000 or more) insofar as they relate to accounting matters;

(c) promptly upon their becoming available, copies of all registration statements and regular periodic reports, if any, that the Company shall have filed with the Securities and Exchange Commission (or any governmental agency substituted therefor) or any national securities exchange;

(d) promptly upon the mailing thereof to the shareholders of the Company generally or to holders of Subordinated Indebtedness generally, copies of all financial statements, reports and proxy statements so mailed;

(e) as soon as possible, and in any event within ten days after the Company knows or has reason to believe that any of the events or conditions specified below with respect to any Plan or Multiemployer Plan has occurred or exists, a statement signed by a senior financial officer of the Company setting forth details respecting such event or condition and the action, if any, that the Company or its ERISA Affiliate proposes to take with respect thereto (and a copy of any report or notice required to be filed with or given to PBGC by the Company or an ERISA Affiliate with respect to such event or condition):

(i) any reportable event, as defined in Section 4043(b) of ERISA and the regulations issued thereunder, with respect to a Plan, as to which PBGC has not by regulation waived the requirement of Section 4043(a) of ERISA that it be notified within 30 days of the occurrence of such event (provided that a failure to meet the minimum funding standard of Section 412 of the Code or Section 302 of ERISA, including, without limitation, the failure to make on or before its due date a required installment under Section 412(m) of the Code or Section 302(e) of ERISA, shall be a reportable event regardless of the issuance of any waivers in accordance with Section 412(d) of the Code); and any request for a waiver under Section 412(d) of the Code for any Plan;

(ii) the distribution under Section 4041 of ERISA of a notice of intent to terminate any Plan or any action taken by the Company or an ERISA Affiliate to terminate any Plan;

(iii) the institution by PBGC of proceedings under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Plan, or the receipt by the Company or any ERISA Affiliate of a notice from a Multiemployer Plan that such action has been taken by PBGC with respect to such Multiemployer Plan;

(iv) the complete or partial withdrawal from a Multiemployer Plan by the Company or any ERISA Affiliate that results in liability under Section 4201 or 4204 of ERISA (including the obligation to satisfy secondary liability as a result of a purchaser default) or the receipt by the Company or any ERISA Affiliate of notice from a Multiemployer Plan that it is in reorganization or insolvency pursuant to Section 4241 or 4245 of ERISA or that it intends to terminate or has terminated under Section 4041A of ERISA;

(v) the institution of a proceeding by a fiduciary of any Multiemployer Plan against the Company or any ERISA Affiliate to enforce Section 515 of ERISA, which proceeding is not dismissed within 30 days; and

(vi) the adoption of an amendment to any Plan that, pursuant to Section 401(a)(29) of the Code or Section 307 of ERISA, would result in the loss of tax-exempt status of the trust of which such Plan is a part if the Company or an ERISA Affiliate fails to timely provide security to the Plan in accordance with the provisions of said Sections;

(f) promptly after the Company knows or has reason to believe that any Default has occurred, a notice of such Default describing the same in reasonable detail and, together with such notice or as soon thereafter as possible, a description of the action that the Company has taken or proposes to take with respect thereto; and

(g) From time to time such other information regarding the financial condition, operations, business or prospects of the Company or any of its Subsidiaries (including, without limitation, any Plan or Multiemployer Plan and any reports or other information required to be filed under ERISA) as any Bank or the Agent may reasonably request.

The Company will furnish to each Bank, at the time it furnishes each set of financial statements pursuant to paragraph (a) or (b) above, a certificate of a senior financial officer of the Company (i) to the effect that no Default has occurred and is continuing (or, if any Default has occurred and is continuing, describing the same in reasonable detail and describing the action that the Company has taken or proposes to take with respect thereto) and (ii) setting forth in reasonable detail the computations necessary to determine whether the Company is in compliance with Sections 9.07, 9.08 and 9.09 hereof as of the end of the respective quarterly fiscal period or fiscal year.

9.02 Litigation. The Company will promptly give to each Bank notice of all legal or arbitral proceedings, and of all proceedings by or before any governmental or regulatory authority or agency, and any material development in respect of such legal or other proceedings, affecting the Company or any of its Subsidiaries, except proceedings that, if adversely determined, would not (either individually or in the aggregate) have a Material Adverse Effect. Without limiting the generality of the foregoing, the Company will give to each Bank notice of the assertion of any Environmental Claim by any Person against, or with respect to the activities of, the Company or any of its Subsidiaries and notice of any alleged violation of or non-compliance with any Environmental Laws or any permits, licenses or authorizations, other than any Environmental Claim or alleged violation that, if adversely determined, would not (either individually or in the aggregate) have a Material Adverse Effect.

9.03 Existence, Etc. The Company will, and will cause each of its Subsidiaries to:

(a) preserve and maintain its legal existence and all of its material rights, privileges, licenses and franchises (provided that nothing in this Section 9.03 shall prohibit any transaction expressly permitted under Section 9.05 hereof);

(b) comply with the requirements of all applicable laws, rules, regulations and orders of governmental or regulatory authorities if failure to comply with such requirements could (either individually or in the aggregate) have a Material Adverse Effect;

(c) pay and discharge all taxes, assessments and governmental charges or levies imposed on it or on its income or profits or on any of its Property prior to the date on which penalties attach thereto, except for any such tax, assessment, charge or levy the payment of which is being contested in good faith and by proper proceedings and against which adequate reserves are being maintained;

(d) maintain all of its Properties used or useful in its business in good working order and condition, ordinary wear and tear excepted;

(e) keep adequate records and books of account, in which complete entries will be made in accordance with generally accepted accounting principles consistently applied; and

(f) permit representatives of any Bank or the Agent, during normal business hours, to examine, copy and make extracts from its books and records, to inspect any of its Properties, and to discuss its business and affairs with its officers, all to the extent reasonably requested by such Bank or the Agent (as the case may be).

9.04 Insurance. The Company will, and will cause each of its Subsidiaries to, maintain insurance with financially sound and reputable insurance companies (which insurance companies shall, in any event, have an A.M. Best rating of "B+" or better), and with respect to Property and risks of a character usually maintained by corporations engaged in the same or similar business similarly situated, against loss, damage and liability of the kinds and in the amounts customarily maintained by such corporations.

9.05 Prohibition of Fundamental Chances. The Company will not, nor will it permit any of its Subsidiaries to, enter into any transaction of merger or consolidation or amalgamation, or liquidate, wind up or dissolve itself (or suffer any liquidation or dissolution). The Company will not, nor will it permit any of its Subsidiaries to, Dispose of, in one transaction or a series of transactions, all or a substantial part of its business or Property (for which purpose, the Disposition of all or a substantial part of the capital stock of a Subsidiary shall be deemed to be the Disposition of all or a substantial part of the Property of such Subsidiary), whether now owned or hereafter acquired (including, without limitation, receivables and leasehold interests, but excluding (i) obsolete or worn-out tools, equipment or other Property no longer used or useful in its business and (ii) any inventory or other Property sold or disposed of in the ordinary course of business and on ordinary business terms). Notwithstanding the foregoing provisions of this Section 9.05:

(a) any Subsidiary of the Company may be merged or consolidated with or into: (i) the Company if the Company shall be the continuing or surviving corporation or (ii) any other such Subsidiary; provided that (x) if any such transaction shall be between a Subsidiary and a Wholly Owned Subsidiary, the Wholly Owned Subsidiary shall be the continuing

or surviving corporation;

(b) any Subsidiary of the Company may Dispose of any or all of its Property (upon voluntary liquidation or otherwise) to the Company or a Wholly Owned Subsidiary of the Company;

(c) the Company or any Subsidiary of the Company may merge or consolidate with any other Person if (i) in the case of a merger or consolidation of the Company, the Company is the surviving corporation and, in any other case, the surviving corporation is a Wholly Owned Subsidiary of the Company and (ii) after giving effect thereto no Default would exist hereunder;

(d) The Company may effect the Disposition of its BMY-Combat Systems Division to a joint venture (the "BMY Joint Venture") as described in its Annual Report for the fiscal year of the Company ended December 31, 1992 and on terms and conditions substantially similar to those set forth in the Company's letter to Chase dated August 19, 1993; and

(e) The Company or any of its Subsidiaries may effect any other Disposition (the "Subject Disposition") so long as (i) the aggregate book value of the Property that is the subject of the Subject Disposition and of all other Property Disposed of pursuant to this paragraph (e) during the period of twelve months ending on the date of the Subject Disposition minus the aggregate principal amount of Loans repaid with cash received by the Company or any of its Subsidiaries in connection with the Subject Disposition and such other Dispositions during such period (provided that the Commitments shall have been reduced by a like amount) does not exceed 5% of Total Assets as at the date of the Subject Disposition and (ii) the aggregate book value of all Property Disposed of pursuant to this paragraph (e) during the period commencing on the date of this Agreement and ending on the date of the Subject Disposition minus the aggregate principal amount of Loans repaid with cash received by the Company or any of its Subsidiaries in connection with the Subject Disposition and such other Dispositions during such period (provided that the Commitments shall have been reduced by a like amount) does not exceed 15% of Total Assets as at the date of the Subject Disposition.

9.06 Limitation on Liens. The Company will not, nor will it permit any of its Subsidiaries to, create, incur, assume or suffer to exist any Lien upon any of its Property, whether now owned or hereafter acquired, except:

(a) Liens in existence on the date hereof and listed in Part B of Schedule I hereto;

(b) Liens imposed by any governmental authority for taxes, assessments or charges not yet due or that are being contested in good faith and by appropriate proceedings if adequate reserves with respect thereto are maintained on the books of the Company or the affected Subsidiaries, as the case may be, in accordance with GAAP;

(c) carriers', warehousemen's, mechanics', materialmen's, repairmen's or other like Liens arising in the ordinary course of business that are not overdue for a period of more than 30 days or that are being contested in good faith and by appropriate proceedings and Liens securing judgments but only to the extent for an amount and for a period not resulting in an Event of Default under Section 10(h) hereof;

(d) pledges or deposits under worker's compensation, unemployment insurance and other social security legislation;

(e) deposits to secure the performance of bids, trade contracts (other than for Indebtedness), leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature incurred in the ordinary course of business;

(f) easements, rights-of-way, restrictions and other similar encumbrances incurred in the ordinary course of business and encumbrances consisting of zoning restrictions, easements, licenses, restrictions on the use of Property or minor imperfections in title thereto that, in the aggregate, are not material in amount, and that do not in any case materially detract from the value of the Property subject thereto or interfere with the ordinary conduct of the business of the Company or any of its Subsidiaries;

(g) Liens on Property of any corporation that becomes a Subsidiary of the Company after the date of this Agreement, provided that such Liens are in existence at the time such corporation becomes a Subsidiary of the Company and were not created in anticipation thereof;

(h) Liens upon real and/or tangible personal Property acquired after the date hereof (by purchase, construction or otherwise) by the Company or any of its Subsidiaries, each of which Liens either (A) existed on such Property before the time of its acquisition and was not created in anticipation thereof or (B) was created solely for the purpose of securing Indebtedness representing, or incurred to finance, refinance or refund, the cost (including the cost of construction) of such Property; provided that no such Lien shall extend to or cover any Property of the Company or such Subsidiary other than the Property so acquired and improvements thereon;

(i) additional Liens upon real and/or personal Property created after the date hereof, provided that the aggregate Indebtedness secured thereby and incurred on and after the date hereof shall not exceed \$5,000,000 in the aggregate at any one time outstanding; and

(j) any extension, renewal or replacement of the foregoing; provided that the Liens permitted hereunder shall not be spread to cover any additional Indebtedness or Property (other than a substitution of like Property).

9.07 Interest Coverage Ratio. The Company will not permit the Interest Coverage Ratio for any period of four consecutive fiscal quarters ending during any period set forth below to be less than the ratio set forth opposite such period:

Period	Ratio
From the Closing Date through December 30, 1994	3.50 to 1
From December 31, 1994 and at all times thereafter	4.00 to 1

9.08 Tangible Net Worth. The Company will not at any time on and after the date hereof to but excluding September 30, 1993 permit Tangible Net Worth to be less than \$175,000,000 and the Company will not at any time on and after September 30, 1993 permit Tangible Net Worth to be less than \$175,000,000 plus the sum of 50% of Net Income for each fiscal quarter of the Company from and including the fiscal quarter ending on September 30, 1993 to the fiscal quarter ending on or most recently ended prior to such time (for which purpose a net loss shall be deemed to be Net Income of zero).

9.09 Total Debt to Total Capital Ratio. The Company will not permit the ratio of Total Debt to Total Capital at any time during any period set forth below to exceed the ratio set forth opposite such period:

Period	Ratio
From the Closing Date through December 31, 1994	0.55 to 1
From January 1, 1995 through December 31, 1995	0.50 to 1
From January 1, 1996 and at all times thereafter	0.45 to 1

9.10 Lines of Business. Neither the Company nor any of its Subsidiaries will engage to any substantial extent in any line or lines of business activity other than the business of manufacturing, providing, distributing and selling such diverse goods and industrial services, principally for defense, industrial, commercial and construction applications, the same or similar to those goods and services as are manufactured, provided, distributed and sold by the Company on the date hereof.

9.11 Transactions with Affiliates. Except as expressly permitted by this Agreement, the Company will not, nor will it permit any of its Subsidiaries to, directly or indirectly: (a) make any Investment in an Affiliate; (b) transfer, sell, lease, assign or otherwise dispose of any Property to an Affiliate; (c) merge into or consolidate with or purchase or acquire Property from an Affiliate; or (d) enter into any other transaction directly or indirectly with or for the benefit of an Affiliate (including, without limitation, Guarantees and assumptions of obligations of an Affiliate); provided that (w) any Affiliate who is an individual may serve as a director, officer or employee of the Company or any of its Subsidiaries and receive reasonable compensation for his or her services in such capacity, (x) the Company and its Subsidiaries may enter into transactions (other than extensions of credit by the Company or any of its Subsidiaries to an Affiliate) providing for the leasing of Property, the rendering or receipt of services or the purchase or sale of inventory and other Property in the ordinary course of business if the monetary or business consideration arising therefrom would be substantially as advantageous to the Company and its Subsidiaries as the monetary or business consideration that would obtain in a comparable transaction with a Person not an Affiliate, (y) the Company may Guarantee the obligations of an Affiliate (other than the BMY Joint Venture) so long as (I) the fraction, expressed as a percentage, the numerator of which is the aggregate amount of such Affiliate's obligations Guaranteed by the Company and the denominator of which is the aggregate amount of such Affiliate's obligations that are Guaranteed by any Person (including by the Company) does not exceed the fraction, expressed as a percentage, the numerator of which is the number of shares of capital stock or partnership or other ownership interests of such Affiliate owned directly or indirectly by the Company and the denominator of which is the total number of shares of capital stock or partnership or other ownership interests of such Affiliate owned by any Person (including, directly or indirectly, by the Company) and (II) the aggregate amount of obligations of Affiliates Guaranteed by the Company as permitted by this clause (y) does not exceed \$25,000,000 and (z) the Company may Guarantee the obligations of the BMY Joint Venture in the ordinary course of business.

9.12 Use of Proceeds. The proceeds of the Loans hereunder will be used solely for general corporate purposes (in compliance with all applicable legal and regulatory requirements) of the Company and its Subsidiaries; provided that neither the Agent nor any Bank shall have any responsibility as to the use of any of such proceeds.

Section 10. Events of Default. If one or more of the following events (herein called "Events of Default") shall occur and be continuing:

(a) Any Borrower shall default in the payment when due (whether at stated maturity or upon optional prepayment) of any principal of or interest on any Loan, any fee or any other amount payable by it hereunder; or

(b) The Company or any of its Subsidiaries shall default in the payment when due of any principal of or interest on any of its other Indebtedness aggregating \$11,000,000 or more, or in the payment when due of any amount under any Interest Rate Protection Agreement for a notional principal amount exceeding \$5,000,000; or any event specified in any note, agreement, indenture or other document evidencing or relating to any such Indebtedness or any event specified in any Interest Rate Protection Agreement shall occur if the effect of such event is to cause, or (with the giving of any notice or the lapse of time or both) to permit the holder or holders of such Indebtedness (or a trustee or agent on behalf of such holder or holders) to cause, such Indebtedness to become due, or to be prepaid in full (whether by redemption, purchase, offer to purchase or otherwise), prior to its stated maturity or to have the interest rate thereon reset to a level so that securities evidencing such Indebtedness trade at a level specified in relation to the par value thereof or, in the case of an Interest Rate Protection Agreement, to permit the payments owing under such Interest Rate Protection Agreement to be liquidated; or

(c) Any representation, warranty or certification made or deemed made herein (or in any modification or supplement hereto) by any Borrower, or any certificate furnished to any Bank or the Agent pursuant to the provisions hereof, shall prove to have been false or misleading as of the time made or furnished in any material respect; or

(d) The Company shall default in the performance of any of its obligations under any of Sections 9.01(f), 9.05, 9.06, 9.07, 9.08 or 9.09 hereof; or the Company shall default in the performance of any of its other obligations in this Agreement and such default shall continue unremedied for a period of thirty or more days after notice thereof to the Company by the Agent or the Majority Banks (through the Agent); or

(e) The Company or any of its Subsidiaries shall admit in writing its inability to, or be generally unable to, pay its debts as such debts become due; or

(f) The Company or any of its Subsidiaries shall (i) apply for or consent to the appointment of, or the taking of possession by, a receiver, custodian, trustee, examiner or liquidator of itself or of all or a substantial part of its Property, (ii) make a general assignment for the benefit of its creditors, (iii) commence a voluntary case under the Bankruptcy Code, (iv) file a petition seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, liquidation, dissolution, arrangement or winding-up, or composition or readjustment of debts, (v) fail to controvert in a timely and appropriate manner, or acquiesce in writing to, any petition filed against it in an involuntary case under the Bankruptcy Code or (vi) take any corporate action for the purpose of effecting any of the foregoing; or

(g) A proceeding or case shall be commenced, without the application or consent of the Company or any of its Subsidiaries, in any court of competent jurisdiction, seeking (i) its reorganization, liquidation, dissolution, arrangement or winding-up, or the composition of readjustment of its debts, (ii) the appointment of a receiver, custodian, trustee, examiner, liquidator or the like of the Company or such Subsidiary or of all or any substantial part of its Property, or (iii) similar relief in respect to the Company or such Subsidiary under any law relating to bankruptcy, insolvency, reorganization, winding-up, or composition or adjustment of debts, and such proceeding or case shall continue undismissed, or an order, judgment or decree approving or ordering any of foregoing shall be entered and continue unstaying and in effect, for a period of 60 or more days; or an order for relief against the Company or such Subsidiary shall be entered in an involuntary case under the Bankruptcy Code; or

(h) A final judgment or judgments for the payment of money in excess of \$5,000,000 in the aggregate (exclusive of judgment amounts fully covered by insurance where the insurer has admitted liability in respect of judgment) or in excess of \$10,000,000 in the aggregate (regardless of insurance coverage) shall be rendered by one or more courts, administrative tribunals or other bodies having jurisdiction against the Company or any of its Subsidiaries and the same shall not be discharged (or provision shall not be made for such discharge), or a stay of execution thereof shall not be procured, within 30 days from the date of entry thereof and the Company or the relevant Subsidiary shall not, within said period of 30 days, or such longer period during which execution of the same shall have been stayed, appeal therefrom and cause the execution thereof to be stayed during such appeal; or

(i) An event or condition specified in Section 9.01(e) hereof shall occur or exist with respect to any Plan or Multiemployer Plan and, as a result of such event or condition, together with all other such events

or conditions, the Company or any ERISA Affiliate shall incur or in the opinion of the Majority Banks notified to the Company shall be reasonably likely to incur a liability to a Plan, a Multiemployer Plan or PBGC (or any combination of the foregoing) that, in the determination of the Majority Banks notified to the Company, would either individually or in the aggregate) have a Material Adverse Effect; or

(j) A reasonable basis shall exist for the assertion against the Company or any of its Subsidiaries or (or there shall have been asserted against the Company or any of its Subsidiaries) claims or liabilities, whether accrued, absolute or contingent, based on or arising from the generation, storage, transport, handling or disposal of Hazardous Materials by the Company or any of its Subsidiaries or Affiliates, or any predecessor in interest of the Company or any of its Subsidiaries or Affiliates, or relating to any site or facility owned, operated or leased by the Company or any of its Subsidiaries or Affiliates, which claims or liabilities (insofar as they are payable by the Company or any of its Subsidiaries but after deducting any portion thereof that is reasonably expected to be paid by other creditworthy Persons jointly and severally liable therefor), in the judgment of the Majority Banks notified to the Company are reasonably likely to be determined adversely to the Company or any of its Subsidiaries, and the amount thereof (either individually or in the aggregate) is reasonably likely to have a Material Adverse Effect; or

(k) any "person" (as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) is or becomes the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Exchange Act, except that a person shall be deemed to have "beneficial ownership" of all shares that any such person has the right to acquire without condition, other than the passage of time, whether such right is exercisable immediately or only after the passage of time), directly or indirectly, of 20% or more of the common stock of the Company (on a fully diluted basis);

THEREUPON: (1) in the case of an Event of Default other than one referred to in clause (f) or (g) of this Section 10 with respect to the Company, (A) the Agent may, by notice to the Company, terminate the Commitments and they shall thereupon terminate, and (B) the Agent may and, upon request of Banks holding more than 50% of the aggregate unpaid principal amount of the Loans shall, by notice to the Company declare the principal amount then outstanding of, and the accrued interest on, the Loans made to any Borrower and all other amounts payable by the Company hereunder and under the Notes (including, without limitation, any amounts payable under Section 5.05 hereof) to be forthwith due and payable (provided that (x) if so requested by the Majority Revolving Credit Banks, the Agent shall take such action with respect to the Revolving Credit Commitments and/or the Revolving Credit Loans, Money Market Loans and such interest and other amounts to the extent owed to the Revolving Credit Banks and (y) if so requested by the Majority Eurocurrency Banks, the Agent shall take such action with respect to the Eurocurrency Commitments and the Eurocurrency Loans and such interest and other amounts to the extent owed to the Eurocurrency Banks), whereupon such amounts shall be immediately due and payable without presentment, demand, protest or other formalities of any kind, all of which are hereby expressly waived by each Obligor; and (2) in the case of the occurrence of an Event of Default referred to in clause (f) or (g) of this Section 10 with respect to the Company, the Commitments shall automatically be terminated and the principal amount then outstanding of, and the accrued interest on, the Loans made to each Borrower and all other amounts payable by the Company hereunder and under the Notes (including, without limitation, any amounts payable under Section 5.05 hereof) shall automatically become immediately due and payable without presentment, demand, protest or other formalities of any kind, all of which are hereby expressly waived by each Obligor.

Section 11. The Agent.

11.01 Appointment, Powers and Immunities. Each Bank hereby irrevocably appoints and authorizes the Agent to act as its agent hereunder with such powers as are specifically delegated to the Agent by the terms of this Agreement, together with such other powers as are reasonably incidental thereto. The Agent (which term as used in this sentence and in Section 11.05 and the first sentence of Section 11.06 hereof shall include reference to its affiliates and its own and its affiliates' officers, directors, employees and agents): (a) shall have no duties or responsibilities except those expressly set forth in this Agreement, and shall not by reason of this Agreement be a trustee for any Bank; (b) shall not be responsible to the Banks for any recitals, statements, representations or warranties contained in this Agreement, or in any certificate or other document referred to or provided for in, or received by any of them under, this Agreement, or for the value, validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement, any Note or any other document referred to or provided for herein or for any failure by the Company or any other Person to perform any of its obligations hereunder or thereunder; (c) shall not be required to initiate or conduct any litigation or collection proceedings hereunder; and (d) shall not be responsible for any action taken or omitted to be taken by it hereunder or under any other document or instrument referred to or provided for herein or in connection herewith, except for its own gross negligence or willful misconduct. The Agent may employ agents and attorneys-in-fact and shall not be responsible for the negligence or misconduct of any such agents or attorneys-in-fact selected by it in good faith. The Agent may deem and treat the payee of any Note as the holder thereof for all purposes hereof unless and until a notice of the assignment or transfer

thereof shall have been filed with the Agent, together with the consent of the Company to such assignment or transfer (to the extent provided in Section 12.06(b) hereof).

11.02 Reliance by Agent. The Agent shall be entitled to rely upon any certification, notice or other communication (including, without limitation, any thereof by telephone, teletype, telex, telegram or cable) believed by it to be genuine and correct and to have been signed or sent by or on behalf of the proper Person or Persons, and upon advice and statements of legal counsel, independent accountants and other experts selected by the Agent. As to any matters not expressly provided for by this Agreement, the Agent shall in all cases be fully protected in acting, or in refraining from acting, hereunder in accordance with instructions given by the Majority Banks or, if provided herein, in accordance with the instructions given by the Majority Revolving Credit Banks, the Majority Eurocurrency Banks or all of the Banks as is required in such circumstance, and such instructions of such Banks and any action taken or failure to act pursuant thereto shall be binding on all of the Banks.

11.03 Defaults. The Agent shall not be deemed to have knowledge or notice of the occurrence of a Default unless the Agent has received notice from a Bank or the Company specifying such Default and stating that such notice is a "Notice of Default". In the event that the Agent receives such a notice of the occurrence of a Default, the Agent shall give prompt notice thereof to the Banks. The Agent shall (subject to Sections 11.01 and 11.07 hereof) take such action with respect to such Default as shall be directed by the Majority Banks or, if provided herein, the Majority Revolving Credit Banks or the Majority Eurocurrency Banks, provided that, unless and until the Agent shall have received such directions, the Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Default as it shall deem advisable in the best interest of the Banks except to the extent that this Agreement expressly requires that such action be taken, or not be taken, only with the consent or upon the authorization of the Majority Banks, the Majority Revolving Credit Banks, the Majority Eurocurrency Banks or all of the Banks.

11.04 Rights as a Bank. With respect to its Commitments and the Loans made by it, Chase (and any successor acting as Agent) in its capacity as a Bank hereunder shall have the same rights and powers hereunder as any other Bank and may exercise the same as though it were not acting as the Agent, and the term "Bank" or "Banks" shall, unless the context otherwise indicates, include the Agent in its individual capacity. Chase (and any successor acting as Agent) and its affiliates may (without having to account therefor to any Bank) accept deposits from, lend money to, make investments in and generally engage in any kind of banking, trust or other business with the Company (and any of its Subsidiaries or Affiliates) as if it were not acting as the Agent, and Chase and its affiliates may accept fees and other consideration from the Company for services in connection with this Agreement or otherwise without having to account for the same to the Banks.

11.05 Indemnification. The Banks agree to indemnify the Agent (to the extent not reimbursed under Section 12.03 hereof, but without limiting the obligations of the Company under said Section 12.03) ratably in accordance with their respective Commitments, for any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits or reasonable costs, expenses or disbursements of any kind and nature whatsoever that may be imposed on, incurred by or asserted against the Agent (including by any Bank) arising out of or by reason of any investigation in or in any way relating to or arising out of this Agreement or any other documents contemplated by or referred to herein or the transactions contemplated hereby (including, without limitation, the reasonable costs and expenses that the Company is obligated to pay under Section 12.03 hereof but excluding, unless a Default has occurred and is continuing, normal administrative costs and expenses incident to the performance of its agency duties hereunder) or the enforcement of any of the terms hereof or of any such other documents, provided that no Bank shall be liable for any of the foregoing to the extent they arise from the gross negligence or willful misconduct of the party to be indemnified.

11.06 Non-Reliance on Agents and Other Banks. Each Bank agrees that it has, independently and without reliance on the Agent or any other Bank, and based on such documents and information as it has deemed appropriate, made its own credit analysis of the Company and its Subsidiaries and decision to enter into this Agreement and that it will, independently and without reliance upon the Agent or any other Bank, and based on such documents and information as it shall deem appropriate at the time, continue to make its own analysis and decisions in taking or not taking action under this Agreement. The Agent shall not be required to keep itself informed as to the performance or observance by the Company of this Agreement or any other document referred to or provided for herein or to inspect the Properties or books of the Company or any of its Subsidiaries. Except for notices, reports and other documents and information expressly required to be furnished to the Banks by the Agent hereunder, the Agent shall not have any duty or responsibility to provide any Bank with any credit or other information concerning the affairs, financial condition or business of the Company or any of its Subsidiaries (or any of their affiliates) that may come into the possession of the Agent or any of its affiliates.

11.07 Failure to Act. Except for action expressly required of the Agent hereunder, the Agent shall in all cases be fully justified in

failing or refusing to act hereunder unless it shall receive further assurances to its satisfaction from the Banks or their indemnification obligations under Section 11.05 hereof against any and all liability and expense that may be incurred by it by reason of taking or continuing to take any such action.

11.08 Resignation or Removal of Agent. Subject to the appointment and acceptance of a successor Agent as provided below, the Agent may resign at any time by giving notice thereof to the Banks and the Company, and the Agent may be removed at any time with or without cause by the Majority Banks. Upon any such resignation or removal, the Majority Banks shall have the right to appoint a successor Agent. If no successor Agent shall have been so appointed by the Majority Banks and shall have accepted such appointment within 30 days after the retiring Agent's giving of notice of resignation or the Majority Banks' removal of the retiring Agent, then the retiring Agent may, on behalf of the Banks, appoint a successor Agent, that shall be a bank that has an office in New York, New York with a combined capital and surplus of at least \$500,000,000. Upon the acceptance of any appointment as Agent hereunder by a successor Agent, such successor Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Agent, and the retiring Agent shall be discharged from its duties and obligations hereunder. After any retiring Agent's resignation or removal hereunder as Agent, the provisions of this Section 11 shall continue in effect for its benefit in respect of any actions taken or omitted to be taken by it while it was acting as the Agent.

Section 12. Miscellaneous.

12.01 Waiver. No failure on the part of the Agent or any Bank to exercise and no delay in exercising, and no course of dealing with respect to, any right, power or privilege under this Agreement or any Note shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege under this Agreement or any Note preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The remedies provided herein are cumulative and not exclusive of any remedies provided by law.

Each Obligor irrevocably waives, to the fullest extent permitted by applicable law, any claim that any action or proceeding commenced by the Agent or any Bank relating in any way to this Agreement should be dismissed or stayed by reason, or pending the resolution, of any action or proceeding commenced by such Obligor relating in any way to this Agreement whether or not commenced earlier. To the fullest extent permitted by applicable law, each Obligor shall take all measures necessary for any such action or proceeding commenced by the Agent or any Bank to proceed to judgment prior to the entry of judgment in any such action or proceeding commenced by such Obligor.

12.02 Notices. All notices, requests and other communications provided for herein (including, without limitation, any modifications of, or waivers, requests or consents under, this Agreement) shall be given or made in writing (including, without limitation, by telecopy), or, with respect to notices given pursuant to Section 2.03 hereof, by telephone, confirmed in writing by telecopier by the close of business on the day the notice is given, delivered (or telephoned, as the case may be) to the intended recipient at the "Address for Notices" specified below its name on the signature pages hereof); or, as to any party, at such other address as shall be designated by such party in a notice to each other party. Except as otherwise provided in this Agreement, all such communications shall be deemed to have been duly given when transmitted by telecopier or personally delivered or, in the case of a mailed notice, upon receipt, in each case given or addressed as aforesaid. Each Approved Borrower hereby agrees that each notice or other communication provided for herein may be furnished to the Company or by the Company on its behalf in the manner specified above and each Approved Borrower further agrees that failure of the Company to deliver to such Approved Borrower any notice furnished in accordance with this Section 12.02 shall not affect the validity of such notice.

12.03 Expenses, Etc. The Company agrees to pay or reimburse each of the Banks and the Agent for: (a) all reasonable out-of-pocket costs and expenses of the Agent (including, without limitation, the reasonable fees and expenses of Milbank, Tweed, Hadley & McCloy, special New York counsel to Chase) in connection with (i) the negotiation, preparation, execution and delivery of this Agreement and the Notes and the making of the Loans hereunder and (ii) the negotiation or preparation of any modification, supplement or waiver of any of the terms of this Agreement or any of the Notes (whether or not consummated); (b) all reasonable out-of-pocket costs and expenses of each Bank and the Agent (including, without limitation, the reasonable fees and expenses of legal counsel, including allocated costs of in-house counsel) in connection with (i) any Default and any enforcement or collection proceedings resulting therefrom, including, without limitation, all manner of participation in or other involvement with (x) bankruptcy, insolvency, receivership, foreclosure, winding up or liquidation proceedings, (y) judicial or regulatory proceedings and (z) workout, restructuring or other negotiations or proceedings (whether or not the workout, restructuring or transaction contemplated thereby is consummated) and (ii) the enforcement of this Section 12.03; and (c) all transfer, stamp, documentary or other similar taxes, assessments or charges levied by any governmental or revenue authority in respect of this Agreement or any of the Notes or any other document referred to herein.

The Company hereby agrees to indemnify the Agent and each Bank and

their respective directors, officers, employees, attorneys and agents from, and hold each of them harmless against, any and all losses, liabilities, claims, damages or expenses incurred by any of them (including, without limitation, any and all losses, liabilities, claims, damages or expenses incurred by the Agent to any Bank, whether or not the Agent or any Bank is a party thereto) arising out of or by reason of any investigation or litigation or other proceedings (including any threatened investigation or litigation or other proceedings) relating to the Loans hereunder or any actual or proposed use by the Company or any of its Subsidiaries of the proceeds of any of the Loans hereunder, including, without limitation, the reasonable fees and disbursements of counsel incurred in connection with any such investigation or litigation or other proceedings (but excluding any such losses, liabilities, claims, damages or expenses incurred by reason of the gross negligence or willful misconduct of the Person to be indemnified). Without limiting the generality of the foregoing, the Company will indemnify the Agent and each Bank from, and hold the Agent and each Bank harmless against, any losses, liabilities, claims, damages or expenses described in the preceding sentence (but excluding, as provided in the preceding sentence, any loss, liability, claim, damage or expense incurred by reason of the gross negligence or willful misconduct of the Person to be indemnified) arising under any Environmental Law as a result of the past, present or future operations of the Company or any of its Subsidiaries (or any predecessor in interest to the Company or any of its Subsidiaries), or the past, present or future condition of any site or facility owned, operated or leased by the Company or any of its Subsidiaries (or any such predecessor in interest), or any Release or threatened Release of any Hazardous Materials from any such site or facility, including any such Release or threatened Release that shall occur during any period when the Agent or any Bank shall be in possession of any such site or facility following the exercise by the Agent or any Bank of any of its rights and remedies hereunder.

12.04 Amendments. Etc. Except as otherwise expressly provided in this Agreement, any provision of this Agreement may be modified or supplemented only by an instrument in writing signed by the Company (on its own behalf and on behalf of the other Borrowers), the Agent and the Majority Banks, or by the Company (on its own behalf and on behalf of the other Borrowers) and the Agent acting with the consent of the Majority Banks, and any provision of this Agreement may be waived by the Majority Banks or by the Agent acting with the consent of the Majority Banks; provided that: (a) no modification, supplement or waiver shall, unless by an instrument signed by all of the Banks or by the Agent acting with the consent of all of the Banks: (i) increase, or extend the term of any of the Commitments, or extend the time or waive any requirement for the reduction or termination of any of the Commitments, (ii) extend the date fixed for the payment of principal of or interest on any Loan or any fee hereunder, (iii) reduce the amount of any such payment of principal, (iv) reduce the rate at which interest is payable thereon or any fee is payable hereunder, (v) alter the terms of Section 6 hereof or this Section 12.04, (vi) modify the definition of the term "Majority Banks", "Majority Revolving Credit Banks" or "Majority Eurocurrency Banks", or modify in any other manner the number or percentage of the Banks required to make any determinations or waive any rights hereunder or to modify any provision hereof, or (vii) in the case of the initial Loan hereunder to any Borrower, waive any of the conditions precedent set forth in Section 7.01 or 7.02 hereof, as the case may be, and Section 7.03 hereof; (b) any modification or waiver of the conditions precedent specified in Section 7.03 hereof shall require, in the case of Revolving Credit Loans, the consent of the Majority Revolving Credit Banks only and, in the case of Eurocurrency Loans, the consent of the Majority Eurocurrency Banks only; and (c) any modification or supplement altering the rights or obligations of the Agent or of Section 11 hereof shall require the consent of the Agent.

12.05 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

12.06 Assignments and Participations.

(a) The Company may not assign any of its rights or obligations hereunder or under the Notes without the prior consent of all of the Banks and the Agent.

(b) Each Bank may assign any of its Loans, its Notes, and its Commitments (but only with the consent of, in the case of its Commitments, the Company and the Agent, which consent will not be unreasonably withheld); provided that (i) no such consent by the Company or the Agent shall be required in the case of any assignment to another Bank; (ii) any such partial assignment shall be in an amount at least equal to \$10,000,000; (iii) each such assignment by a Bank of its Revolving Credit Loans, Revolving Credit Note or Revolving Credit Commitment shall be made in such manner so that the same portion of its Revolving Credit Loans, Revolving Credit Note and Revolving Credit Commitment is assigned to the respective assignee; and (iv) each such assignment by a Bank of its Eurocurrency Loans, Eurocurrency Note and Eurocurrency Commitment shall be made in such manner so that the same portion of its Eurocurrency Loans, Eurocurrency Note and Eurocurrency Commitment is assigned to the respective assignee. Upon execution and delivery by the assignee to the Company and the Agent of an instrument in writing pursuant to which such assignee agrees to become a "Bank" hereunder (if not already a Bank) having the Commitment(s) and Loans specified in such instrument, and upon consent thereto by the Company and the Agent, to the extent required above, the assignee shall have,

to the extent of such assignment (unless otherwise provided in such assignment with the consent of the Company and the Agent), the obligations, rights and benefits of a Bank hereunder holding the Commitment(s) and Loans (or portions thereof) assigned to it (in addition to the Commitment(s) and Loans, if any, theretofore held by such assignee) and the assigning Bank shall, to the extent of such assignment, be released from the Commitment(s) (or portion(s) thereof) so assigned. Upon each such assignment the assigning Bank shall pay the Agent an assignment fee of \$3,000.

(c) A Bank may sell or agree to sell to one or more other Persons a participation in all or any part of any Loans held by it, or in its Commitments, in which event each purchaser of a participation (a "Participant") shall not, except as otherwise provided in Section 4.07(c) hereof, have any rights or benefits under this Agreement or any Note (the Participant's rights against such Bank in respect of such participation to be those set forth in the agreements executed by such Bank in favor of the Participant). All amounts payable by the Company to any Bank under Section 5 hereof in respect of Loans held by it, and its Commitments, shall be determined as if such Bank had not sold or agreed to sell any participations in such Loans and Commitments, and as if such Bank were funding each of such Loan and Commitments in the same way that it is funding the portion of such Loan and Commitments in which no participations have been sold. In no event shall a Bank that sells a participation agree with the Participant to take or refrain from taking any action hereunder except that such Bank may agree with the Participant that it will not, without the consent of the Participant, agree to (i) increase or extend the term, or extend the time or waive any requirement for the reduction or termination, of such Bank's related Commitment, (ii) extend the date fixed for the payment of principal or interest on the related Loan or Loans or any portion or any fee hereunder payable to the Participant, (iii) reduce the amount of any such payment of principal, (iv) reduce the rate at which interest is payable thereon, or any fee hereunder payable to the Participant, to a level below the rate at which the Participant is entitled to receive such interest or fee or (v) consent to any modification, supplement or waiver hereof to the extent that the same, under Section 12.04 hereof, requires the consent of each Bank.

(d) In addition to the assignments and participations permitted under the foregoing provisions of this Section 12.06, any Bank may (without notice to the Company, the Agent or any other Bank and without payment of any fee) (i) assign and pledge all or any portion of its Loans and its Notes to any Federal Reserve Bank as collateral security pursuant to Regulation A and any Operating Circular issued by such Federal Reserve Bank and (ii) assign all or any portion of its rights under this Agreement and its Loans and its Notes to an affiliate. No such assignment shall release the assigning Bank from its obligations hereunder.

(e) A Bank may furnish any information concerning the Company or any of its Subsidiaries in the possession of such Bank from time to time to assignees and participants (including prospective assignees and participants), subject, however, to the provisions of Section 12.13(b) hereof.

(f) Anything in this Section 12.06 to the contrary notwithstanding, no Bank may assign or participate any interest in any Loan held by it hereunder to the Company or any of its Affiliates or Subsidiaries without the prior consent of each Bank.

12.07 Survival. The obligations of the Obligor under Sections 5.01, 5.05, 5.06, 5.07 and 12.03 hereof, and the obligations of the Banks under Section 11.05 hereof, shall survive the repayment of the Loans and the termination of the Commitments. In addition, each representation and warranty made, or deemed to be made by a notice of any Loan, herein or pursuant hereto shall survive the making of such representation and warranty, and no Bank shall be deemed to have waived, by reason of making any Loan, any Default that may arise by reason of such representation or warranty proving to have been false or misleading, notwithstanding that such Bank or the Agent may have had notice or knowledge or reason to believe that such representation or warranty was false or misleading at the time such Loan was made.

12.08 Captions. The table of contents and captions and section headings appearing herein are included solely for convenience of reference and are not intended to affect the interpretation of any provision of this Agreement.

12.09 Counterparts. This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument and any of the parties hereto may execute this Agreement by signing any such counterpart.

12.10 Governing Law: Submission to Jurisdiction. This Agreement and the Notes shall be governed by, and construed in accordance with, the law of the State of New York. Each Obligor hereby submits to the nonexclusive jurisdiction of the United States District Court for the Southern District of New York and of any New York state court sitting in New York City for the purposes of all legal proceedings arising out of or relating to this Agreement or the transactions contemplated hereby. Each Obligor irrevocably waives, to the fullest extent permitted by applicable law, any objection that it may now or hereafter have to the laying of the venue of any such proceeding brought in such a court and any claim that any such proceeding brought in such a court has been brought in an inconvenient forum. Each Approved Borrower hereby agrees that service of process if any such action or proceeding

brought in New York may be made upon such Approved Borrower by service upon the Company at the "Address for Notices" specified below its name on the signature pages hereof and each Approved Borrower hereby irrevocably appoints the Company as its authorized agent ("Process Agent") to accept, on behalf of its property such service of process in New York.

12.11 Waiver of Jury Trial. EACH OF THE OBLIGORS, THE AGENT AND THE BANKS HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

12.12 Judgment Currency. This is an international loan transaction in which the specification of Dollars or an Alternative Currency, as the case may be (the "Specified Currency"), any payment in New York City or the country of the Specified Currency, as the case may be (the "Specified Place"), is of the essence, and the Specified Currency shall be the currency of account in all events relating to Loans denominated in the Specified Currency. The payment obligations of the Borrowers under this Agreement and the Notes shall not be discharged by an amount paid in another currency or in another place, whether pursuant to a judgment or otherwise, to the extent that the amount so paid on conversion to the Specified Currency and transfer to the Specified Place under normal banking procedures does not yield the amount of the Specified Currency at the Specified Place due hereunder. If for the purpose of obtaining judgment in any court it is necessary to convert a sum due hereunder in the Specified Currency into another currency (the "Second Currency"), the rate of exchange which shall be applied shall be that at which in accordance with normal banking procedures the Agent could purchase the Specified Currency with the Second Currency on the Business Day next preceding that on which such judgment is rendered. The obligation of each Borrower in respect of any such sum due from it to the Agent or any Bank hereunder (an "Entitled Person") shall, notwithstanding the rate of exchange actually applied in rendering such judgment, be discharged only to the extent that on the Business Day following receipt by such Entitled Person of any sum adjudged to be due hereunder or under the Notes in the Second Currency such Entitled Person may in accordance with normal banking procedures purchase and transfer to the Specified Place the Specified Currency with the amount of the Second Currency so adjudged to be due; and each Borrower hereby, as a separate obligation and notwithstanding any such judgment, agrees to indemnify such Entitled Person against, and to pay such Entitled Person on demand in the Specified Currency, any difference between the sum originally due to such Entitled Person in the Specified Currency and the amount of the Specified Currency so purchased and transferred.

12.13 Treatment of Certain Information: Confidentiality.

(a) The Company acknowledges that from time to time financial advisory, investment banking and other services may be offered or provided to the Company or one or more of its Subsidiaries (in connection with this Agreement or otherwise) by any Bank or by one or more subsidiaries or affiliates of such Bank and the Company hereby authorizes each Bank to share any information delivered to such Bank by the Company and its Subsidiaries pursuant to this Agreement, or in connection with the decision of such Bank to enter into this Agreement, to any such subsidiary or affiliate, it being understood that any such subsidiary or affiliate receiving such information shall be bound by the provisions of clause (b) below as if it were a Bank hereunder. Such authorization shall survive the repayment of the Loans and the termination of the Commitments.

(b) Each Bank and the Agent agrees (on behalf of itself and each of its affiliates, directors, officers, employees and representatives) to use reasonable precautions to keep confidential, in accordance with their customary procedures for handling confidential information of the same nature and in accordance with safe and sound banking practices, any non-public information supplied to it by the Company pursuant to this Agreement that is identified by the Company as being confidential at the time the same is delivered to the Banks or the Agent, provided that nothing herein shall limit the disclosure of any such information (i) to the extent required by statute, rule, regulation or judicial process, (ii) to counsel for any of the Banks or the Agent, (iii) to bank examiners, auditors or accountants, (iv) to the Agent or any other Bank (or to Chase Securities, Inc.), (v) in connection with any litigation to which any one or more of the Banks or the Agent is a party, (vi) to a subsidiary or affiliate of such Bank as provided in clause (a) above or (vii) to any assignee or participant (or prospective assignee or participant) so long as such assignee or participant (or prospective assignee or participant) first executes and delivers to the respective Bank a Confidentiality Agreement substantially in the form of Exhibit F hereto; provided, further, that in no event shall any Bank or the Agent be obligated or required to return any materials furnished by the Company. The obligations of each Bank under this Section 12.13 shall supersede and replace the obligations of such Bank under the confidentiality letter in respect of this financing signed and delivered by such Bank to the Company prior to the date hereof; in addition, the obligations of any assignee that has executed a Confidentiality Agreement in the form of Exhibit F hereto shall be superseded by this Section 12.13 upon the date upon which such assignee becomes a Bank hereunder pursuant to Section 12.06 hereof.

12.14 Entire Agreement. This Agreement (including the Schedules and Exhibits attached hereto) embody the entire agreement and understanding between the Borrowers, on the one hand, and the Banks, on the other,

and supersedes all prior agreements and understandings relating to the subject matter hereof.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered as of the day and year first above written.

HARSCO CORPORATION

By: /S/Ronald W. Kaplan
Name: Ronald W. Kaplan
Title: Vice President & Treasurer

Address for Notices:

Harsco Corporation
350 Poplar Church Road
Camp Hill, Pennsylvania 17011-8888

Attention: Treasurer
Telecopier No.: (717) 763-6424
Telephone No.: (717) 763-7064

Revolving Credit Commitment THE CHASE MANHATTAN BANK
\$ 6,500,000 (NATIONAL ASSOCIATION)
Eurocurrency Commitment
\$20,500,000

By: /S/Elaine Francolino
Name: Elaine Francolino
Title: Managing Director

Lending Office for all Loans:

The Chase Manhattan Bank
(National Association)
1 Chase Manhattan Plaza
New York, New York 10081

Address for Notices:

The Chase Manhattan Bank
(National Association)
1 Chase Manhattan Plaza
New York, New York 10081

Attention: Elaine Francolino

Telecopier No.: (212) 552-7075
Telephone No.: (212) 552-5343

Revolving Credit Commitment CIBC, INC.
\$ 9,750,000
Eurocurrency Commitment
\$ 9,750,000

By: /S/Brian E. O'Callahan
Name: Brian E. O'Callahan
Title: Authorized Signatory

Lending Office for all Loans:

CIBC, Inc.
2 Paces West, Suite 1200
2727 Paces Ferry Road
Atlanta, GA 30339

Address for Notices:

CIBC, Inc.
425 Lexington Avenue
New York, New York 10017

Attention: Brian E. O'Callahan

Telecopier No.: (212) 856-3991

Telephone No.: (212) 856-3571

Revolving Credit Commitment MELLON BANK, N.A.
\$ 9,750,000
Eurocurrency Commitment
\$ 9,750,000

By: /S/Gilbert B. Mateer
Name: Gilbert B. Mateer
Title: Assistant Vice President

By: /S/Donald G. Cassidy Jr.
Name: Donald G. Cassidy Jr.
Title: First Vice President

Lending Office for all Loans:

Mellon Bank, N.A.
Loan Administration
Room 153-2332
Pittsburgh, PA 15259

Address for Notices:

Mellon Bank, N.A.
Loan Administration
Room 153-2332
Pittsburgh, PA 15259

Attention: Elaine Wasburn

Telecopier No.: (412) 236-2028

Telephone No.: (412) 234-4748

Revolving Credit Commitment NATIONSBANK OF NORTH CAROLINA, N.A.
\$ 9,750,000
Eurocurrency Commitment
\$ 9,750,000

By: /S/M. Gregory Seaton
Name: M. Gregory Seaton
Title: Senior Vice President

Lending Office for all Loans:

NationsBank of North Carolina, N.A.
1 NationsBank Plaza (6-19)
Charlotte, NC 28255

Address for Notices:

NationsBank of North Carolina, N.A.

NationsBank Corp. Center 8th Floor
Charlotte, NC 28255

Attention: M. Gregory Seaton
Vice President

Telecopier No.: (704) 386-3271

Telephone No.: (704) 386-8843

Revolving Credit Commitment SHAWMUT BANK, NA
\$ 9,750,000
Eurocurrency Commitment
\$ 9,750,000

By: /S/Gary P. Kearns
Name: Gary P. Kearns
Title: Senior Vice President

Lending Office for all Loans:

Shawmut Bank, NA
National Banking Group
One Federal Street
OF-0324
Boston, Massachusetts 02211

Address for Notices:

Shawmut Bank, NA
National Banking Group
One Federal Street
OF-0324
Boston, Massachusetts 02211

Attention: Kerry Day

Telecopier No.: (617) 292-4460

Telephone No.: (617) 292-3064

Revolving Credit Commitment UNION BANK OF SWITZERLAND
\$ 9,750,000
Eurocurrency Commitment
\$ 9,750,000

By: /S/Bruce T. Richards
Name: Bruce T. Richards
Title: First Vice President

By: /S/Jean Claude de Roche
Name: Jean Claude de Roche
Title: Assistant Vice President

Lending Office for all Loans:

Address for Notices:

Union Bank of Switzerland
299 Park Avenue

New York, New York 10171

Attention: Bruce Richards
First Vice President

Telecopier No.:

Telephone No.: (212) 715-3000

Revolving Credit Commitment BANK OF AMERICA NATIONAL TRUST
\$ 7,000,000 AND SAVINGS ASSOCIATION
Eurocurrency Commitment
\$ 7,000,000

By: /S/W. L. Hess
Name: W. L. Hess
Title: Vice President

Lending Office for all Loans:

Bank of America National Trust
and Savings Association
1850 Gateway Blvd.
Concord, CA 94520

Address for Notices:

Bank of America National Trust
and Savings Association
555 California Street
San Francisco, CA 94137

Attention: Carolyn Alberts

Telecopier No.: (415) 622-2235/7

Telephone No.: (415) 622-2020

Revolving Credit Commitment THE BANK OF NEW YORK
\$ 7,000,000
Eurocurrency Commitment
\$ 7,000,000

By: /S/Michael Flannery
Name: Michael Flannery
Title: Vice President

Lending Office for all Loans:

The Bank of New York
One Wall Street, 22nd Floor
New York, New York 10286

Address for Notices:

The Bank of New York
One Wall Street, 22nd Floor
New York, New York 10286

Attention: Mike Flannery

Telecopier No.: (212) 635-6397

Telephone No.: (212) 635-6807

Revolving Credit Commitment COMMERZBANK AG NEW YORK BRANCH
\$ 7,000,000
Eurocurrency Commitment
\$ 7,000,000

By: /S/Robert Ten Have
Name: Robert Ten Have
Title: Vice President

By: /S/W. Niemeyer
Name: W. Niemeyer
Title: Vice President

Lending Office for all Loans:

Commerzbank AG New York Branch
2 World Financial Center
New York, New York 10281-1050

Address for Notices:

Commerzbank AG New York Branch
2 World Financial Center
New York, New York 10281-1050

Attention: Robert Ten Have

Telecopier No.: (212) 266-7315

Telephone No.: (212) 266-7317

Revolving Credit Commitment CORESTATES BANK N.A.
\$ 7,000,000
Eurocurrency Commitment
\$ 7,000,000

By: /S/Thomas M. Harper
Name: Thomas M. Harper
Title: Vice President

Lending Office for all Loans:

CoreStates Bank N.A.
1500 Market Street
FC 1-3-18-8
Philadelphia, Pennsylvania 19101

Address for Notices:

CoreStates Bank N.A.
FC1-1-82-1
1345 Chestnut Street
Philadelphia, Pennsylvania 19101-7618

Attention: Tom Harper
Vice President

Telecopier No.: 215-973-6745

Telephone No.: 215-973-3645

Revolving Credit Commitment DAUPHIN DEPOSIT BANK & TRUST COMPANY
\$14,000,000
Eurocurrency Commitment
\$ 0.00

By: /S/Susan L. Davies
Name: Susan L. Davies
Title: Assistant Vice President

Lending Office for all Loans:

Dauphin Deposit & Trust Company
213 Market Street
Harrisburg, Pennsylvania 17105

Address for Notices:

Dauphin Deposit & Trust Company
213 Market Street
Harrisburg, Pennsylvania 17105

Attention: Susan L. Davies

Telecopier No.: (717) 232-5092

Telephone No.: (717) 255-2120

Revolving Credit Commitment THE FIRST NATIONAL BANK OF MARYLAND
\$ 7,000,000
Eurocurrency Commitment
\$ 7,000,000

By: /S/Steven G. Ricklefs
Name: Steven G. Ricklefs
Title: Vice President

Lending Office for all Loans:

The First National Bank of Maryland
Suite 510
96 South George Street
York, Pennsylvania 17405

Address for Notices:

The First National Bank of Maryland
Suite 510
96 South George Street
York, Pennsylvania 17405

Attention: Steven G. Ricklefs

Telecopier No.: (717) 845-3026

Telephone No.: (717) 848-2265

Revolving Credit Commitment GULF INTERNATIONAL BANK B.S.C.

\$ 7,000,000
Eurocurrency Commitment
\$ 7,000,000

By: /S/Thomas E. Fitzherbert
Name: Thomas E. Fitzherbert
Title: Vice President

By: /S/Abdel-Fattah Tahoun
Name: Abdel-Fattah Tahoun
Title: Vice President

Lending Office for all Loans:

Gulf International Bank B.S.C.
Grand Cayman Branch
380 Madison Avenue
New York, New York 10017

Address for Notices:

GIB Grand Cayman Branch
c/o GIB New York Branch
380 Madison Avenue
New York, New York 10017

Attention: T.E. Fitzherbert

Telecopier No.: (212) 922-2309

Telephone No.: (212) 922-2320

Revolving Credit Commitment NATIONAL WESTMINSTER BANK PLC
\$ 7,000,000 NEW YORK BRANCH
Eurocurrency Commitment
\$ 7,000,000

By: /S/G. M. Sherman
Name: G. M. Sherman
Title: Vice President

Lending Office for Base Rate Loans:

National Westminster Bank Plc
New York Branch
175 Water Street
New York, New York 10038

Lending Office for LIBOR Loans:

National Westminster Bank Plc
Nassau Branch
175 Water Street
New York, New York 10038

Address for Notices:

National Westminster Bank Plc
New York Branch
175 Water Street
New York, New York 10038

Attention: Robert Passavello

Telecopier No.: (212) 602-4118

Telephone No.: (212) 602-4149

Revolving Credit Commitment SOCIETE GENERALE
\$ 7,000,000
Eurocurrency Commitment

\$ 7,000,000

By: /S/Gordon R. Eadon
Name: Gordon R. Eadon
Title: Vice President

Lending Office for all Loans:

Societe Generale
50 Rockefeller Plaza
New York, New York 10020

Address for Notices:

Societe Generale
50 Rockefeller Plaza
New York, New York 10020

Attention: Gordon Eadon
Vice President

Telecopier No.: (212) 531-8752

Telephone No.: (212) 830-6880

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Revolving Credit Commitment BANK BRUSSELS LAMBERT,
\$ 2,500,000 NEW YORK BRANCH
Eurocurrency Commitment
\$ 2,500,000

By: /S/John Kippax
Name: John Kippax
Title: Vice President

By: /S/Eric Hollandera
Name: Eric Hollandera
Title: Senior Vice President
Credit Department

Lending Office for all Loans:

Bank Brussels Lambert,
New York Branch
630 Fifth Avenue
New York, New York 10111

Address for Notices:

Bank Brussels Lambert,
New York Branch
630 Fifth Avenue
New York, New York 10111

Attention: John Kippax

Telecopier No.: (212) 632-5308

Telephone No.: (212) 632-5429

Revolving Credit Commitment BAYERISCHE VEREINSBANK AG
\$ 2,500,000
Eurocurrency Commitment
\$ 2,500,000

By: /S/James T. Gilland
Name: James T. Gilland
Title: Vice President

By: /S/Mary Power
Name: Mary Power
Title: Vice President

Lending Office for all Loans:

Bayerische Vereinsbank AG
335 Madison Avenue
19th Floor

New York, New York 10017

Address for Notices:

Bayerische Vereinsbank AG
335 Madison Avenue
19th Floor
New York, New York 10017

Attention: James Gilland

Telecopier No.: (212) 297-9724

Telephone No.: (212) 210-0342

Revolving Credit Commitment CREDIT SUISSE
\$ 2,500,000
Eurocurrency Commitment
\$ 2,500,000

By: /S/Thomas Bosshard
Name: Thomas Bosshard
Title: Associate

By: /S/J. Chall
Name: J. Chall
Title: Member of Senior Management

Lending Office for all Loans:

Credit Suisse
12 East 49th Street
42nd Floor
New York, New York 10017

Address for Notices:

Credit Suisse
12 East 49th Street
42nd Floor
New York, New York 10017

Attention: Thomas Bosshard

Telecopier No.: (212) 238-5363

Telephone No.: (212) 238-5389

Revolving Credit Commitment THE FUJI BANK, LTD., NEW YORK BRANCH
\$ 2,500,000
Eurocurrency Commitment
\$ 2,500,000

By: /S/Tadayuki Sasaki
Name: Tadayuki Sasaki
Title: Joint General Manager

Lending Office for all Loans:

The Fuji Bank, Ltd., New York Branch
Two World Trade Center
New York, New York 10048

Address for Notices:

The Fuji Bank, Ltd., New York Branch
Two World Trade Center
New York, New York 10048

Attention: Kathleen Barsotti

Telecopier No.: (212) 488-8216

Telephone No.: (212) 898-2065

Revolving Credit Commitment NBD BANK, N.A.
\$ 2,500,000
Eurocurrency Commitment
\$ 2,500,000

By: /S/John W. Fisher III
Name: John W. Fisher III
Title: First Vice President

Lending Office for all Loans:

NBD Bank, N.A.
611 Woodward Avenue -
National Division-East
Detroit, Michigan 18226

Address for Notices:

NBD Bank, N.A.
611 Woodward Avenue -
National Division-East
Detroit, Michigan 18226

Attention: Thomas W. Doddridge

Telecopier No.: (313) 225-1586

Telephone No.: (313) 225-3346

Revolving Credit Commitment ISTITUTO BANCARIO SAN PAOLO
\$ 2,500,000 DI TORINO S.P.A.
Eurocurrency Commitment
\$ 2,500,000

By: /S/William J. De Angelo
Name: William J. De Angelo
Title: First Vice President

Lending Office for all Loans:

Istituto Bancario San Paolo
di Torino S.p.A.
245 Park Avenue
35th Floor
New York, New York 10167

Address for Notices:

Istituto Bancario San Paolo
di Torino S.p.A.
245 Park Avenue
35th Floor
New York, New York 10167

Attention:

Telecopier No.:

Telephone No.: (212) 692-3152

Revolving Credit Commitment MORGAN GUARANTY TRUST COMPANY
\$ 9,750,000 OF NEW YORK
Eurocurrency Commitment
\$ 9,750,000

By: /S/Laura E. Reim
Name: Laura E. Reim
Title: Vice President

Lending Office for Base Rate Loans:

Morgan Guaranty Trust Company
of New York
c/o JP Morgan Services, Inc.
500 Stanton Christiana Road
Newark, Delaware 19713

Lending Office for LIBOR Loans:

Morgan Guaranty Trust Company
of New York
Nassau Bahamas Office
c/o JP Morgan Services, Inc.
500 Stanton Christiana Road
Newark, Delaware 19713

Contact-Operations (Notice for all Borrowings and/or Repayment
Instructions):

Multi-Option Unit - Loan Department
Telephone No.: 302-634-1800

Morgan Guaranty Trust Company
of New York
c/o J.P. Morgan Services Inc.
500 Stanton Christiana Road
Newark, Delaware 19713

Telex Number/Answerback: 177615 MGT UT
or 620106 MGT UW

Telecopier No.: 302-634-1094

Address for Money Market Notices:

Morgan Guaranty Trust Company
of New York
60 Wall Street
New York, New York 10260-0060

Attention: John Dougar

Telecopier No.: (212) 648-0769

Telephone No.: (212) 648-5918

THE CHASE MANHATTAN BANK
(NATIONAL ASSOCIATION),
as Agent

By: /S/Elaine Francolino
Name: Elaine Francolino
Title: Managing Director

Address for Notices to
Chase as Agent:

The Chase Manhattan Bank
(National Association)
4 Metrotech Center 13th Floor
Brooklyn, New York 11245

Attention: New York Agency

Telecopier No.: (718) 242-6910

Telephone No.: (718) 242-7979

SCHEDULE I

Material Agreements and Liens

[See Section 8.12]

Part A - Material Agreements

Part B - Liens

Schedule I

SCHEDULE II

Subsidiaries

[See Section 8.14]

Schedule II

SCHEDULE III

Litigation

[See Section 8.03]

Schedule III

EXHIBIT A-1

[Form of Revolving Credit Note]

PROMISSORY NOTE

October , 1993
New York, New York

FOR VALUE RECEIVED, [Insert Name of Borrower], a [State/Country] corporation (the "Borrower"), hereby promises to pay to [] (the "Bank"), for account of its respective Applicable Lending Offices provided for by the Credit Agreement referred to below, at the principal office of The Chase Manhattan Bank (National Association) at 1 Chase Manhattan Plaza, New York, New York 10081 or at such other place as required by the Credit Agreement referred to below, the aggregate unpaid principal amount of the Revolving Credit Loans made by the Bank to the Borrower under the Credit Agreement, in lawful money of the United States of America and in immediately available funds, on the dates and in the principal amounts provided in the Credit Agreement, and to pay interest on the unpaid principal amount of each such Revolving Credit Loan, at such office, in like money and funds, for the period commencing on the date of such Revolving Credit Loan until such Revolving Credit Loan shall be paid in full, at the rates per annum and on the dates provided in the Credit Agreement.

The date, amount, Type, interest rate and duration of Interest Period of each Revolving Credit Loan made by the Bank to the Borrower, and each payment made on account of the principal thereof, shall be recorded by the Bank on its books and, prior to any transfer of this Note, endorsed by the Bank on the schedule attached hereto or any continuation thereof, provided that the failure of the Bank to make any such recordation or endorsement shall not affect the obligations of the Borrower to make a payment when due of any amount owing under the Credit Agreement or hereunder in respect of the Revolving Credit Loans made by the Bank.

This Note is one of the Revolving Credit Notes referred to in the Credit Agreement dated as of August 24, 1993, amended and restated as of October 20, 1993 (as modified and supplemented and in effect from time to time, the "Credit Agreement") between Harsco Corporation, the lenders named therein and The Chase Manhattan Bank (National Association), as Agent, and evidences Revolving Credit Loans made by the Bank thereunder. Terms used but not defined in this Note have the respective meanings assigned to them in the Credit Agreement.

The Credit Agreement provides for the acceleration of the maturity of

this Note upon the occurrence of certain events and for prepayments of Loans upon the terms and conditions specified therein.

Except as permitted by Section 12.06 of the Credit Agreement, this Note may not be assigned by the Bank to any other Person.

This Note shall be governed by, and construed in accordance with, the law of the State of New York.

*[[INSERT NAME OF BORROWER]]

BY
Name:
Title:

For value received, Harsco Corporation hereby unconditionally guarantees to the holder of this Note the prompt payment in full when due (whether at stated maturity, by acceleration, by optional prepayment or otherwise) of the principal of and interest on this Note, hereby expressly waiving diligence, presentment, demand for payment, protest and all notices whatsoever.]

HARSCO CORPORATION

BY
Name:
Title:

* Use bracketed language if the Borrower named herein is an Approved Borrower.

SCHEDULE OF REVOLVING CREDIT LOANS

This Note evidences Revolving Credit Loans made or Converted under the within-described Credit Agreement to the Borrower, on the dates, in the principal amounts, of the Types, bearing interest at the rates and having Interest Periods of the durations set forth below, subject to the payments and prepayments of principal set forth below:

Date	Principal Amount of Loan	Type of Loan	Interest Rate	Duration of Interest Period	Amount Paid or Prepaid	Unpaid Principal Amount
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EXHIBIT A-2

[Form of Eurocurrency Note]

PROMISSORY NOTE

October , 1993
New York, New York

FOR VALUE RECEIVED, [Insert Name of Borrower] a [State/Country] corporation (the "Borrower"), hereby promises to pay to [](the "Bank"), for account of its respective Applicable Lending Offices

provided for by the Credit Agreement referred to below, at the principal office of The Chase New York, New York 10081 or at such other place as required by the Credit Agreement referred to below, the agreement unpaid principal amount of the Eurocurrency Loans made by the Bank to the Borrower, in lawful money of the United States of America or in such other currency as required by said Credit Agreement and in immediately available funds, on the dates and in the principal amounts provided in the Credit Agreement, and to pay interest on the unpaid principal amount of each such Eurocurrency Loan, at such office, in like money and funds, for the period commencing on the date of such Eurocurrency Loan until such Eurocurrency Loan shall be paid in full, at the rates per annum and on the dates provided in the Credit Agreement.

The date, amount, Type, interest rate, Currency and duration of Interest Period of each Eurocurrency Loan made by the Bank to the Borrower, and each payment made on account of the principal thereof, shall be recorded by the Bank on its books and, prior to any transfer of this Note, endorsed by the Bank on the schedule attached hereto or any continuation thereof, provided that the failure of the Bank to make any such recordation or endorsement shall not affect the obligations of the Borrower to make a payment when due of any amount owing under the Credit Agreement or hereunder in respect of the Eurocurrency Loans made by the Bank.

This Note is one of the Eurocurrency Notes referred to in the Credit Agreement dated as of August 24, 1993, as amended and restated as of October 20, 1993 (as modified and supplemented and in effect from time to time, the "Credit Agreement") between Harsco Corporation, the lenders named therein and The Chase Manhattan Bank (National Association), as Agent, and evidences Eurocurrency Loans made by the Bank thereunder. Terms used but not defined in this Note have the respective meanings assigned to them in the Credit Agreement.

The Credit Agreement provides for the acceleration of the maturity of this Note upon the occurrence of certain events and for prepayments of Eurocurrency Loans upon the terms and conditions specified therein.

Except as permitted by Section 12.06 of the Credit Agreement, this Note may not be assigned by the Bank to any other Person.

This Note shall be governed by, and construed in accordance with, the law of the State of New York.

*[[INSERT NAME OF BORROWER]]

By
Name:
Title:

For value received, Harsco Corporation hereby unconditionally guarantees to the holder of this Note the prompt payment in full when due (whether at stated maturity, by acceleration, by optional prepayment or otherwise) of the principal of and interest on this Note, hereby expressly waiving diligence, presentment, demand for payment, protest and all notices whatsoever.]

HARSCO CORPORATION

By
Name:
Title:

* Use bracketed language if the Borrower named herein is an Approved Borrower.

SCHEDULE OF EUROCURRENCY LOANS

This Note evidences Eurocurrency Loans made, under the within-described Credit Agreement to the Borrower, on the dates, in the principal amounts, of the Types, bearing interest at the rates and having Interest Periods of the durations set forth below, subject to the payments and prepayments of principal set forth below:

Date	Principal Amount	Interest	Duration of Interest	Amount Paid or Prepaid	Unpaid Principal Amount
Notation Made Made by	Loan Currency	Rate	Period		

EXHIBIT A-3

[Form of Money Market Note]

PROMISSORY NOTE

October , 1993
New York, New York

FOR VALUE RECEIVED, [Insert Name of Borrower], a [State/Country] (the "Company"), hereby promises to pay to [] (the "Bank"), for account of its respective Applicable Lending Offices provided for by the Credit Agreement referred to below, at the principal office of The Chase Manhattan Bank (National Association) at 1 Chase Manhattan Plaza, New York, New York 10081, the aggregate unpaid principal amount of the Money Market Loans made by the Bank to the Borrower under the Credit Agreement, in lawful money of the United States of America and in immediately available funds, on the dates and in the principal amounts provided in the Credit Agreement, and to pay interest on the unpaid principal amount of each such Money Market Loan, at such office, in like money and funds, for the period commencing on the date of such Money Market Loan until such Money Market Loan shall be paid in full, at the rates per annum and on the dates provided in the Credit Agreement.

The date, amount, Type, interest rate and maturity date of each Money Market Loan made by the Bank to the Borrower, and each payment made on account of the principal thereof, shall be recorded by the Bank on its books and, prior to any transfer of this Note, endorsed by the Bank on the schedule attached hereto or any continuation thereof, provided that the failure of the Bank to make any such recordation or endorsement shall not affect the obligations of the Borrower to make a payment when due of any amount owing under the Credit Agreement or hereunder in respect of the Money Market Loans made by the Bank.

This Note is one of the Money Market Notes referred to in the Credit Agreement dated as of August 24, 1993, as amended and restated as of October 20, 1993 (as modified and supplemented and in effect from time to time, the "Credit Agreement") between Harsco Corporation, the lenders named therein (including the Bank) and The Chase Manhattan Bank (National Association), as Agent, and evidences Money Market Loans made by the Bank thereunder. Terms used but not defined in this Note have the respective meanings assigned to them in the Credit Agreement.

The Credit Agreement provides for the acceleration of the maturity of this Note upon the occurrence of certain events and for prepayments of Money Market Loans upon the terms and conditions specified therein.

Except as permitted by Section 12.06 of the Credit Agreement, this Note may not be assigned by the Bank to any other Person.

This Note shall be governed by, and construed in accordance with, the law of the State of New York.

*[[INSERT NAME OF BORROWER]]

By
Name:
Title:

For value received, Harsco Corporation hereby unconditionally guarantees to the holder of this Note the prompt payment in full when due (whether at stated maturity, by acceleration, by optional prepayment or otherwise) of the principal of and interest on this Note, hereby expressly waiving diligence, presentment, demand for payment, protest and all notices whatsoever.]

HARSCO CORPORATION

By
Name:
Title:

* Use bracketed language if the Borrower named herein is an Approved Borrower.

SCHEDULE OF MONEY MARKET LOANS

This Note evidences Money Market Loans made under the within-described Credit Agreement to the Borrower, on the dates, in the principal amounts, of the Types, bearing interest at the rates and maturing on the dates set forth below, subject to the payments and prepayments of principal set forth below:

Date	Principal Amount of	Type of	Interest Rate	Maturity Date of	Amount Paid or Prepaid	Unpaid Principal Amount
Notation						
Made	Loan	Loan		Loan		
Made by						

EXHIBIT B-1

[Form of Opinion of Counsel to the Company]

[, 1993]

To the Banks party to the
Credit Agreement referred to
below and The Chase
Manhattan Bank (National Association), as Agent

Ladies and Gentlemen:

We have acted as counsel to Harsco Corporation (the "Company") in connection with (i) the Credit Agreement (the "Credit Agreement") dated as of August 24, 1993, as amended and restated as of October 20, 1993, between the Company, the lenders named therein and The Chase Manhattan Bank (National Association), as Agent, providing for loans to be made by said lenders to the Company in an aggregate principal amount not exceeding \$300,000,000 and (ii) the various other agreements and instruments referred to in the next following paragraph. Terms defined in the Credit Agreement are used herein as defined therein. This opinion is being delivered pursuant to Section 7.01(c) of the Credit Agreement.

In rendering the opinion expressed below, we have examined the following agreements, instruments and other documents:

- (a) the Credit Agreement;
- (b) the Notes; and
- (c) such corporate records of the Company and such other documents as we have deemed necessary as a basis for the opinions expressed below.

The agreements, instruments and other documents referred to in the foregoing lettered clauses (other than clause (c) above) are collectively referred to as the "Credit Documents".

In our examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity with authentic original documents of all documents submitted to us as copies. When relevant facts were not independently established, we have relied upon statements of governmental officials and upon representations made in or pursuant to the Credit Documents and certificates of appropriate representatives of the Company.

In rendering the opinions expressed below, we have assumed, with respect to all of the documents referred to in this opinion letter, that (except, to the extent set forth in the opinions expressed below, as to the Company):

- (i) such documents have been duly authorized by, have been duly executed and delivered by, and constitute legal, valid, binding and enforceable obligations of, all of the parties to such documents;
- (ii) all signatories to such documents have been duly authorized; and
- (iii) all of the parties to such documents are duly organized and validly existing and have the power and authority (corporate or other) to execute, deliver and perform such documents.

Based upon and subject to the foregoing and subject also to the comments and qualifications set forth below, and having considered such questions of law as we have deemed necessary as a basis for the opinions expressed below, we are of the opinion that:

1. The Company is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Delaware.
2. The Company has all requisite corporate power to execute and deliver, and to perform its obligations under, the Credit Documents. The Company has all requisite corporate power to borrow under the Credit Agreement.
3. The execution, delivery and performance by the Company of each Credit Document, and the borrowings by the Company under the Credit Agreement, have been duly authorized by all necessary corporate action on the part of the Company.
4. Each Credit Document has been duly executed and delivered by the Company.
5. Each of the Credit Documents constitutes the legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, except as may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws relating to or affecting the rights of creditors generally and except as the enforceability of the Credit Documents is subject to the application of general principles of equity (regardless of whether considered in a proceeding in equity or at law), including, without limitation,

(a) the possible unavailability of specific performance, injunctive relief or any other equitable remedy and (b) concepts of materiality, reasonableness, good faith and fair dealing.

6. No authorization, approval or consent of, and no filing or registration with, any governmental or regulatory authority or agency of the United States of America or the State of New York is required on the part of the Company for the execution, delivery or performance by the Company of any of the Credit Documents or for the borrowings by the Company under the Credit Agreement.

7. The execution, delivery and performance by the Company of, and the consummation by the Company of the transactions contemplated by, the Credit Documents do not and will not (a) violate any provision of its

charter or by-laws, (b) violate any applicable law, rule or regulation, (c) violate any order, writ, injunction or decree of any court or governmental authority or agency or any arbitral award applicable to the Company or any of its Subsidiaries of which we have knowledge (after due inquiry) or (d) result in a breach of, constitute a default under, require any consent under, or result in the acceleration or required prepayment of any indebtedness pursuant to the terms of, any agreement or instrument of which we have knowledge (after due inquiry) to which the Company or any of its Subsidiaries is a party or by which any of them is bound or to which any of them is subject, or result in the creation or imposition of any Lien upon any Property of the Company pursuant to, the terms of any such agreement or instrument.

8. Except as set forth in Schedule III to the Credit Agreement, we have no knowledge (after due inquiry) of any legal or arbitral proceedings, or any proceedings by or before any governmental or regulatory authority or agency, pending or threatened against or affecting the Company or any of its Subsidiaries or any of their respective Properties that, if adversely determined, could have a Material Adverse Effect.

The foregoing opinions are subject to the following comments and qualifications:

(A) The enforceability of Section 12.03 of the Credit Agreement may be limited by laws rendering unenforceable (i) indemnification contrary to Federal or state securities laws and the public policy underlying such laws and (ii) the release of a party from, or the indemnification of a party against, liability for its own wrongful or negligent acts under certain circumstances.

(B) The enforceability of provisions in the Credit Documents to the effect that terms may not be waived or modified except in writing may be limited under certain circumstances.

(C) We express no opinion as to (i) the effect of the laws of any jurisdiction in which any Bank is located (other than the State of New York) that limit the interest, fees or other charges such Bank may impose, (ii) Sections 4.07(c) or 12.12 of the Credit Agreement and (iii) the second sentence of Section 12.10 of the Credit Agreement, insofar as such sentence relates to the subject matter jurisdiction of the United States District Court for the Southern District of New York to adjudicate any controversy related to the Credit Documents.

(D) We point out with reference to obligations stated to be payable in an Alternative Currency that (a) a New York statute provides that a judgment rendered by a court of the State of New York in respect of an obligation denominated in a currency other than Dollars would be rendered in such other currency and would be converted into Dollars at the rate of exchange prevailing on the date of entry of the judgment and (b) a judgment rendered by a Federal court sitting in the State of New York in respect of an obligation denominated in a currency other than Dollars may be expressed in a currency other than Dollars may be expressed in Dollars, but we express no opinion as to the rate of exchange such Federal court would apply.

The foregoing opinions are limited to matters involving the Federal laws of the United States, the Delaware General Corporation Law and the law of the State of New York, and we do not express any opinion as to the laws of any other jurisdiction.

At the request of our client, this opinion letter is, pursuant to Section 7.01(c) of the Credit Agreement, provided to you by us in our capacity as counsel to the Company and may not be relied upon by any Person for any purpose other than in connection with the transactions contemplated by the Credit Agreement without, in each instance, our prior written consent.

Very truly yours,

EXHIBIT B-2

[Form of Opinion of Counsel to any Approved Borrower]

[, 19__]

To the Banks party to the Credit Agreement referred to below, and The Chase Manhattan Bank (National Association) as Agent

[I/We] have acted as counsel* to [name of Approved Borrower] (the "Approved Borrower") in connection with the Credit Agreement (the "Credit Agreement") dated as of August 24, 1993, as amended and

restated as of October 20, 1993, between Harsco Corporation (the "Company"), the lenders named therein and The Chase Manhattan Bank (National Association) as Agent, providing for loans to be made by said lenders to the Company in an aggregate principal amount not exceeding \$300,000,000 at any one time outstanding. Terms defined in the Credit Agreement are used herein as defined therein. This opinion is being delivered pursuant to Section 7.02(b) of the Credit Agreement.

In rendering the opinion expressed below, [I/we] have examined the following agreements, instruments and other documents:

- (a) the Designation Letter of the Approved Borrower;
- (b) the Credit Agreement;
- (c) the Notes; and
- (d) such corporate records of the Approved Borrower and such other documents as [I/we] have deemed necessary as a basis for the opinions expressed below.

The agreements, instruments and other documents referred to in the foregoing lettered clauses (other than clause (d) above) are collectively referred to as the "Credit Documents".

In [my/our] examination, [I/we] have assumed the genuineness of all signatures, the authenticity of all documents submitted to [me/us] as originals and the conformity with authentic original documents of all documents submitted to [me/us] as copies.

* If the Approved Borrower is a domestic Subsidiary, this opinion may be given by the General Counsel of the Company, who may rely on an opinion of local counsel to the Approved Borrower in the jurisdiction of incorporation of the Approved Borrower. If the Approved Borrower is a foreign Subsidiary, this opinion must be given by counsel, satisfactory to the Agent, that is admitted to practice in the jurisdiction of incorporation of the Approved Borrower.

When relevant facts were not independently established, [I/we] have relied upon statements of governmental officials and upon representations made in or pursuant to the Credit Documents and certificates of appropriate representatives of the Approved Borrower.

In rendering the opinions expressed below, [I/we] have assumed, with respect to all of the documents referred to in this opinion letter, that (except, to the extent set forth in the opinions expressed below, as to the Approved Borrower):

- (i) such documents have been duly authorized by, have been duly executed and delivered by, and constitute legal, valid, binding and enforceable obligations of, all of the parties to such documents;
- (ii) all signatories to such documents have been duly authorized; and
- (iii) all of the parties to such documents are duly organized and validly existing and have the power and authority (corporate or other) to execute, deliver and perform such documents.

**[In rendering the opinion expressed below, [I/we] have, with your permission, assumed that the Credit Agreement, the Designation Letter of the Approved Borrower and the Notes are, under the laws of the State of New York (by which they are stated to be governed), legal, valid and binding agreements, enforceable in accordance with their respective terms.]

Based upon and subject to the foregoing and subject also to the comments and qualifications set forth below, and having considered such questions of law as [I/we] have deemed necessary as a basis for the opinions expressed below, [I am/we are] of the opinion that:

1. The Approved Borrower is a corporation duly incorporated, validly existing and in good standing under the laws of [State/Country]. The Approved Borrower has all requisite corporate power to execute and deliver, and to perform its obligations under, its Designation Letter, the Credit Agreement and its Notes. The Approved Borrower has all requisite corporate power to borrow under the Credit Agreement.
2. The execution, delivery and performance by the Approved Borrower of its Designation Letter (and the assumption therein of obligations under the Credit Agreement) and its

**Do not insert bracketed language if counsel is admitted to practice in the State of New York.

Notes and the borrowings by the Approved Borrower under the Credit Agreement have been duly authorized by all necessary corporate action by the Approved Borrower and by all necessary legal action, and do not and will not (a) violate any provision of its charter or bylaws, (b) violate any applicable law, rule or regulation, (c) violate any order, writ, injunction or decree of any court or governmental authority or agency or any arbitral award applicable to the Approved Borrower or any of its Subsidiaries of which we have knowledge (after due inquiry) or (d) result in a breach of, constitute a default under, require any consent under, or result in the acceleration or required prepayment of

any indebtedness pursuant to the terms of, any agreement or instrument of which we have knowledge (after due inquiry) to which the Approved Borrower or any of its Subsidiaries is a party or by which any of them is bound or to which any of them is subject, or result in the creation or imposition of any Lien upon any Property of the Approved Borrower pursuant to, the terms of any such agreement or instrument.

3. Each of the Designation Letter of the Approved Borrower and its Notes has been duly executed and delivered by the Approved Borrower.

4. The Designation Letter of the Approved Borrower and, pursuant to the assumption under such Designation Letter, the Credit Agreement, each constitutes, and the Notes of the Approved Borrower when executed and delivered for value will constitute, legal, valid and binding obligations of the Approved Borrower enforceable in accordance with their respective terms, except as may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws relating to or affecting the rights of creditors generally and except as the enforceability of the Credit Documents is subject to the application of general principles of equity (regardless of whether considered in a proceeding in equity or at law), including, without limitation, (a) the possible unavailability of specific performance, injunctive relief or any other equitable remedy and (b) concepts of materiality, reasonableness, good faith and fair dealing.

5. No authorization, consent, approval or license of, or filings or registrations with, any governmental or regulatory authority or agency in [State] or the [United States of America/Country] are required in connection with the execution, delivery or performance by the Approved Borrower of its Designation Letter (or of the Credit Agreement obligations assumed therein) or its Notes or for borrowings by the Approved Borrower under the Credit Agreement].

6. In any action or proceeding in any court in [insert State/Country] arising out of or relating to the Credit Agreement, the Designation Letter of the Approved Borrower or the Notes of the Approved Borrower, such court would recognize and give effect to the provisions of Section 12.10 of the Credit Agreement wherein the parties thereto agree that the Credit Agreement, each Designation Letter and the Notes shall be governed by, and construed in accordance with, the law of the State of New York, United States of America.

7. The appointment of the Company as Process Agent by the Approved Borrower under Section 12.10 of the Credit Agreement and the Designation Letter is a valid appointment and the empowerment in the Approved Borrower's Designation Letter of the Company to act as the Approved Borrower's representative and attorney-in-fact for the purposes of signing documents and giving and receiving notices (including notices of borrowing under Section 2 of the Credit Agreement) and for the purposes of modifying or amending any provision of the Credit Agreement is a valid and binding empowerment.

8. It is not necessary under the laws of [insert State/Country] (i) in order to enable the Agent or any Bank to enforce its rights under the Credit Agreement or the Notes of the Approved Borrower, or (ii) by reason of the execution, delivery or performance of the Designation of the Approved Borrower, the Credit Agreement or the Notes of the Approved Borrower, that the Agent or any Bank should be licensed, qualified or entitled to carry on business in [insert State/Country].

9. Neither the Agent nor any Bank is or will be deemed to be resident, domiciled, carrying on business or subject to taxation in [insert State/Country] by reason only of the execution, delivery, performance or enforcement of the Credit Agreement, the Designation Letter of the Approved Borrower or the Notes of the Approved Borrower.

***[10. If any judgment of a court in or of the State of New York were rendered against the Approved Borrower in connection with any action arising out of or relating to the Credit Agreement, the Designation Letter of the Approved Borrower or the Notes of the Approved Borrower, such judgment would be recognized and could be sued upon in the courts of [insert Country], and such courts would grant a judgment which would be enforceable against the Approved Borrower in [insert Country] without any retrial or reexamination of the merits of the original action [,

*** Insert these Paragraphs 10, 11, 12, 13 and 14 if the Approved Borrower is not a U.S. Person.

provided that the requirements of [insert relevant statutory provisions] are met.

11. Except as disclosed in writing to the Banks prior to the date of delivery of the Approved Borrower's Designation Letter, there is no income, stamp or other tax of any country, or of any taxing authority thereof or therein, imposed by or in the nature of withholding or otherwise, which is imposed on any payment to be made by the Approved Borrower pursuant to the Credit Agreement or on its Notes, or is imposed on or by virtue of the execution, delivery or enforcement of its Designation Letter or its Notes. The Approved Borrower is permitted to take all payments pursuant to the Credit Agreement or its Notes free and clear of all taxes, and no such payment in the hands of any Bank under, and as defined in, each of the Credit Agreement and its Notes, will be subject to any tax.

12. Neither the Approved Borrower nor any of its property has any immunity (sovereign or otherwise) from jurisdiction of any [insert Country] court or set-off or any legal process (whether through service or notice, attachment prior to judgment, attachment in aid of execution, execution or otherwise) under the laws of [insert Country].

13. To ensure the legality, validity, enforceability or admissibility in evidence in [insert Country] of the Credit Agreement, the Designation Letter of the Approved Borrower or the Notes of the Approved Borrower, it is not necessary that the Credit Agreement, such Designation Letter or such Notes or any other document be filed or recorded with any court or other authority in [insert Country] or that any stamp or similar tax be paid on or in respect of the Credit Agreement, such Designation Letter or such Notes, or any other document [other than such filings and recordations that have already been made and such stamp or similar taxes that have already been paid].

14. Each of the Credit Agreement, the Designation Letter of the Approved Borrower and the Notes of the Approved Borrower is in proper legal form under the laws of [insert Country] for the enforcement thereof against the Approved Borrower.]

****[10. The Approved Borrower is not an "investment company", or a company "controlled" by an "investment company", within the meaning of the Investment Company Act of 1940, as amended.

**** Insert these Paragraphs 10 and 11 if the Approved Borrower is a U.S. Person.

11. The Approved borrower is not a "holding company", or an "affiliate" of a "holding company" or a "subsidiary company" of a "holding company", within the meaning of the Public Utility Holding Company Act of 1935, as amended.]

The foregoing opinions are subject to the following comments and qualifications:

(A) The enforceability of Section 12.03 of the Credit Agreement may be limited by laws rendering unenforceable. (i) indemnification contrary to Federal or state securities laws and the public policy underlying such laws and (ii) the release of a party from, or the indemnification of a party against, liability for its own wrongful or negligent acts under certain circumstances.

(B) The enforceability of provisions in the Credit Documents to the effect that terms may not be waived or modified except in writing may be limited under certain circumstances.

(C) We express no opinion as to (i) Sections 4.07(c) or 12.12 of the Credit Agreement and (ii) the second sentence of Section 12.10 of the Credit Agreement and the second sentence of the penultimate paragraph of the Designation Letter of the Approved Borrower, insofar as such sentences relate to the subject matter jurisdiction of the United States District Court for the Southern District of New York to adjudicate any controversy related to the Credit Documents.

***** (D) We point out with reference to obligations stated to be payable in an Alternative Currency that (a) a New York statute provides that judgment rendered by a court of the State of New York in respect of an obligation denominated in a currency other than Dollars would be rendered in such other currency and would be converted into Dollars at the rate of exchange prevailing on the date of entry of the judgment and (b) a judgment rendered by a Federal court sitting in the State of New York in respect of an obligation denominated in a currency other than Dollars may be expressed in Dollars, but we express no opinion as to the rate of exchange such Federal court would apply.

***** Insert paragraph (D) if counsel is admitted to practice in the State of New York.

***** (E) We also point out that the enforceability of the Credit Documents may be subject to the possible application by the Federal or State courts sitting in the State of New York of foreign laws or governmental action affecting the enforcement of creditors' rights.

[I/We] [am/are] a member of the bar of the [State/Country] and do not herein express any opinion as to any matters governed by any laws other than the laws of [[State] and the Federal laws of the United States of America/Country].

At the request of our client, this opinion letter is, pursuant to Section 7.02(b) of the Credit Agreement, provided to you by us in our capacity as counsel to the Approved Borrower and may not be relied upon by any Person for any purpose other than in connection with the transactions contemplated by the Designation Letter of the Approved Borrower and the Credit Agreement without, in each instance, our prior written consent.

Very truly yours,

***** Insert paragraph (E) if the Approved Borrower is not a U.S. Person and counsel is admitted to practice in the State of New York.

EXHIBIT C

[Form of Opinion of Special New York Counsel to Chase]

[, 199_]

To the Banks party to the
Credit Agreement referred to
below and The Chase
Manhattan Bank (National Association), as Agent

Ladies and Gentlemen:

We have acted as special New York counsel to Chase in connection with (i) the Credit Agreement dated as of August 24, 1993, amended and restated as of October 20, 1993 (the "Credit Agreement") between Harsco Corporation (the "Company"), the lenders named therein and The Chase Manhattan Bank (National Association), as Agent, providing for loans to be made by said lenders to the Company in an aggregate principal amount not exceeding \$300,000,000 and (ii) the various other agreements and instruments referred to in the next following paragraph. Terms defined in the Credit Agreement are used herein as defined therein. This opinion is being delivered pursuant to Section 7.01(d) of the Credit Agreement.

In rendering the opinion expressed below, we have examined the following agreements, instruments and other documents:

- (a) the Credit Agreement;
- (b) the Notes; and
- (c) such corporate records of the Company and such other documents as we have deemed necessary as a basis for the opinions expressed below.

The agreements, instruments and other documents referred to in the foregoing lettered clauses (other than clause (c) above) are collectively referred to as the "Credit Documents".

In our examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity with authentic original documents of all documents submitted to us as copies. When relevant facts were not independently established, we have relied upon statements of governmental officials and upon representations made in or pursuant to the Credit Documents and certificates of appropriate representatives of the Company.

In rendering the opinions expressed below, we have assumed, with respect to all of the documents referred to in this opinion letter, that:

- (i) such documents have been duly authorized by, have been duly executed and delivered by, and (except to the extent set forth in the opinions below as to the Company) constitute legal, valid, binding and enforceable obligations of, all of the parties to such documents;
- (ii) all signatories to such documents have been duly authorized; and
- (iii) all of the parties to such documents are duly organized and validly existing and have the power and authority (corporate or other) to execute, deliver and perform such documents.

Based upon and subject to the foregoing and subject also to the comments and qualifications set forth below, and having considered such questions of law as we have deemed necessary as a basis for the opinions expressed below, we are of the opinion that each of the Credit Documents constitutes the legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms,

except as may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws relating to or affecting the rights of creditors generally and except as the enforceability of the Credit Documents is subject to the application of general principles of equity (regardless of whether considered in a proceeding in equity or at law), including, without limitation, (a) the possible unavailability of specific performance, injunctive relief or any other equitable remedy and (b) concepts of materiality, reasonableness, good faith and fair dealing.

The foregoing opinions are subject to the following comments and qualifications:

(A) The enforceability of Section 12.03 of the Credit Agreement may be limited by laws rendering unenforceable (i) indemnification contrary to Federal or state securities laws and the public policy underlying such laws and (ii) the release of a party from, or the indemnification of a party against, liability for its own wrongful or negligent acts under certain 1 circumstances.

(B) The enforceability of provisions in the Credit Documents to the effect that terms may not be waived or modified except in writing may be limited under certain circumstances.

(C) We express no opinion as to (i) the effect of the laws of any jurisdiction in which any Bank is located (other than the State of New York) that limit the interest, fees or other charges such Bank may impose, (ii) Sections 4.07(c) or 12.12 of the Credit Agreement, and (iii) the second sentence of Section 12.10 of the Credit Agreement, insofar as such sentence relates to the subject matter jurisdiction of the United States District Court for the Southern District of New York to adjudicate any controversy related to the Credit Documents.

(D) We point out with reference to obligations stated to be payable in an Alternative Currency that (a) a New York statute provides that judgment rendered by a court of the State of New York in respect of an obligation denominated in a currency other than Dollars would be rendered in such other currency and would be converted into Dollars at the rate of exchange prevailing on the date of entry of the judgment and (b) a judgment rendered by a Federal court sitting in the State of New York in respect of an obligation denominated in a currency other than Dollars may be expressed in Dollars, but we express no opinion as to the rate of exchange such Federal court would apply.

The foregoing opinions are limited to matters involving the Federal laws of the United States and the law of the State of New York, and we do not express any opinion as to the laws of any other jurisdiction.

This opinion letter is, pursuant to Section 7.01(d) of the Credit Agreement, provided to you by us in our capacity as special New York counsel to Chase and may not be relied upon by any Person for any purpose other than in connection with the transactions contemplated by the Credit Agreement without, in each instance, our prior written consent.

Very truly yours,

EXHIBIT D

[Form of Money Market Quote Request]

[Date]

To: The Chase Manhattan Bank (National Association), as Agent

From: Harsco Corporation

Re: Money Market Quote Request

Pursuant to Section 2.03 of the Credit Agreement dated as of August 24, 1993, as amended and restated as of October 20, 1993 (the "Credit Agreement") between Harsco Corporation, the lenders named therein and The Chase Manhattan Bank (National Association), as Agent, we hereby give notice that we request Money Market Quotes for the following proposed Money Market Borrowing(s) to be made by the Borrower named below (if not the Company):

Name of Borrower (if not the Company):

Borrowing Date	Quotation Date[*1]	Amount [*2]	Interest Type[*3]	Period[*4]
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Terms used herein have the meanings assigned to them in the Credit Agreement.

HARSCO CORPORATION

By
Name:
Title:

* All numbered footnotes appear on the last page of this Exhibit.

[1] For use if a Set Rate in a Set Rate Auction is requested to be submitted before the Borrowing Date.

[2] Each amount must be \$25,000,000 or a larger multiple of \$5,000,000.

[3] Insert either "LIBO Margin" (in the case of LIBOR Market Loans) or "Set Rate" (in the case of Set Rate Loans).

[4] One, two, three or six months, in the case of a LIBOR Market Loan or, in the case of a Set Rate Loan, a period of up to 180 days after the making of such Set Rate Loan and ending on a Business Day.

EXHIBIT E
[Form of Money Market Quote]

To: The Chase Manhattan Bank (National Association), as Agent
Attention:

Re: Money Market Quote to
Harsco Corporation (the "Company")

This Money Market Quote is given in accordance with Section 2.03(c) of the Credit Agreement dated as of August 24, 1993, amended and restated as of October 20, 1993 (the "Credit Agreement") between Harsco Corporation, the lenders named therein and The Chase Manhattan Bank (National Association), as Agent. Terms defined in the Credit Agreement are used herein as defined therein.

In response to the Company's invitation dated [], 199[], we hereby make the following Money Market Quote(s) on the following terms:

1. Quoting Bank:
2. Person to contact at Quoting Bank:
3. We hereby offer to make Money Market Loan(s) to the Borrower named below (if not the Company) in the following principal amount[s], for the following Interest Period(s) and at the following rate(s):

Name of Borrower (if not the Company):

Borrowing Date	Quotation Date [*1]	Amount [*2]	Type [*3]	Interest Period [*4]	Rate [*5]
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provided that the Company may not accept offers that would result in the undersigned making Money Market Loans pursuant hereto in excess of \$ in the aggregate (the "Money Market Loan Limit")

* All numbered footnotes appear on the last page of this Exhibit.

We understand and agree that the offer(s) set forth above, subject to the satisfaction of the applicable conditions set forth in the Credit Agreement, irrevocably obligate[s] us to make the Money Market Loan(s) for which any offer(s) (is/are) accepted, in whole or in part (subject to the third sentence of Section 2.03(e) of the Credit Agreement and any Money Market Loan Limit specified above).

Very truly yours,

[NAME OF BANK]

By
Name:
Authorized Officer

Dated: [,]

- [1] As specified in the related Money Market Quote Request.
- [2] The principal amount bid for each Interest period may not exceed the principal amount requested. Bids must be made for at least \$5,000,000 (or a larger multiple of \$1,000,000).
- [3] Indicate "LIBO Margin" (in the case of LIBOR Market Loans) or "Set Rate" (in the case of Set Rate Loans).
- [4] One, two, three or six months, in the case of a LIBOR Market Loan or, in the case of a Set Rate Loan, a period of up to 180 days after the making of such Set Rate Loan and ending on a Business Day, as specified in the related Money Market Quote Request.
- [5] For a LIBOR Market Loan, specify margin over or under the London interbank offered rate determined for the applicable Interest Period. Specify percentage (rounded to the nearest 1/10,000 of 1%) and specify whether "PLUS" or "MINUS". For a Set Rate Loan, specify rate of interest per annum (rounded to the nearest 1/10,000 of 1%).

EXHIBIT F

[Form of Confidentiality Agreement]

CONFIDENTIALITY AGREEMENT

[Date]

[Insert Name and
Address of Prospective
Participant or Assignee]

Re: Credit Agreement dated as of August 24, 1993, amended and restated as of October 20, 1993 (the "Credit Agreement"), between Harsco Corporation (the "Company"), the lenders named therein and The Chase Manhattan Bank (National Association), as Agent.

Dear Ladies and Gentlemen:

As a Bank party to the Credit Agreement, we have agreed with the Company pursuant to Section 12.13 of the Credit Agreement to use reasonable precautions to keep confidential, except as otherwise provided therein, all non-public information identified by the Company as being confidential at the time the same is delivered to us pursuant to the Credit Agreement.

As provided in said Section 12.13, we are permitted to provide you, as a prospective [holder of a participation in the Loans (as defined in the Credit Agreement)] [assignee Bank], with certain of such non-public information subject to the execution and delivery by you, prior to receiving such non-public information, of a Confidentiality Agreement in this form. Such information will not be made available to you until your execution and return to us of this. Confidentiality Agreement.

Accordingly, in consideration of the foregoing, you agree (on behalf of yourself and each of your affiliates, directors, officers, employees and representatives and for the benefit of us and the Company) that (A) such information will not be used by you except in connection with the proposed [Participation] [assignment] mentioned above and (B) you shall use reasonable precautions, in accordance with your customary procedures for handling confidential information and in accordance with safe and sound banking practices, to keep such information confidential, provided that nothing herein shall limit the disclosure of any such information (i) to the extent required by statute, rule,

regulation or judicial process, (ii) to your counsel or to counsel for any of the Banks or the Agent, (iii) to bank examiners, auditors or accountants, (iv) to the Agent or any other Bank (or to Chase Securities, Inc.), (v) in connection with any litigation to which you or any one or more of the Banks or the Agent are a party, (vi) to a subsidiary or affiliate of yours as provided in Section 12.13(a) of the Credit Agreement or (vii) to any assignee or participant (or prospective assignee or participant) so long as such assignee or participant (or prospective assignee or participant) first executes and

delivers to you a Confidentiality Agreement substantially in the form hereof; provided, further, that in no event shall you be obligated to return any materials furnished to you pursuant to this Confidentiality Agreement.

If you are a prospective assignee, your obligations under this Confidentiality Agreement shall be superseded by Section 12.13 of the Credit Agreement on the date upon which you become a Bank under the Credit Agreement pursuant to Section 12.06 thereof.

Please indicate your agreement to the foregoing by signing as provided below the enclosed copy of this Confidentiality Agreement and returning the same to us.

Very truly yours,

[INSERT NAME OF BANK]

By
Name:
Title:

The foregoing is agreed to
as of the date of this letter.

[INSERT NAME OF PROSPECTIVE
PARTICIPANT OR ASSIGNEE]

By
Name:
Title:

EXHIBIT G-1

[Form of Designation Letter]
[Date]

To The Chase Manhattan Bank
(National Association), as Agent
4 Metrotech Center - 13th Floor
Brooklyn, New York 11245

Attention:

Ladies and Gentlemen:

We make reference to the Credit Agreement (the "Credit Agreement") dated as of August 24, 1993, amended and restated as of October 20, 1993, between Harsco Corporation, (the "Company"), the lenders named therein (the "Banks") and The Chase Manhattan Bank (National Association), as Agent (in such capacity, the Terms defined in the Credit Agreement are used herein as defined therein.

Subject to the approval of all of the Banks (to be evidenced by your signing at the place below indicated and returning to the Company the enclosed copy of this letter) the Company hereby designates (the "Approved Borrower"), a Wholly Owned Subsidiary of the Company, a corporation duly incorporated under the laws of [State/Country], as a Borrower in accordance with Section 2.10 of the Credit Agreement until such designation is terminated in accordance with said Section 2.10.

The Approved Borrower hereby accepts the above-designation and hereby expressly and unconditionally accepts the obligations of a Borrower under the Credit Agreement, adheres to the Credit Agreement and agrees and confirms that, upon your execution and return to the Company of the enclosed copy of this letter, it shall be a Borrower for purposes of the Credit Agreement and agrees to be bound by and to perform and comply with the terms and provisions of the Credit Agreement applicable to it as if it had originally executed the Credit Agreement. The Approved Borrower hereby authorizes and empowers the Company to act as its representative and attorney-in-fact for the purposes of signing documents and giving and receiving notices (including notices of borrowing under Section 2 of the Credit Agreement) and other communications in connection with the Credit Agreement and the transactions contemplated thereby and for the purposes of modifying or amending any provision of the Credit Agreement and further agrees that the Agent and each Bank may conclusively rely on the foregoing authorization.

The Approved Borrower hereby submits with this Designation Letter, the statements of income, cash flows and shareholders' equity (if any) of the Approved Borrower for each of the most recently completed fiscal quarter and the most recently completed fiscal year of the Approved Borrower and the related balance sheets as at the end of such quarter and such year, respectively; and the Company and the Approved Borrower each hereby certifies that said financial statements present fairly, in all material respects, the financial condition and results of operations of such Approved Borrower in accordance with generally accepted accounting principles, consistently applied, as at the end of, and for, such quarter and such year, respectively.

The Company hereby represents and warrants to the Agent and each Bank that, before and after giving effect to this Designation Letter, (i) the representations and warranties set forth in Part A of Section 8 of the Credit Agreement are true and correct on the date hereof as if made on and as of the date hereof and (ii) no Default has occurred and is continuing.

The Approved Borrower hereby represents and warrants to the Agent and each Bank that, after giving effect to this Designation Letter, the representations and warranties set forth in Part B of Section 8 of the Credit Agreement are true and correct on the date hereof.

The Approved Borrower hereby instructs its counsel to deliver the opinion required by Section 7.02(b) of the Credit Agreement.

The Approved Borrower hereby agrees that this Designation Letter, the Credit Agreement and the Notes shall be governed by, and construed in accordance with, the law of the State of New York. The Approved Borrower hereby submits to the nonexclusive jurisdiction of the United States District Court for the Southern District of New York and of any New York state court sitting in New York City for the purposes of all legal proceedings arising out of or relating to this Designation Letter, the Credit Agreement or the transactions contemplated thereby. The Approved Borrower irrevocably waives, to the fullest extent permitted by law, any objection which it may now or hereafter have to the laying of the venue of any such proceeding brought in such a court and any claim that any such proceeding brought in such a court has been brought in an inconvenient forum. The Approved Borrower further agrees that service of process in any such action or proceeding brought in New York may be made upon it by service upon the Company at the "Address for Notices" specified below its name on the signature pages to the Credit

Agreement and the Approved Borrower hereby irrevocably appoints the Company as its authorized agent ("Process Agent") to accept, on behalf of it and its property such service of process in New York.

THE APPROVED BORROWER IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS DESIGNATION LETTER, THE CREDIT AGREEMENT OR THE TRANSACTIONS CONTEMPLATED THEREBY.

HARSCO CORPORATION

By
Name:
Title:

[APPROVED BORROWER]

By
Name:
Title:

[Insert Address]

Consent and Agree:

THE CHASE MANHATTAN BANK
(NATIONAL ASSOCIATION)
As Agent for and on behalf
of the Banks

By
Name:
Title:

Date:

EXHIBIT G-2

[Form of Termination Letter]

[Date]

To The Chase Manhattan Bank
(National Association), as Agent
4 Metrotech Center - 13th Floor
Brooklyn, New York 11245

Attention:

Ladies and Gentlemen:

We make reference to the Credit Agreement (the "Credit Agreement") dated as of August 24, 1993, as amended and restated as of October 20, 1993 between Harsco Corporation (the "Company"), the Lenders named therein (the "Banks") and The Chase Manhattan Bank (National Association) as Agent (in such capacity, the "Agent"). Terms defined in the Credit Agreement are used herein as defined therein.

The Company hereby terminates the status as an Approved Borrower of _____, a corporation incorporated under the laws of [State/County], in accordance with Section 2.10 of the Credit Agreement, effective as of the date of receipt of this notice by the Agent. The undersigned hereby represent and warrant that all principal and interest on all Notes of the above-referenced Approved Borrower and all other amounts payable by such Approved Borrower pursuant to the Credit Agreement have been paid in full on or prior to the date hereof. Notwithstanding the foregoing, this Termination Letter shall not affect any obligation which by the terms of the Credit Agreement survives termination thereof.

HARSCO CORPORATION

By
Name:
Title:

[INSERT NAME OF APPROVED BORROWER]

By
Name:
Title:

This Agreement is made by and between Malcolm W. Gambill (hereinafter sometimes referred to as the "Executive" and Harsco Corporation (the "Company") as of this 1st day of January 1994.

WHEREAS, the Executive has been employed by the Company since May, 1955 and served in various positions, the last of which has been Chairman and Chief Executive Officer; and

WHEREAS, the Executive now has advised the Board of Directors that he is retiring from the Company including his position of Chief Executive Officer effective January 1, 1994, and will continue to serve as a director and the nonexecutive Chairman of the Board until April 26, 1994; and

WHEREAS, the Company wishes to retain the Executive as a consultant for a period of time following his retirement on January 1, 1994;

NOW, THEREFORE, in consideration of the mutual promises and agreements set forth in this Agreement, the parties agree as follows:

1. Retirement - The Executive hereby declares that he is taking normal retirement from the Company effective January 1, 1994 and in connection therewith hereby resigns his position of Chief Executive Officer of the Company effective January 1, 1994, and resigns his positions of Chairman of the Board of Directors and Director of the Company effective April 26, 1994.

2. Compensation as Chairman - Effective January 1, 1994, the Executive will cease earning further compensation and benefits as an employee or officer, and shall not receive any director compensation.

3. Annual and Long-Term Incentive Compensation for Period Ended December 31, 1993 - The Executive will participate in any Annual and Long-Term Incentive Compensation award for the periods ending December 31, 1993 in accordance with the terms of the Plans based upon the same level of goal attainment that is applied to all other corporate officers.

4. Long-Term Incentive Compensation for Uncompleted Periods Ending in 1994 and 1995 - The Company will pay the Executive on or before February 28, 1994 for the uncompleted Long-Term Incentive Plan periods ending on December 31, 1994 and 1995 in accordance with the terms of the Plan applicable to retirement. The relevant part of the Plan provides in Paragraph 12.5.1:

The Long-Term Incentives shall be determined in accordance with the provisions of Section 12.3 by assuming that the Achieved Return for the remaining years of any open Plan Period was the Achieved Return for the year in which termination occurred and that the Participant's Annualized Base Salary Earnings were those of the year in which termination occurred. The amounts thus computed will be multiplied by a fraction, the numerator of which will be the number of months during the Plan Period in which the Participant was an employee, and the denominator of which is 36.

5. Consideration for Vacation, Noncompete, Standstill and Release - In satisfaction of any accrued vacation pay, and in consideration of the noncompete agreement and standstill agreement contained herein and the Release signed pursuant to this Agreement, the Company will accelerate the exercisability of all options for Harsco stock previously granted to him under the 1986 Harsco Stock Option Plan not exercisable as of his retirement date, so that all such options are exercisable as of January 1, 1994.

6. Withholding - On all payments made to the Executive, the Company will withhold such amounts as are required by applicable tax laws, subject to the Executive's right to direct that a greater amount be withheld.

7. Pension - Accrued pension under the Harsco Employees Pension Plan and the Supplemental Executive Retirement Plan will be calculated as of January 1, 1994.

8. Stock Options - The stock options currently held by the Executive will be governed by the terms of the respective option agreements and the Harsco Corporation 1986 Stock Option Plan, except that the granted options which have not yet become exercisable will become exercisable as of the Executive's retirement date as provided in Section 5 above.

9. Consulting -

a. Services - The Company hereby retains the Executive as a consultant to the Company commencing upon the termination of the Executive's employment January 1, 1994, and expiring on June 9, 1995. The Executive will provide the Company with such services as the Chairman or the Chief Executive Officer may reasonably request relating to any matters regarding the Company which may be relevant to the knowledge and expertise which the Executive acquired as an officer. At the request of the Chairman or the Chief Executive Officer, the Executive will provide assistance regarding legal matters and provide testimony as needed. The Executive will be available to provide such periodic consultation and assistance up to a maximum of ten (10) days per month upon request by the Company at times which are mutually convenient.

b. Compensation - In consideration of the consulting services, the Company will pay Consultant a monthly fee of \$30,833.34 on or before the last day of each month during the term of the consultancy, commencing with the initial payment on January 31, 1994 and ending June 30, 1995. The fee to be paid on June 30, 1995 or for any other partial month period will be prorated to the date of expiration or termination.

c. Expenses - During the term of the consultancy agreement, the Company will reimburse the Executive for actual and reasonable travel expenses incurred at the specific request of the Chairman or Chief Executive Officer and submitted with proper supporting documentation in compliance with the Company's expense reimbursement policies applicable to employees.

d. Office - The Company will provide the Executive with an office in the Corporate Office building and will provide reasonable secretarial services and telephone.

e. Company Car - The Company will transfer to or cause to be transferred to the Executive, title to the automobile which the Company has been leasing for his use.

f. COBRA Medical Benefits - The Company will reimburse the Executive for the cost of continuing his current medical benefits under COBRA during the term of this consultancy agreement.

g. Memberships - The Executive may in his discretion continue his membership in the Bipartisan Political Action Committee and on the Board of the Pennsylvania Chamber of Business and Industry and the Company will pay his actual expenses for such activities provided that the cumulative amount of such expenses during the term of the consultancy shall not exceed \$10,000.

h. Independent Contractor - It is understood that as a consultant, the Executive will be an independent contractor to the Company, and the Company will not be responsible for withholding any state, local or federal taxes. The Company will issue an IRS Form 1099 or the equivalent at the Company's year end accounting for taxable remuneration paid under this consulting agreement.

10. Confidentiality - The Executive agrees that during the term of this Agreement, and thereafter, unless authorized in writing or instructed by the Company, the Executive will not disclose to anyone outside of the Company or use any of the Company's or the Company's subsidiary's or affiliate's confidential, secret or proprietary information known to or acquired by the Executive during his employment or consulting period relating to administration, strategic business plans, board of directors or management discussions or activities, acquisitions, divestitures, finance matters, legal issues, products, pricing, costs, bids, processes, know-how, customer relations, marketing proposals, profit and loss information, design proposals and specifications, strategic marketing proposals, trade secrets, research, development, equipment, computer software, computer processed data, suppliers or supplies and services or other information concerning the Company. This Agreement shall not restrict the disclosure or use of information which is publicly available.

11. Code of Conduct - A copy of the Company's Code of Conduct is attached and is incorporated herein. The Executive expressly agrees to conform to the requirements of the Code during the term of his consultancy. The Executive will not make an effort to acquire information for the Corporation to which it is not entitled.

12. Noncompete - The Executive agrees and covenants with the Company that from the date of this Agreement until three years after the expiration of the consulting agreement in Section 9, he will not, directly or indirectly, alone or as a partner, officer, director, stockholder (of one (1) percent or more of the outstanding stock), or employee, establish, engage in or become interested in directly or indirectly any business or trade anywhere in the world which involves any commercial activity in competition with any part of the current business of Harsco. During such period, the Executive will not induce, solicit or procure any licensees, dealers, agents, distributors, consultants or customers of Harsco to alter or terminate their agreements, relationships or dealings with the Company. In the event this paragraph is held to be in any respect an unreasonable restriction upon the Executive by any court having competent jurisdiction, the court so holding may reduce the territory to which it pertains, or effect any change to the extent necessary to render this paragraph enforceable by said Court. Such decision by a court of competent jurisdiction will not invalidate this Agreement, but the Agreement will be construed as not containing said invalidated provision and the rights and obligations of the parties will be interpreted or construed as not containing said invalidated provisions and the rights and obligations of the parties will be interpreted, construed and enforced accordingly.

13. Standstill - For a period of five years from the date of this Agreement, neither the Executive nor any companies over which the Executive has control will, excepting for any pension plan securities investment made in the ordinary course of pension fund management, (1) directly or indirectly acquire or offer to acquire any equity securities of the Company aggregating in excess of 1% of all such securities outstanding or a major portion of the assets of the Company unless such acquisition or offer shall have been solicited in writing or formally approved in advance by the Board of Directors of the Company, (2) directly or indirectly solicit proxies or become a "participant" in a "solicitation," as such terms are defined in Regulation 14A promulgated

under the Securities Exchange Act of 1934, with respect to any proposed merger, acquisition or sale of a substantial portion of the assets of the Company, or (3) directly or indirectly make any public announcement with respect to or submit any proposal for a recapitalization, consolidation, extraordinary dividend, restructuring, merger, or spin-off by the Company unless in any such case the proposal shall have been solicited in writing or formally approved in advance by the Board of Directors of the Company.

14. Release - For the consideration set forth in Section 5 of this Agreement, the Executive is executing the Release incorporated herein.

15. Director and Officer Liability Insurance - The Company currently has in effect insurance coverage for certain types of liability that individuals might incur by reason of their activities as directors or officers of the Company. While it is understood that it is within the Company's discretion whether to maintain or change this coverage, the Company agrees that it will not take any action to cause the Executive's coverage under such insurance to be different than that of other officers and directors of the Company.

16. Personal Services - This Agreement is for the unique personal services of the Executive and will not be assignable or delegable by the Executive. In the event the Executive is disabled in excess of 90 days or dies, the Company's obligations under this Agreement will terminate.

17. Breach - In the event that the Executive breaches any of his obligations in Sections 9, 10, 11, 12 or 13 of this Agreement or the Release referenced in Section 14, the Company will have the right to terminate the Executive's consulting agreement and terminate all further compensation and consideration not yet earned by the Executive.

18. Arbitration - Any controversy or claim arising out of or relating to this contract, or the breach thereof, or any other claim in contract or tort between the parties shall be settled by arbitration administered by the American Arbitration Association under its Commercial Arbitration Rules, and judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof, provided however, that this provision shall not impair the right of either party to seek injunctive remedies in any court of competent jurisdiction. The site of the arbitration will be in the county where the Company maintains its Corporate Headquarters or such other location as is mutually agreed.

19. Successors and Assigns - This Agreement shall be binding upon the parties hereto and upon their heirs, administrators, representatives, executors, successors and assigns and shall inure to the benefit of each of them and their heirs administrators, representative, executors, executors and assigns (subject to the limitation on assignment contained in Section 16).

20. Board of Directors Approval - This Agreement shall not become effective until authorized by a resolution of the Company's Board of Directors or its Executive Committee, which authorization shall be conclusively evidenced by the signature below of the Chairman of the Management Development and Compensation Committee, R. F. Nation. If such Board authorization is not granted on or before January 26, 1994, the Executive may withdraw his agreement by written notice to the Company received prior to any such authorization.

Intending to be legally bound, the parties have signed below.

WITNESS Malcolm W. Gambill

ATTEST HARSCO CORPORATION

Paul C. Coppock Vice President, General Counsel and Secretary
Derek C. Hathaway President and Chief Executive Officer

Board Authorization Granted on or Before January 26, 1994

R. F. Nation Date

January 20, 1994

Mr. Barrett W. Taussig
1099 Wyndham Drive
York, PA 17403

Dear Barrett:

This letter outlines and confirms the proposals made to you, regarding the provision of supplemental pension benefits as the consideration for you to continue your career with Harsco Corporation. Since you have indicated that you are interested in so doing only if there is a meaningful senior management assignment that will utilize your background and experience to the greatest mutual advantage, we have also agreed to provide a special severance arrangement, covering the period of January 1, 1994 - December 31, 1996, which combines the lump sum dollar amount attributable to the extra years of service granted to you with a capped cash severance payout that declines over the three-year period cited above.

For ease of understanding, let us address first, the supplemental pension benefit, and then, the interaction between its dollar value and any possible severance payment, should you elect not to continue your career _ or, should Harsco Corporation determine that there is not a suitable position available that would be commensurate with your present status.

I. Special Supplemental Retirement Benefit Agreement (Exhibit #1):

As we discussed, this Agreement provides that you will be eligible for a Supplemental Pension Benefit as determined by the formula of the current Harsco Corporation Supplemental Retirement Benefit Plan. This benefit will be calculated on a basis that treats you as though you have been continuously employed with the Company since you attained the age of forty (40) years.

The attached projected pension calculation (Exhibit #2) showing the difference between your actual years of service at age sixty-five (65) and the enhanced benefit being offered to you, uses projected compensation figures. Note that it illustrates your total pension benefit in the form of a lump sum payment as provided by the "Tax-Qualified" Pension Plan and the non-Tax-Qualified Supplemental Retirement Benefit Plan. Please note also that this calculation is based on a number of variables subject to change without notice, which may affect the amount of the projected total lump sum value. Therefore, the lump sum values shown on this example are for illustration purposes only and do not represent a guarantee of the actual amount payable at age sixty-five (65) years retirement.

Lastly, it should be pointed out that pension benefits from the Supplemental Plan do not have the same tax deferral/rollover advantages that accompany benefits payable from a tax-qualified pension plan. The Supplemental Retirement Benefit Plan currently provides only for a lump sum payout upon retirement; as you know, however, the tax-qualified Harsco Employees Pension Plan allows you to select either a lump sum or a monthly benefit payment.

II. Severance Arrangement (Exhibit #3):

The example shown in Exhibit #3 shows in Column #2, the hypothetical lump sum pension monies attributable to an extra 9.75 years of Company service. Subject to the approval of the Board's Management Development & Compensation Committee, an actuarially-calculated dollar amount would be credited to your pension "account" effective January 1, 1994. This would then serve as the basis for calculating any additional cash severance payments that would be given to you, if your employment with the Company was terminated, the objective being to provide a combined total sum of \$600,000 between the extra lump sum pension (Column #2) and the severance (Column #3).

You will note that as the lump sum pension amount grows over the next three years, the cash severance declines; and furthermore, the latter is "capped," as shown in Column #4.

As mentioned earlier, the three-year period of this severance arrangement ends on December 31, 1996; but this will have no bearing on the additional pension credits given to you. Your pension benefits upon retirement or termination of employment will obviously be greatly enhanced by the 9.75 years of Company service added to your actual years of service.

If this letter accurately reflects our discussions and subsequent agreement, please indicate your acceptance by signing both enclosed copies, retaining one for your personal file and returning the other copy to me.

Sincerely,

Derek C. Hathaway
President & Chief
Executive Officer

Enclosures:

1. Agreement
2. Pension Calculations
3. Severance Illustration

Accepted and Agreed to:

Barrett W. Taussig

Date

SPECIAL SUPPLEMENTAL RETIREMENT BENEFIT AGREEMENT

This Agreement by and between HARSCO CORPORATION, a Delaware corporation (the "Company") and Barrett W. Taussig, an individual (the "Participant") is made and entered into this 28th day of January, 1994.

W I T N E S S E T H:

WHEREAS, the Company and the Participant wish to enter into an agreement, in order to formally document the action taken by the Company's Board of Directors on January 25, 1994, in approving the provision of a special supplemental retirement benefit for the Participant to recognize his contemplated future services to the Company and to insure that he receives an adequate level of continuous income after his retirement from the Company; and

NOW THEREFORE, in consideration of the promises and agreements contained herein, intending to be legally bound, the parties hereto agree as follows:

1. Supplemental Retirement Benefit. The Participant shall be entitled to receive a supplemental retirement benefit under the Company's Supplemental Retirement Plan (the "Plan"), the terms and conditions of which are incorporated herein by reference, with the following modifications:

(a) For purposes of determining the Participant's years of Credited Service under the Plan, the Participant shall be treated as if he had been continuously employed with the Company on and after his attainment of age 40, and shall be credited with service from date of employment at assumed age of 40 until the date of his actual termination of employment or retirement from the Company;

(b) for purposes of determining the Participant's eligibility to elect voluntary early retirement under the Plan, the Participant must complete 10 years of service based on actual date of employment with the Company;

(c) In the event the Participant (i) is discharged upon conviction of a felony or other crime involving moral turpitude, or misappropriation of Company funds or (ii) within two years of terminating employment with the Company commences employment or becomes connected in any manner with any business, commercial or professional enterprise, whether in corporate, partnership or proprietorship form that provides a significant service or product in competition with the Company's wheeled vehicle product line or any other significant service or product primarily for defense purposes provided by the Company, its subsidiaries or any company or partnership in which the company has at least a 20% ownership interest, then the additional years of credited service for periods of time prior to the Participant's actual commencement of employment with the Company provided under paragraph 1(a) of this Agreement shall be forfeited and the amount of the Participant's supplemental retirement benefit under the Plan shall be recalculated based on his actual employment with the Company and when necessary reduced accordingly.

2. Funding. The sole obligation of the Company under this Agreement is a contractual obligation to pay the supplemental retirement benefit described herein in accordance with the terms of this Agreement and the Plan. Such benefit shall be paid from the general assets of the Company, and the Company shall be under no obligation to segregate any of its assets in respect of such benefit or to fund or otherwise secure its obligation to pay such benefit. The Company may, in its discretion, elect to provide for the payment of its obligations under this Agreement and the Plan through the purchase of a contract with an insurance company, by funding Harsco's Supplemental Executive Retirement Plan Trust ("Secular Trust") or by otherwise establishing a trust.

3. Administrative Costs. All administrative costs of providing supplemental retirement benefits to the Participant under this Agreement and the Plan shall be borne by the Company.

4. Assignment. The Participant may not assign, transfer, sell, hypothecate or otherwise encumber any of his rights under this Agreement and any attempt to do so shall be void. To the maximum extent permitted by law, the supplemental retirement benefits provided to the Participant under this Agreement shall not be liable or subject to the debts, contracts, liabilities, engagements or torts of the Participant, nor shall they be subject to attachment or garnishment pursuant to legal process against the Participant.

5. Entire Agreement. This Agreement supersedes any prior understandings or agreement, oral or written, between the Company and the Participant, other than the Plan, and represents the entire agreement between the Company and the Participant with respect to a supplemental retirement pension benefit. This Agreement may not be amended in any respect except by a written agreement signed by the Company and the Participant.

6. Claims Procedure. Any claim for a benefit under this Agreement by the Participant shall be filed and resolved in accordance with the Claims Procedure provided under Section 8.3 of the Company's Administrative Employees Pension Plan. The provisions of that section, as they may be amended from time to time, are hereby incorporated by reference.

7. Governing Law. This Agreement has been executed within the Commonwealth of Pennsylvania. The validity, interpretation and enforcement of this Agreement shall be governed by the law of the Commonwealth of Pennsylvania except to the extent that such law is preempted by the Employee Retirement Income Security Act of 1974, as amended.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

ATTEST: HARSCO CORPORATION

Paul C. Coppock
Vice President, General Counsel
Officer
and Secretary

Derek C. Hathaway
President and Chief Executive

Barrett W. Taussig

PROJECTED 5 YEAR AVERAGE COMPENSATION \$500,000 YEAR 2000 THROUGH YEAR 2004

Pension Calculation - 15.25 Actual Years of Service @ Age 65

.008 x \$ 37,800* = \$ 302.40
.016 x \$462,200 = \$7,395.20
\$7,697.60 x 15.25 yrs. = \$117,388 Annual 10 C & C

Pension

Total Lump Sum Value at age 65 - PBGC Rate 6.00% \$1,268,964 (\$117,388 x \$10.81)

Pension Calculation - Using Years of Service If Hired at Age 40 - 25 Years Service @ Age 65

.008 x \$ 37,800* = \$ 302.40
.016 x \$462,200 = \$7,395.20
\$7,697.60 x 25 yrs. = \$192,440 Annual 10 C & C

Pension

Total Lump Sum Value at age 65 - PBGC Rate 6.00% \$2,080,276 (\$192,440 x \$10.81)

Summary of Benefits @ Age 65

	Annual Pension	Total Lump Sum Value
Increase		
Actual Years - 15.25 Yrs.	\$117,388	\$1,268,964
- -		
Credited Years		
If Hired At Age 40 25 Yrs.	\$192,440	\$2,080,276
\$811,312		
Ratio 1.64	1.64	1.64
- -		

A portion of these total lump sum values will be paid from the "tax-qualified" Pension Plan. Proposed government regulations make it difficult to project the amount of such values more than one or two years in advance.

VARIABLES:

- PBGC interest rate at retirement or other break in service
- Future Plan design changes approved by Harco Board of Directors
- Actual compensation covered by Plan at time of retirement or other break in service
- Actuarial Tables of Factors Subject to Change By Harco Pension

* SUBJECT TO CHANGE BY GOVERNMENT REGULATION.

BARRETT W. TAUSSIG

(5)	(1)	(2)	(3)	(4)
Actual	Hypothetical	Hypothetical	Cash	Cap on
Cash	Actuarial	Actuarial	Severance	Cash
Severance	Lump Sum	Lump Sum	(Subject to	Severance
Payout	Pensions	Pensions	Cap in (4))	
Considering	Attributable	Attributable	(\$600,000 -	
cap	to years of	to extra	(2))	
Date	Service from 10/27/79 (age 40)	9.75 yrs of service		
Day 1 1/1/94 \$165,787	\$630,923	\$434,213	\$165,787	\$600,000
6 Months 7/1/94 \$155,997	\$667,918	\$444,003	\$155,997	\$500,000
1 Year 1/1/95 \$146,022	\$706,203	\$453,978	\$146,022	\$400,000
18 Months 7/1/95 \$135,678	\$746,107	\$464,322	\$135,678	\$300,000
2 Years 1/1/96 \$125,136	\$787,397	\$474,864	\$125,136	\$200,000
3 Years 1/1/97 \$0	\$874,970	\$496,939	\$0	\$0

- - FAC = \$403,234 (Total Accrued Compensation for 1992) used for all calculations.

- - PBGC Rate = 4.5% for all calculations.

- - DOH 10/27/79

- - Not 100% vested until 7/10/94

Camp Hill, Pennsylvania 17001-8888

Date: April 26, 1993

Option Contract

Nonqualified Stock Option

M. W. Gambill
Chairman & Chief Executive Officer
Harsco Corporation
P. O. Box 8888
Camp Hill, PA 17001-8888

Dear Sir:

1. In lieu of any increase in cash salary compensation for the twelve months commencing May 1, 1993, and in order to encourage you to acquire and hold stock in Harsco Corporation (the Company), and as an incentive to you to devote extra time and effort in furtherance of its interests, the Company hereby gives and grants to you pursuant to its "1986 Stock Option Plan," dated May 1, 1986 as amended and restated (the Plan), a copy of which is annexed hereto and hereby made a part hereof, and pursuant to a resolution of the Management Development and Compensation Committee adopted April 26, 1993, and subject to the further provisions hereof and to the terms and conditions of the Plan, the right and option (the Option) to purchase up to an aggregate of Five Thousand (5,000) shares of its Common Stock for the price of Forty Dollars and Ninety-Four Cents (\$40.94) per share, being not less than the Fair Market Value of the stock at the date of grant of this Option. Subject to the provisions of Section 2(b), 3, 4, 5 and 6 hereof providing for early exercise, this Option shall become exercisable in whole or from time to time in part in two equal increments of 2,500 shares each according to the following schedule and shall remain exercisable unless earlier terminated pursuant to Sections 3, 4, 5 or 6 hereof until the day before ten years from the date of grant or not later than April 25, 2003.

Date First Exercisable	Number of Shares
April 26, 1994	2,500
April 26, 1995	2,500
Total	5,000

This option will not be treated as an incentive stock option within the meaning of the Internal Revenue Code.

2. (a) In order to exercise the Option you must give written notice to the Company pursuant to Section 13 of this letter stating the number of shares of Common Stock as to which the Option is being exercised and accompanied by payment in full in cash, or by bank or certified check, of the option price for all such shares. At your election you may pay the option price by delivering to the Company shares of Common Stock of the Company with a fair market value equal to the option price or by a combination of cash and shares of Common Stock. For purposes of this Section the fair market value of the Company's Common Stock shall be the closing price of the Common Stock on the composite tape or the New York Stock Exchange on the last trading day preceding the day on which notice of your exercise is received by the Company.

(b) If at any time there occurs a "change in control" of the Company in accordance with Section 9 of the Plan, then:

(i) if, at the time of such change in control, six months have elapsed since the date this Option was granted, this Option shall be exercisable in full for the remainder of its term with respect to all shares of Common Stock covered hereby on and after the date of such change in control, or

(ii) if, at the time of such change in control, fewer than six months have elapsed since the date this Option was granted, this Option shall become immediately exercisable in full for the remainder of its term with respect to all shares of Common Stock covered hereby on the first day following the end of a six month period after the date this Option was granted.

3. If you retire while in the employ of the Company or a Subsidiary and prior to the time you have fully exercised this Option you may exercise this Option within twelve months after the date your employment with the Company or a Subsidiary terminates by reason of your retirement to the extent this Option was exercisable by you on the date your employment so terminated.

4. If you become disabled while in the employ of the Company or a Subsidiary and prior to the time you have fully exercised this Option, this Option shall become immediately exercisable with respect to all shares covered by this contract and you may exercise this Option within twelve months after the date your employment with the Company or a Subsidiary terminates by reason of your disability to the extent this Option was exercisable by you on the date your employment so terminated.

5. If you die while in the employ of the Company or a Subsidiary and prior to the time you have fully exercised this Option, this Option shall become immediately exercisable with respect to all shares covered by this contract and the executor or administrator of your estate or the

person to whom this Option is transferred by will or the laws of descent or distribution may exercise this Option within twelve months after the date of your death to the extent this Option was exercisable by you on the date of your death.

6. This Option shall terminate, to the extent it has not been previously exercised, three months after the termination of your employment with the Company or a Subsidiary for any reason other than your retirement, disability or death. During such three month period following your termination of employment you may exercise this Option to the extent it was exercisable by you on the date your employment terminated.

7. Your acceptance of the Option will confirm: (1) that you are familiar with the business and affairs of the Company and its subsidiaries and (2) that you understand and agree that the granting of the Option, and any action thereunder, does not involve any statements or representations of any kind by the Company as to its business, affairs, earnings or assets, or as to the tax status of the Option or the tax consequences of any exercise thereof, or otherwise. You further agree that any action at any time taken by or on behalf of the Company or a subsidiary thereof, or by its directors or any committee thereof, which might or shall at any time adversely affect you or the Option, may be freely taken, notwithstanding any such adverse effect, without your being thereby or otherwise entitled to any right or claim against the Company or any other person or party by reason thereof; provided, however, that exercise rights arising under Section 9 of the Plan due to a "change in control" shall not be abrogated.

8. The Option is personal to you and except in the event of your death is not transferable or assignable either by your act or by operation of law, and no assignee, trustee in bankruptcy, receiver or other party whomsoever shall have any right to exercise the Option or any other right with respect to the Option or to the Plan. The Option is transferable by your will or the laws of descent and distribution, and in the event of your death the person entitled thereto shall, subject to the provisions hereof and of the Plan, be entitled to exercise the Option to the same extent that you were entitled to as of the date of your death. Unless otherwise indicated by the context or otherwise required by any term hereof, references herein to "you," or in the Plan to "the Optionee," shall apply to said person entitled thereto.

9. Nothing herein is intended to or shall give you any right or status of any kind as a stockholder of the Company in respect of any shares covered by the Option or entitle you to any dividends or other distributions thereon unless and until said shares shall have been delivered to you and registered in your name.

10. Nothing herein shall confer upon you any right to be continued in the employ of the Company or a Subsidiary or shall prevent the Company or Subsidiary which employs you from terminating your employment at any time, with or without cause.

11. If and when any questions arise from time to time as to the intent, meaning or application of any one of more of the provisions hereof or of the Plan, such questions will be decided by the Management Development and Compensation Committee or such other committee of the Board as may be designated by the Board, or in the event the Company is merged into or consolidated with any other corporation, by the Board of Directors (or a Committee appointed by it) of the surviving or resulting corporation. Subject to the "change in control" provisions of Section 9 of the Plan, the decision of such Board of Directors or Committee, as the case may be, as to what is a fair and equitable settlement of each such question or as to what is a fair and proper interpretation of any provision hereof or thereof, whatever the effect of such a decision may be, beneficial or adverse, upon the Option or you, shall be conclusive and binding and you hereby agree that the Option is granted to and accepted by you subject to such condition and understanding.

12. At such time or times as you may exercise this Option, the Company may require you to represent in writing that it is your intention to acquire the shares being acquired for investment only and not with a view to distribution thereof. In such event, no shares will be issued unless and until the Company is satisfied as to the correctness of such representation.

13. Whenever any notice is to be given hereunder by you or by the Company, such notice (i) if to you, may be given by delivering the same to you personally or by sending it to you by registered or certified mail to your last address as shown on the records of the Company, and (ii) if to the Company, may be given by delivering the same personally to its President or its Treasurer, or by sending it to the Company by registered or certified mail directed to it, at its said principal office, provided that a notice hereunder shall not be deemed given to the Company unless and until it receives the same at this said principal office.

14. Except to the extent that counsel to the Company shall render their opinion that no approval by the New York Stock Exchange is required in the premises, this Option Contract and all of the obligations of the Company in connection therewith and under the Plan shall be subject to and conditioned upon the approval by the New York Stock Exchange of a Listing Application with respect to all shares of stock of the Company (other than treasury shares) which may be issued under the Plan with respect to this particular Option Contract.

15. If the foregoing is acceptable to you, please so confirm by signing

and returning the duplicate of this letter enclosed for the purpose, whereupon this letter and such confirmation, together with the Plan, shall constitute an agreement between you and the Company superseding any and all other understandings in reference to the matter herein, including among others, the stock Option hereinabove granted, and binding upon and inuring to the benefit of the Company and, unless otherwise determined as provided in the Plan, its successors and assigns, as well as yourself and, to the extent hereinabove provided, your legal representatives. In the event of a conflict between the provisions in this Option Contract and in the Plan, the provisions of the Plan shall govern and control. The laws of the Commonwealth of Pennsylvania shall control the interpretation and construction of all your rights hereunder.

HARSCO CORPORATION

By:

Derek C. Hathaway
President and
Chief Operating Officer

I hereby confirm that the foregoing and the Plan annexed hereto are hereby in all respects accepted and agreed to by the undersigned as Optionee as aforesaid as of the date of this Option Contract.

Attachment

HARSCO CORPORATION
 COMPUTATION OF FULLY DILUTED NET INCOME PER COMMON SHARE
 (dollars in thousands except per share)

	YEARS ENDED				
	1993	1992	1991	1990	1989
Net income	\$ 87,618	\$ 84,332	\$ 76,543	\$ 72,504	\$ 11,362
Average shares of common stock outstanding used to compute primary earnings per common share	25,036,893	25,966,755	26,278,384	26,217,027	26,261,017
Additional common shares to be issued assuming exercise of stock options, net of shares assumed reacquired	149,408	198,220	118,208	28,355	9,847
Shares used to compute dilutive effect of stock options	25,186,301	26,164,975	26,396,592	26,245,382	26,270,864
Fully diluted net income per common share	\$ 3.48	\$ 3.22	\$ 2.90	\$ 2.76	\$.43
Net income per common share as reported in report to shareholders	\$ 3.50	\$ 3.25	\$ 2.91	\$ 2.77	\$.43

HARSCO CORPORATION
 Computation of Ratios of Earnings to Fixed Charges
 (In Thousands of Dollars)

	YEARS ENDED DECEMBER 31				
	1989	1990	1991	1992	1993
Consolidated Earnings:					
Pre-tax income from continuing operations	\$ 22,173	\$115,587	\$ 119,647	\$140,576	\$137,151
Add fixed charges computed below	20,693	21,864	23,544	22,425	23,879
Net adjustments for equity companies	(483)	(532)	(439)	(454)	(363)
Net adjustments for capitalized interest	(215)	(255)	(469)	(134)	(172)
Consolidated Earnings Available for Fixed Charges	\$ 42,168	\$136,664	\$142,283	\$162,413	\$160,495
Consolidated Fixed Charges:					
Interest expense per financial statements	\$ 16,412	\$ 17,506	\$ 18,925	\$ 18,882	\$ 19,974
Interest expense capitalized	287	345	574	355	332
Portion of rentals (1/3) representing an interest factor	3,994	4,013	4,045	3,188	3,573
Interest expense for equity companies whose debt is guaranteed	-	-	-	-	-
Consolidated Fixed Charges	\$ 20,693	\$ 21,864	\$ 23,544	\$ 22,425	\$ 23,879
Consolidated Ratio of Earnings to Fixed Charges	2.04	6.25	6.04	7.24	6.72

1992 excludes the cumulative effect of change in accounting method for postretirement benefits other than pensions.

Includes amortization of debt discount and expense.

No fixed charges were associated with debt of less than fifty percent owned companies guaranteed by Harsco during the five year period 1989 through 1993.

HARSCO CORPORATION
CONSOLIDATED BALANCE SHEETS
December 31, 1993 and 1992
(All dollars in thousands, except per share)

	1993	
1992		
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 58,740	\$
50,366		
Notes and accounts receivable, less allowance for uncollectible accounts (\$13,479 and \$10,244)	322,894	
317,319		
Inventories	202,426	
202,603		
Deferred income taxes	-	
10,653		
Other	16,045	
17,342		
Total current assets	600,105	
598,283		
Property, plant and equipment, net	491,655	
278,686		
Cost in excess of net assets of businesses acquired, less accumulated amortization (\$13,995 and \$11,665)	221,082	
13,527		
Insurance related assets	70,153	
68,186		
Other assets	44,617	
32,543		
	\$1,427,612	\$
991,225		
LIABILITIES		
Current liabilities		
Short-term borrowings	\$ 51,884	\$
10,564		
Current maturities of long-term debt	11,625	
663		
Accounts payable	98,021	
72,082		
Accrued compensation	45,546	
30,700		
Advances on long-term contracts	88,518	
74,112		
Income taxes	14,905	
13,542		
Dividends payable	8,739	
8,883		
Other current liabilities	98,111	
70,819		
Total current liabilities	417,349	
281,365		
Long-term debt	364,869	
119,841		
Deferred income taxes	33,424	
16,747		
Insurance related liabilities	49,350	
50,111		
Other liabilities	39,536	
28,058		
	904,528	
496,122		
COMMITMENTS AND CONTINGENCIES		
SHAREHOLDERS' EQUITY		
Preferred stock		
Series A junior participating cumulative preferred stock	-	
- -		
Common stock, par value \$1.25, issued 32,114,499 and 31,925,423 shares, respectively	40,143	

39,907

Additional paid-in capital 80,070	86,436	
Cumulative translation adjustments (8,055)	(16,059)	
Cumulative pension liability adjustments (633)	(107)	
Retained earnings 550,486	603,158	
	<hr/>	
	713,571	
661,775		
Treasury stock, at cost (7,146,698 and 6,545,864 shares, respectively) (166,672)	(190,487)	
	523,084	
495,103		
	<hr/>	
	\$1,427,612	\$
991,225		
	<hr/>	
	<hr/>	

See accompanying notes to consolidated financial statements.

HARSCO CORPORATION
CONSOLIDATED STATEMENTS OF INCOME
for the years 1993, 1992 and 1991
(All dollars in thousands, except per share)

	1993	1992	1991
Net sales	\$ 1,422,308	\$ 1,624,939	\$ 1,943,083
Operating expenses:			
Cost of sales	1,107,187	1,297,090	1,645,590
Selling, administrative and general expenses	180,375	175,092	170,713
Research and development	5,167	4,590	3,647
Provision for facility discontinuances or disposals	2,419	445	1,664
	<hr/>	<hr/>	<hr/>
	1,295,148	1,477,217	1,821,614
Profit from operations	<hr/>	<hr/>	<hr/>
	127,160	147,722	121,469
Other income (expense):			
Interest income	7,586	8,198	10,331
Interest expense	(19,974)	(18,882)	(18,925)
Equity in net income of unconsolidated companies	2,415	3,626	3,838
Gain on sale of investment	17,555	-	-
Other, net	2,409	(88)	2,934
	<hr/>	<hr/>	<hr/>
	9,991	(7,146)	(1,822)
Income before provision for income taxes and cumulative effect of accounting changes	<hr/>	<hr/>	<hr/>
	137,151	140,576	119,647
Provision for income taxes	<hr/>	<hr/>	<hr/>
	56,335	49,060	43,104
Income before cumulative effect of accounting changes	<hr/>	<hr/>	<hr/>
	80,816	91,516	76,543
Cumulative effect of accounting changes:			
Accounting for postretirement benefits other than pensions (net of income tax benefit of \$4.3 million)	-	(7,184)	-
Accounting for income taxes	6,802	-	-
	<hr/>	<hr/>	<hr/>
Net income	\$ 87,618	\$ 84,332	\$ 76,543
	<hr/>	<hr/>	<hr/>
Average shares of common stock outstanding	<hr/>	<hr/>	<hr/>
	25,036,893	25,966,755	26,278,384
	<hr/>	<hr/>	<hr/>
Earnings per common share:			
Income before cumulative effect of accounting changes	\$ 3.23	\$ 3.52	\$ 2.91
Cumulative effect of changes in accounting	.27	(.27)	-

Net income per common share	\$ 3.50	\$ 3.25	\$ 2.91
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See accompanying notes to consolidated financial statements.

HARSCO CORPORATION
CONSOLIDATED STATEMENTS
OF CASH FLOWS
for the years 1993, 1992 and 1991
(All dollars in thousands)

	1993	1992	1991
Cash flows from operating activities:			
Net income	\$ 87,618	\$ 84,332	\$ 76,543
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation	69,558	57,064	57,664
Amortization	5,250	2,007	1,975
Cumulative effect of changes in accounting principles	(6,802)	7,184	-
Gain on sale of investment	(17,555)	-	-
Other, net	(378)	(2,617)	1,945
Changes in assets and liabilities, net of acquisitions and dispositions of businesses:			
Notes and accounts receivable.....	66,562	(43,878)	(52,748)
Inventories	9,189	13,566	109,118
Accounts payable	10,371	(26,271)	(17,515)
Accrued long-term contract costs	(5,669)	(5,177)	(16,806)
Advances on long-term contracts	13,673	25,030	(35,236)
Other assets and liabilities	403	(3,106)	26,545
Net cash provided by operating activities	<u>232,220</u>	<u>108,134</u>	<u>151,485</u>
Cash flows from investing activities:			
Expenditures for property, plant and equipment	(83,395)	(42,720)	(53,846)
Purchase of businesses, net of cash acquired*	(337,062)	(28,404)	(5,344)
Proceeds from sale of businesses	-	44,466	-
Proceeds from sale of property, plant and equipment	3,302	2,079	3,245
Proceeds from sale of investment	22,555	-	-
Other investing activities	(3,066)	61	(2,239)
Net cash (used) by investing activities	<u>(397,666)</u>	<u>(24,518)</u>	<u>(58,184)</u>
Cash flows from financing activities:			
Short-term borrowings, net	28,339	(5,444)	(25,084)
Current maturities and long-term debt:			
Additions	224,248	-	102,124
Reductions	(8,222)	(82,948)	(25,629)
Cash dividends paid on common stock	(35,089)	(34,373)	(31,528)
Common stock issued-options	4,450	7,734	1,188
Common stock acquired for treasury	(36,322)	(37,587)	(2,606)
Other financing activities	(3,849)	(34)	(1,568)
Net cash provided (used) by financing activities	<u>173,555</u>	<u>(152,652)</u>	<u>16,897</u>
Effect of exchange rate changes on cash	265	(796)	(452)
Net increase (decrease) in cash and cash equivalents	8,374	(69,832)	109,746
Cash and cash equivalents at beginning of year	50,366	120,198	10,452
Cash and cash equivalents at end of year	<u>\$ 58,740</u>	<u>\$ 50,366</u>	<u>\$ 120,198</u>
*Purchase of businesses, net of cash acquired:			
Working capital, other than cash	\$ 5,748	\$ (11,863)	\$ (2,140)
Property, plant and equipment	(202,241)	(16,513)	(2,904)
Cost in excess of net assets of companies acquired, net	(215,428)	-	-
Other assets	(7,789)	(1,155)	(300)
Long-term debt	29,655	-	-
Noncurrent liabilities	52,993	1,127	-
Net cash used to acquire businesses	<u>\$ (337,062)</u>	<u>\$ (28,404)</u>	<u>\$ (5,344)</u>

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF CHANGES
IN SHAREHOLDERS' EQUITY
for the years 1993, 1992 and 1991
(All dollars in thousands, except per share)

	Common Stock		Additional	Cumulative Adjustments		Retained
	Issued	Treasury	Paid-in Capital	Translation	Pension Liability	Earnings
Balances, January 1, 1991	\$ 39,411	\$ (124,875)	\$ 69,361	\$ (3,314)	\$ -	\$ 456,528
Net income						76,543
Cash dividends declared, \$1.23 per share						(32,319)
Translation adjustments				(550)		
Pension liability adjustments, net of (\$689) deferred income taxes					(1,153)	
Acquired during the year, 92,016 shares		(2,606)				
Stock options exercised, 47,699 shares	60		1,128			
Distribution of common stock under incentive program, 56,566 shares		1,430	74			
Other, 296 shares		7	1			
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Balances, December 31, 1991	39,471	(126,044)	70,564	(3,864)	(1,153)	500,752
Net income						84,332
Cash dividends declared, \$1.34 per share						(34,598)
Translation adjustments				(4,191)		
Pension liability adjustments, net of \$309 deferred income taxes					520	
Acquired during the year, 1,256,662 shares		(42,474)				
Stock options exercised, 348,606 shares	436		9,504			
Distribution of common stock under incentive program, 51,663 shares		1,836	1			
Other, 335 shares		10	1			
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Balances December 31, 1992	39,907	(166,672)	80,070	(8,055)	(633)	550,486
Net income						87,618
Cash dividends declared, \$1.40 per share						(34,946)
Translation adjustments				(8,004)		
Pension liability adjustments, net of \$311 deferred income taxes					526	
Acquired during the year, 901,557 shares		(34,975)				
Stock options exercised, 189,076 shares	236		5,546			
Acquisition of a company, 300,297 shares		11,143	818			
Other, 426 shares		17	2			
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Balances, December 31, 1993	\$ 40,143	\$ (190,487)	\$ 86,436	\$ (16,059)	\$ (107)	\$ 603,158
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

See accompanying notes to consolidated financial statements.

HARSCO CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Consolidation:

The consolidated financial statements include those of the Company and its wholly-owned and majority-owned subsidiaries; investments in unconsolidated affiliated companies are accounted for on the equity method.

Cash and Cash Equivalents:

The Company's policy is to maintain its uninvested cash at minimal levels. Cash and cash equivalents include highly liquid debt instruments purchased with a maturity of three months or less.

Inventory Valuation:

Inventories are stated at the lower of cost or market, cost being determined using the last-in, first-out (LIFO), first-in, first-out (FIFO) and average cost methods.

Property, Plant and Equipment:

Property, plant and equipment is recorded at cost and depreciated over the estimated useful lives of the assets using principally the straight-line method. Generally, when property is retired from service, the cost of the retirement is charged to the allowance for depreciation to the extent of the accumulated depreciation thereon and the balance is charged to income.

Cost in Excess of Net Assets of Businesses Acquired:

Cost in excess of net assets of businesses acquired is amortized on a straight-line basis over periods not to exceed 30 years. The Company's policy is to record an impairment loss against the net unamortized cost

in excess of net assets of businesses acquired in the period when it is determined that the carrying amount of the asset may not be recoverable. This determination is based on an evaluation of such factors as the occurrence of a significant event, a significant change in the environment in which the business operates or if the expected future net cash flows (undiscounted and without interest) would become less than the carrying amount of the asset.

Long-term Defense Contracts:

Defense contracts are accounted for under the percentage of completion (units-of-delivery) method, whereby sales and estimated average cost of the units to be produced under a contract are recognized as deliveries are made or accepted. Changes in estimates for sales, costs, and profits are recognized in the period in which they are determinable using the cumulative catch-up method of accounting. Claims are considered in the estimated contract performance at such time as realization is probable. Any anticipated losses on contracts are charged to operations as soon as they are determinable. Inventory costs include factory overhead, general and administrative expenses, initial tooling and other related costs. Internal research and development costs are charged to expense or allocated to production contracts, as applicable, when incurred. Under certain arrangements in which a customer shares in product development costs, the Company's portion of such costs is expensed as incurred.

Income Taxes:

All U.S. Federal and state income taxes and foreign taxes are provided currently on the undistributed earnings of foreign subsidiaries and unconsolidated affiliated companies, giving recognition to current tax rates and applicable foreign tax credits.

The Company adopted Statement of Financial Accounting Standards (SFAS) No. 109 "Accounting for Income Taxes," effective January 1, 1993. The adoption of SFAS 109 changes the Company's method of accounting for income taxes from the deferred method under Accounting Principles Board Opinion No. 11 to an asset and liability approach. Deferred income taxes are recognized for all temporary differences between the tax and financial reporting bases of the Company's assets and liabilities based on enacted tax laws and statutory tax rates applicable to the periods in which the differences are expected to affect taxable income.

Investment and Other Tax Credits:

United States tax credits are used to reduce federal income taxes otherwise payable for the year in which they arise. However, for financial reporting purposes, tax credits are deferred and amortized into income as a reduction of income tax expense over the average useful lives of the properties which gave rise to the credits.

Employee Benefits:

The Company has pension and profit sharing retirement plans, most of which are noncontributory, covering substantially all its employees and outside directors. The benefits for salaried employees generally are based on years of service and the employee's level of compensation during specified periods of employment. Plans covering hourly employees generally provide benefits of stated amounts for each year of service. The Company's funding policy for qualified plans is consistent with federal regulations and customarily equals the amount deducted for federal income tax purposes. The Company's policy is to amortize prior service costs over the average future service period of active plan participants.

The Company has postretirement life insurance benefits for a majority of employees, and postretirement health care benefits for a limited number of employees mainly under plans related to acquired companies. Effective January 1, 1992, the Company adopted Statement of Financial Accounting Standards No. 106, "Employer's Accounting for Postretirement Benefits Other Than Pensions" (SFAS 106) for its domestic plans. Effective January 1, 1993 the Company adopted SFAS 106 for its foreign plans, the effect of which was immaterial. This accounting standard requires accrual accounting for all postretirement benefits other than pensions. Under the prescribed accrual method, the Company's obligation for these postretirement benefits is to be fully accrued by the date employees attain full eligibility for such benefits. Prior to the adoption of SFAS 106, the cost of these benefits was recognized on the pay-as-you-go method. Under SFAS 106, the cost of life insurance and health care benefits for current and future retirees are recognized as determined under the projected unit credit actuarial method. The Company's postretirement health care and life insurance plans are unfunded.

Effective January 1, 1993, the Company adopted Statement of Financial Accounting Standards No. 112, "Employers' Accounting for Postemployment Benefits" (SFAS 112) for both its domestic and foreign plans, the effect of which was immaterial. This statement requires companies to accrue postemployment benefits if the obligation is attributable to employees' services already rendered, employees' rights to those benefits accumulate or vest, payment of the benefits is probable and the amount of the benefits can be reasonably estimated.

Environmental Compliance and Remediation:

Environmental expenditures that relate to current operations are expensed or capitalized as appropriate. Expenditures that relate to an existing condition caused by past operations, and which do not contribute to current or future revenue generation, are expensed. Liabilities are recorded when environmental assessments and/or remedial efforts are probable, and the cost can be reasonably estimated. Generally, the timing of these accruals coincides with the earlier of

completion of a feasibility study or the Company's commitment to a plan of action based on the then known facts.

Casualty Insurance:

The Company is insured for workers compensation, automobile, general, and product liability losses through a risk retention program. The Company accrues for the estimated losses occurring from both asserted and unasserted claims. The estimate of the liability for unasserted claims arising from unreported incidents is based on an analysis of historical claims data. The Company has a wholly-owned captive insurance company for the payment of its claims under this risk retention program. Annual contributions are made by the Company to the captive insurance company to provide funding for its retained risk.

Property Insurance:

The Company generally insures its property on an all-risk basis through conventional insurers with a minor deductible applicable to each loss. For certain foreign operations, the Company has a second wholly-owned captive insurance company for the payment of its claims under such risk retention program. The captive is funded for expected losses.

Foreign Currency Translation:

The financial statements of the Company's subsidiaries outside the United States, except for those subsidiaries located in highly inflationary economies, are generally measured using the local currency as the functional currency. Assets and liabilities of these subsidiaries are translated at the rates of exchange at the balance sheet date. The resultant translation adjustments are included in equity adjustment from translation, a separate component of stockholders' equity. Income and expense items are translated at average monthly rates of exchange. Gains and losses from foreign currency transactions of these subsidiaries are included in net earnings. For subsidiaries operating in highly inflationary economies, gains and losses on foreign currency transactions and balance sheet translation adjustments are included in net earnings.

Foreign Exchange:

The Company has significant foreign investments. It is the Company's policy to reduce substantially the effects of fluctuations in foreign currency exchange rates associated with these investments by managing its currency exposure which includes foreign currency hedging activities. The Company enters into foreign exchange forward contracts to hedge the effect of foreign currency fluctuations on the financial statements.

The company enters into contracts to buy and sell foreign currencies in the future only to protect the U.S. dollar value of certain investments and future foreign currency transactions. The Company does not engage in speculation. The gains and losses on these contracts are included in income when the operating revenues and expenses are recognized and, for assets and liabilities, in the period in which the exchange rates change. The cash flows from forward contracts accounted for as hedges of identifiable transactions are classified consistent with the cash flows from the transactions being hedged.

Reclassifications:

Certain amounts in the 1992 and 1991 financial statements and notes have been reclassified to conform with the 1993 presentation.

2. MULTISERV INTERNATIONAL, N.V. ACQUISITION:

On August 31, 1993, Harsco Corporation acquired all of the outstanding capital stock of MultiServ International, N.V., an international leader in metal reclamation and specialized steel mill services. The acquisition has been accounted for by the purchase method of accounting, and operating results of this acquisition are included in the Company's Consolidated Financial Statements since the date of acquisition.

The total consideration paid by the Company was approximately \$384,000,000 and consisted of: (i) approximately \$333,000,000 in cash, (ii) approximately \$12,000,000 in Harsco Corporation Common Stock from treasury, and (iii) the assumption of certain project financing indebtedness of MultiServ in the amount of approximately \$39,000,000. Approximately \$8,000,000 in closing and acquisition costs were also incurred. The funds used by the Company to complete the acquisition consisted of approximately \$83,000,000 from current cash balances of Harsco, and approximately \$250,000,000 borrowed from Chase Manhattan Bank, N.A.

The following represents the unaudited pro forma results of operations as if the acquisition had occurred at the beginning of 1993 and 1992:

Pro Forma

Year	Year	
(Unaudited)	Ended	
Ended	Dec. 31, 1993	
(In thousands, except per share amounts)		
Dec. 31, 1992		
Net Sales	\$ 1,626,133	\$
1,966,696		

Income before provision for income taxes, cumulative effect of accounting changes and extraordinary item	124,530	
141,377		
Provision for income taxes	58,839	
56,599		
<hr/>		
Income before cumulative effect of accounting changes and extraordinary item	65,691	
84,778		
Cumulative effect of accounting changes:		
Accounting for postretirement benefits other than pensions	-	
(7,184)		
Accounting for income taxes	6,802	
1,784		
Extraordinary item, net of taxes	(2,277)	
- -		
<hr/>		
Net income	\$ 70,216	\$
79,378		
<hr/>		
<hr/>		
Average shares of common stock outstanding	25,212	
26,267		
<hr/>		
<hr/>		
Earnings per common share:		
Income before cumulative effect of accounting changes and extraordinary item	\$ 2.61	\$
3.23		
Cumulative effect of changes in accounting	.27	
(.21)		
Extraordinary item	(.09)	
- -		
<hr/>		
Net income per share	\$ 2.79	\$
3.02		
<hr/>		
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[FN]
MultiServ's preacquisition extinguishment of debt.

Included in these pro forma results are adjustments to reflect additional expenses associated with the amortization of the created goodwill and the write-up of MultiServ fixed assets to fair market value. Additional provisions for interest and debt expenses on the acquisition borrowings has also been included. The pro forma financial statements are not necessarily indicative of the results that actually would have been obtained had the MultiServ acquisition been consummated during the periods presented, and it is not intended to be a projection of future results or trends.

3. INVENTORIES:

Inventories are summarized as follows:

(In thousands)	1993	
1992		
Classification:		
Long-term contract costs (including general and administrative costs of \$7,576 and \$5,922)	\$ 110,133	\$
147,844		
Contract loss reserves	(4,979)	
(4,188)		
Progress payments - U.S. Government	(16,662)	
(30,839)		
<hr/>		
	88,492	
112,817		
Finished goods	23,543	
21,097		
Work in process	25,612	
24,370		
Raw materials and purchased parts	52,608	
38,646		
Stores and supplies	12,171	

5,673

	<hr/>	
202,603	\$ 202,426	\$
	<hr/>	
	<hr/>	
Valued at lower of cost or market:		
LIFO basis	\$ 80,786	\$
70,738		
FIFO basis	16,133	
10,547		
Average cost basis	105,507	
121,318		
	<hr/>	
202,603	\$ 202,426	\$
	<hr/>	
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The Company has incurred costs that are assignable to units not yet produced. The aggregate amount incurred, exclusive of raw materials and purchased parts included in long-term contract costs, was \$12,069,000 and \$10,041,000 as of December 31, 1993 and 1992, respectively. These costs relate primarily to U.S. Government contracts for certain tracked vehicles.

Inventories valued on the LIFO basis at December 31, 1993 and 1992 were approximately \$33,878,000 and \$34,903,000, respectively, less than the amounts of such inventories valued at current costs.

As a result of reducing certain inventory quantities valued on the LIFO basis, profits from liquidation of inventories were recorded which increased net income by \$246,000, \$3,316,000 and \$877,000 in 1993, 1992 and 1991, respectively.

4. PROPERTY, PLANT AND EQUIPMENT:

Property, plant and equipment, net consists of the following:

(In thousands)	1993	
1992		
Land	\$ 12,648	\$
11,232		
Buildings and improvements	157,528	
138,175		
Machinery and equipment	857,941	
653,928		
Uncompleted construction	32,612	
12,040		
	<hr/>	
	1,060,729	
815,375		
Less allowance for depreciation	569,074	
536,689		
	<hr/>	
	\$ 491,655	\$
278,686		
	<hr/>	
	<hr/>	

5. INCOME TAXES:

Income before taxes and the provision for income taxes in the consolidated statements of income consist of:

(In thousands)	1993	1992
1991		
Income before provision for income taxes:		
Domestic	\$ 126,521	\$ 120,179
\$ 96,032		
Foreign	10,630	20,397
23,615		
	<hr/>	<hr/>
	\$ 137,151	\$ 140,576
\$ 119,647		
	<hr/>	<hr/>
	<hr/>	<hr/>

Provision for income taxes:
 Currently payable:

Federal	\$ 38,053	\$ 34,607
\$ 11,715		
Foreign	8,882	6,906
10,641		
State	7,395	6,527
3,317		
	<hr/>	<hr/>
	54,330	48,040
25,673		
Deferred federal and state	4,195	27
17,828		
Deferred foreign	(2,190)	993
(397)		
	<hr/>	<hr/>
	\$ 56,335	\$ 49,060
\$ 43,104		
	<hr/>	<hr/>
	<hr/>	<hr/>

Cash payments for income taxes were \$55,431,000, \$50,526,000 and \$10,872,000, for 1993, 1992 and 1991, respectively.

The following is a reconciliation of the normal expected statutory federal income tax rates to the effective rates as a percentage of income before provision for income taxes as reported in the financial statements:

	1993	1992
1991		
U.S. federal income tax rate	35.0%	34.0%
34.0%		
State income taxes, net of		
federal income tax benefit	3.9	3.0
2.8		
Export sales corporation benefit	(1.0)	(1.2)
(.9)		
Foreign losses for which no benefit		
was recorded	2.1	.5
1.5		
Difference in effective tax rates on		
foreign earnings and remittances	(.5)	(2.3)
(1.4)		
Noneductible acquisition costs	1.0	.5
.6		
Other, net	.6	.4
(.6)		
Effective income tax rate	41.1%	34.9%
36.0%		

As discussed in Note 1, the Company adopted Statement of Financial Accounting Standards (SFAS) No. 109 "Accounting for Income Taxes" effective January 1, 1993. The cumulative effect of this change in accounting principle increased net income in the first quarter by \$6,802,000, or \$.27 per share. For the year ended December 31, 1993, the effect of the accounting change was immaterial. Prior years' financial statements have not been restated.

The tax effects of the primary temporary differences giving rise to the Company's deferred tax assets and liabilities for the year ended December 31, 1993 are as follows:

(In thousands)	1993	
	Asset	Liability
Deferred Income Taxes		
Depreciation	\$ -	\$
50,111		
Expense accruals	39,413	
- -		
Inventories	5,110	
- -		
Provision for receivables	-	
22,144		
Postretirement benefits	5,637	
- -		
Deferred revenue	-	
7,384		
Unrelieved tax losses	19,714	
- -		
Unrealized translation losses	6,247	
- -		
Pensions	-	
6,502		
Other	578	
- -		
	<hr/>	
Subtotal	76,699	
86,141		
Valuation allowance	(25,251)	
- -		

Total Deferred Income Taxes	\$	51,448	\$
86,141			

Prior to its acquisition by the Company in 1993, MultiServ had approximately \$49,900,000 of net operating loss carryforwards ("preacquisition NOLs"). During 1993, \$8,500,000 of these preacquisition NOLs were utilized by the Company resulting in a \$2,764,000 tax benefit which was allocated to reduce goodwill related to the acquisition.

At December 31, 1993, certain of the Company's foreign subsidiaries had total available net operating loss carryforwards of approximately \$51,300,000 of which approximately \$15,300,000 will expire by 1998 and the balance may be carried forward indefinitely.

The valuation allowance of \$25,251,000 relates principally to cumulative unrelieved tax losses and unrealized translation losses which are uncertain as to realizability at December 31, 1993. To the extent that preacquisition NOLs, aggregating \$38,960,000 at December 31, 1993, are utilized in the future and the associated valuation allowance reduced, the tax benefit thereof will be allocated to reduce goodwill related to the acquisition. The increase in the valuation allowance for 1993 related primarily to the preacquisition NOLs and the increase in the cumulative unrealized translation losses.

The sources of significant timing differences which gave rise to deferred taxes and their effects are as follows (disclosure for 1993 is not required under SFAS 109):

(In thousands)	1992	1991
Depreciation	\$ 491	\$
(2,209)		
Expense accruals	(1,074)	
6,070		
Accrued contract costs, net change	1,962	
10,482		
Other, net	(359)	
3,088		
	\$ 1,020	\$
17,431		

6. EMPLOYEE BENEFIT PLANS:

Pensions:

Net pension cost includes the following components:

(In thousands)	1993	1992	1991
Defined benefit plans:			
Service cost	\$ 12,077	\$ 11,521	\$
8,973			
Interest cost	15,468	14,945	
14,372			
Actual return on plan assets	(33,984)	(18,072)	
(41,969)			
Net amortization and deferral	8,547	(6,134)	
20,462			
Net periodic pension cost	2,108	2,260	
1,838			
Multi-employer and defined contribution plans	5,110	4,649	
5,271			
Total pension cost	\$ 7,218	\$ 6,909	\$
7,109			

The Company participated in multi-employer plans, providing defined benefits for certain unionized employees, the cost of which totaled \$2,474,000, \$2,426,000 and \$2,155,000, for 1993, 1992 and 1991, respectively.

The status of defined benefit plans at December 31, 1993 and 1992, is as

follows:

(In thousands)	Overfunded		Underfunded	
	1993	1992	1993	1992
Actuarial present value of benefit obligations:				
Vested	\$ 152,412	\$ 141,719	\$ 30,492	\$ 32,255
Non-vested	3,881	10,233	995	1,184
Accumulated benefit obligation	156,293	151,952	31,487	33,439
Effect of increase in compensation	47,757	43,741	3,717	2,655
Projected benefit obligation	204,050	195,693	35,204	36,094
Plan assets at fair value	256,786	227,064	32,858	30,695
Plan assets in excess of (less than) projected benefit obligations	52,736	31,371	(2,346)	(5,399)
Unrecognized prior service costs	13,553	13,471	5,647	5,857
Unrecognized net loss (gain)	(19,127)	5,941	(443)	4,222
Unrecognized net asset	(29,367)	(32,242)	(3,225)	(3,485)
Minimum liability adjustment	-	-	(1,142)	(3,939)
Prepaid (accrued) pension cost	\$ 17,795	\$ 18,541	\$ (1,509)	\$ (2,744)

Plan assets include equity and fixed-income securities. Harsco common stock with a fair market value of \$14,882,000 and \$13,874,000 in 1993 and 1992, respectively is included in plan assets.

The actuarial assumptions used for the defined benefit pension plans as of the end of the year, including foreign plans are as follows:

	1993	1992
1991		
Assumed discount rate	7.4%	6.9%
7.6%		
Expected average rate of return on plan assets	9.0%	9.2%
9.2%		
Assumed average rate of compensation increase	5.3%	5.9%
6.0%		

The changes in the assumed discount and compensation rates had the effect of decreasing the projected benefit obligation by \$31,956,000 in 1993, and increasing the projected benefit obligation by \$20,699,000 in 1992. An amendment to the defined benefit plans that became effective during 1991 increased pension expense in that year by \$1,769,000.

Postretirement Benefits:

In the fourth quarter of 1992, the Company adopted Statement of Financial Accounting Standards No. 106 "Employers' Accounting for Postretirement Benefits Other Than Pensions" (SFAS 106), effective January 1, 1992, for its domestic plans. In conjunction with the adoption of SFAS 106, the Company elected to immediately recognize the accumulated postretirement benefit obligations for current and future retirees, and recognized accrued postretirement benefit cost (transition obligation), in the amount of \$7.2 million, (\$.27 per share), net of a deferred income tax benefit of \$4.3 million.

Effective January 1, 1993, the Company adopted SFAS 106 for its foreign plans, the effect of which was immaterial.

Postretirement benefit (health care and life insurance) costs for the year include the following components:

(In thousands)	1993			1992		
	Health Care	Life Insurance	Total	Health Care	Life Insurance	Total
Service cost	\$ 235	\$ 73	\$ 308	\$ 289	\$ 80	\$ 369
Interest cost	532	324	856	560	334	894
Amortization (Gain)	(319)	-	(319)	-	-	-

Total postretirement benefit costs	\$ 448	\$ 397	\$ 845	\$ 849	\$ 414	\$ 1,263
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

The accumulated postretirement benefit obligation at December 31 is as follows:

(In thousands)	1993			1992		
	Health Care	Life Insurance	Total	Health Care	Life Insurance	Total
Current retirees	\$ 3,786	\$ 3,250	\$ 7,036	\$ 3,861	\$ 3,611	\$ 7,472
Future retirees	4,489	1,202	5,691	4,202	1,312	5,514
Total	<u>8,275</u>	<u>4,452</u>	<u>12,727</u>	<u>8,063</u>	<u>4,923</u>	<u>12,986</u>
Unrecognized gain	295	938	1,233	411	349	760
Accumulated postretirement benefit obligation	<u>\$ 8,570</u>	<u>\$ 5,390</u>	<u>\$13,960</u>	<u>\$ 8,474</u>	<u>\$ 5,272</u>	<u>\$13,746</u>

For the year 1991, postretirement health care and life insurance costs under the pay as-you-go method were \$548,000.

The actuarial assumptions used for plans under SFAS 106 are as follows:

(In thousands)	1993	1992
Assumed Discount Rate	7.0%	7.15%
Health Care Cost Trend Rate	13.0%	13.0%
Decreasing to Ultimate Rate	6.0%	6.0%
Effect of one percent increase in health care cost trend rate:		
On cost components	\$110	\$127
On accumulated benefit obligation	\$937	\$645

Postemployment Benefits:

In 1993, the Company adopted Statement of Financial Accounting Standards No. 112 "Employers Accounting for Postemployment Benefits" (SFAS 112), for its domestic and foreign plans. The cumulative effect of the postemployment benefit obligation recognized in 1993 was immaterial.

Savings Plans:

The Company has defined contribution savings plans designed to comply with the requirements of the Employee Retirement Income Security Act of 1974 ("ERISA") and Section 401(k) of the Internal Revenue Code. The plans cover substantially all employees with the exception of any such employees represented by a collective bargaining agent, unless the collective bargaining agreement expressly provides otherwise. Employee contributions are generally determined as a percentage of covered employee's compensation received. The expense for contributions to the plans by the Company were \$4,213,000, \$3,744,000 and \$3,018,000 for 1993, 1992 and 1991, respectively.

7. DEBT AND CREDIT AGREEMENTS:

The Company maintains two committed credit facilities with a group of banks. The first agreement, the Revolving Credit Facility, allows the Company to borrow up to \$150,000,000, and extends to August 1994 and is subject to successive annual renewals thereafter. The second agreement, the Eurocurrency Facility, permits the Company to borrow up to \$150,000,000, with borrowing denominated in either U.S. Dollars, Pounds Sterling, Belgian Francs, French Francs or German Marks and extends to August 1998. The interest rates under these facilities are either a negotiated rate, a rate based upon the domestic federal funds interbank market, prime rate, or a rate based upon the London Interbank Offered Rate (LIBOR). The Company pays facility fees on the full amount of each facility that vary based upon its Moody's and Standard and Poor's credit ratings. As of December 31, 1993, the Revolving Credit Facility fee was .1875% per annum, and the Eurocurrency Facility fee was .25% per annum. At December 31, 1993, there were \$30,000,000 of outstanding Revolving Credit Facility borrowings and \$68,792,000 of outstanding Eurocurrency Facility borrowings denominated in Pounds Sterling, Belgian Francs and French Francs. In addition, the Company has other short-term borrowings amounting to \$21,884,000.

Short-term debt consists of the following:

(In Thousands)	1993	1992
Revolving Credit Facility	\$ 30,000	\$
- -		
Overdraft facilities and other short-term borrowings	21,884	
10,564		
	<u> </u>	<u> </u>
	\$ 51,884	\$
10,564		

Long-term debt consists of the following:

(In thousands)	1993	1992
8.75% Notes due May 15, 1996 \$100,000	\$100,000	
6.0% Notes due September 15, 2003 - -	150,000	
Eurocurrency Facility, varying short-term interest rates to August 1998 - -	68,792	
Industrial Development Bonds, payable in varying amounts to 2004 with interest up to 8.25% 18,525	10,890	
Project financing and other, payable in varying amounts to 2003 with interest up to 17.92% 1,979	46,812	
	376,494	
120,504 Less current maturities 663	11,625	
	\$364,869	
\$119,841		

The Revolving Credit Facility, Eurocurrency Facility and certain notes payable agreements contain covenants restricting, among other things, the issuance of new debt. At December 31, 1993, the Company was in compliance with these covenants.

The maturities of long-term debt for the four years following December 31, 1994, are as follows:

(In thousands)

1995	\$ 14,204	1997	\$ 5,469
1996	\$ 109,624	1998	\$74,461

Cash payments for interest on all debt, net of capitalized interest, were \$15,165,000, \$20,465,000 and \$18,797,000 in 1993, 1992 and 1991, respectively.

8. CAPITAL STOCK:

The authorized capital stock consists of 70,000,000 shares of common stock and 4,000,000 shares of preferred stock, both having a par value of \$1.25 per share. The preferred stock is issuable in series with terms as fixed by the Board of Directors. No preferred stock has been issued other than the preferred stock rights for a Series A Junior Participating Cumulative Preferred Stock distributed by the Company in September 1987 for each outstanding share of common stock. The rights may be exercised, under certain conditions, to purchase 1/100th share of a new Series A Junior Participating Cumulative Preferred Stock at a purchase price of \$200. This new preferred stock has a par value of \$1.25 per share and a liquidation price of \$150 per share with 400,000 shares authorized and none issued. The rights are not exercisable or transferable apart from the common stock, until ten days after a public announcement that a person or group has acquired 20% or more, or intends to commence a tender offer for 25% or more of the Company's common stock. The rights, which expire on September 28, 1997, do not have voting power, and may be redeemed by the Company at a price of \$.05 per right at any time until the 10th business day following public announcement that a person or group has accumulated 20% or more of the Company's outstanding shares.

In January 1992, the Board of Directors authorized the purchase, over a two-year period, of up to 4,000,000 shares of its common stock in unsolicited open market or privately negotiated transactions at prevailing market prices. Through December 31, 1993, 2,064,555 shares of common stock had been purchased under this plan at an aggregate cost of \$73,862,000. In January 1994, the Board of Directors authorized the purchase, over a one year period, of up to 500,000 shares of its common stock.

Common Stock Summary

Shares

Treasury

Shares Balances Outstanding	Issued	Shares
December 31, 1990 26,223,072	31,529,118	5,306,046
December 31, 1991 26,235,617	31,576,817	5,341,200
December 31, 1992 25,379,559	31,925,423	6,545,864
December 31, 1993 24,967,801	32,114,499	7,146,698

9. STOCK OPTIONS:

The Company has granted stock options to officers, directors and key employees for the purchase of its common stock under two shareholder approved plans, one of which expired in 1985. In April 1993, stockholders approved an increase in the number of shares that may be issued under the plan from 1,500,000 to 2,500,000. At December 31, 1993 and 1992, 1,204,560 and 420,850 shares, respectively, were available for granting of incentive stock options, nonqualified stock options or stock appreciation rights. Options are granted at fair market value at date of grant and become exercisable commencing one year later.

At December 31, 1993, options to purchase 475,738 shares were exercisable. Changes during 1992 and 1993 in options outstanding were as follows:

	Shares Under Option	Option Price Range per Share
Outstanding, January 1, 1992	867,080	\$15.75 to \$32.13
Granted	215,550	31.88 to 35.44
Exercised	(348,606)	15.75 to 32.13
Terminated and expired	(46,820)	23.44 to 32.13
	<hr/>	
Outstanding, December 31, 1992	687,204	15.75 to 35.44
Granted	220,680	40.94 to
41.56		
Exercised	(189,076)	23.44 to
32.13		
Terminated and expired	(4,390)	41.56
	<hr/>	
Outstanding, December 31, 1993	714,418	15.75 to
41.56		
	<hr/>	

During 1993 and 1992 the Company had non-cash transactions related to stock option swaps of \$1,333,000 and \$2,206,000, respectively.

10. COMMITMENTS AND CONTINGENCIES:

Federal Excise Tax and Other Matters Related to the Five-ton Truck Contract:

Subsequent to the award of the five-ton truck contract in 1986, the Federal Excise Tax (FET) law, which was due to expire on October 1, 1988, was extended. The Company and its legal counsel consider that the excise tax required to be paid by the extension of the law constitutes an after-imposed tax and therefore is subject to recovery by a price adjustment. In January 1993, the Armed Services Board of Contract Appeals decided in favor of the Company's position, ruling that Harsco is entitled to a price adjustment to the contract to reimburse FET paid on vehicles that were to be delivered after October 1, 1988. The Government filed a motion requesting the Armed Services Board of Contract Appeals to reopen the proceedings to admit additional evidence or alternatively to reconsider its decision. On February 25, 1994, the Armed Services Board of Contract Appeals denied the Government's motions. The Government may appeal these decisions to the Court of Appeals for the Federal Circuit or renew the motions on the conclusion of the continuing investigation described below.

As previously reported, the Company had already anticipated prevailing on its claims and recorded as an account receivable the amount of the FET it has paid on these vehicles of approximately \$47 million, and the related claim arising from changes in shipment destinations of approximately \$15 million. The January 1993 decision only rules upon the Company's claim for reimbursement of the taxes paid without establishing the specific amount of the reimbursement. Subject to the Company prevailing against any future Government motions or appeals, the decision will send the case back to the government contracting officer to determine the proper amount of the price adjustment consistent with the ruling. Under applicable law, interest also accrues on the amount owed. Although the January 1993 decision does not directly deal with the claim for \$15 million on the related destination change issue, the Company believes that the ruling resolves the key factual issues in that

claim in favor of Harsco as well. The Company continues to anticipate favorable resolution with respect to both claims. Final resolution of the issues in favor of the Company would not result in the recording of additional income other than any interest received, but would have a positive cash flow effect. To the extent that any portion of the FET and related claims is not recovered, additional losses on the contract will have to be recognized which could have a material effect on quarterly or annual operating results.

As previously reported, the United States Attorney's Office in Detroit has been conducting a grand jury investigation with respect to the facts underlying the Company's claim for reimbursement of Federal Excise Tax payments. In March 1994, the United States Attorney's Office in Detroit advised the Company that it had made a decision to decline prosecution. Based on this information, the Company considers the grand jury investigation to be closed.

The Commercial Litigation Branch of the Department of Justice is continuing to conduct a similar investigation and in addition is examining the way the Company charges the Army for sales of certain cargo truck models for which the Company does not pay Federal Excise Tax. If the Government files a civil action against the Company as a result of the civil investigation, it may seek various remedies including forfeiture by the Company of its claims for reimbursement of FET and related claims, treble damages, and civil penalties.

In a related matter, the Internal Revenue Service is reviewing Harsco's position that certain cargo truck models are not taxable due to a provision in the tax law that exempts trucks having a gross vehicle weight of 33,000 pounds or less, and has tentatively concluded that they appear to be taxable. If the Internal Revenue Service asserts that tax is due on these vehicles, the total claim could be \$38 million plus interest and penalty, if any. The Company plans to vigorously contest any such tax deficiency. Although there is risk of an adverse outcome, the Company and its counsel believe that these trucks are not taxable. Even if they are held to be taxable, the Company and its counsel believe the Government would be obligated to reimburse the Company for the majority of the tax because it would constitute an after-imposed tax that would be subject to the ruling of the Armed Services Board of Contract Appeals discussed above, resulting in a net maximum liability for Harsco of \$16 million plus interest and penalty, if any.

The Company has also filed or is in the process of filing other claims relating to the five-ton truck contract in excess of \$55 million (the final amount has not yet been determined) plus interest, with respect to contract changes, inadequate technical data package, and delays and disruptions. No recognition of any possible recovery on these claims is reflected in the accompanying financial statements.

M9 Armored Combat Earthmover Claim:

The Company and its legal counsel are of the opinion that the U.S. Government did not exercise option three under the M9 Armored Combat Earthmover (ACE) contract in a timely manner, with the result that the unit price for options three, four and five are subject to renegotiation. Claims reflecting the Company's position have been filed with respect to all options purported to be exercised, which together with other claims on this program, will be in excess of \$70 million (in excess of \$60 million applies to late option exercise) plus interest. Other than the settlement of a minor claim on this contract, amounting to approximately \$1.4 million, no recognition has been given in the accompanying financial statements for any recovery on these claims. The Company is awaiting a decision on its Motion for Summary Judgment relating to the late option exercise that is now pending before the Armed Services Board of Contract Appeals.

Government Furnished Equipment Overcharge Claim:

The Company filed a claim in the Armed Services Board of Contract Appeals asserting that the United States Government has overcharged Harsco in the sale of government furnished equipment on various contracts, all of which have been completed. The Company has advised the Government that the overpayment on these contracts is approximately \$24 million. The Government disputes the Company's position, but the parties are exploring the possibility of settling this case and similar issues relating to other completed contracts that are not included in the litigation.

Other Defense Litigation:

On March 13, 1992, the U.S. Government filed the previously threatened counterclaim against the Company in a civil suit alleging violations of the False Claims Act and breach of a contract to supply M109A2 Self-Propelled Howitzers. The counterclaim was filed in the United States Claims Court along with the Government's answer to the Company's claim of approximately \$5 million against the Government for costs incurred on this contract relating to the same issue. The Government claims breach of contract damages of \$7.3 million and in addition seeks treble that amount under the False Claims Act plus unquantified civil penalties which the Company estimates to be approximately \$3.3 million. The Company and its counsel believe it is unlikely Harsco will incur any material liability as a result of these claims.

Iran's Ministry of Defense has initiated arbitration procedures against the Company under the rules of the International Chamber of Commerce for damages allegedly resulting from breach of various contracts executed by the Company and the Ministry of Defense between 1970 and 1978. The

contracts were terminated in 1978 and 1979 during the period of civil unrest in Iran that preceded the Iranian revolution. Iran has asserted a claim under one contract for repayment of a \$7.5 million advance payment it made to the Company, plus interest at 12% through June 27, 1991 in the amount of \$25.3 million. Iran has also asserted a claim for damages under other contracts for \$32.1 million plus interest. The Company intends to assert various defenses and also has filed counterclaims against Iran for damages in excess of \$7.5 million which it sustained as a result of Iran's breach of contract, plus interest. The Company's management and its counsel believe that it is unlikely Harsco will incur any material liability as a result of these claims.

Environmental:

The Company is involved in a number of environmental remediation investigations and clean-ups and, along with other companies, has been identified as a "potentially responsible party" for certain waste disposal sites. While each of these matters is subject to various uncertainties, it is probable that the Company will agree to make payments toward funding certain of these activities and it is possible that some of these matters will be decided unfavorably to the Company. The Company has evaluated its potential liability, and its financial exposure is dependent upon such factors as the continuing evolution of environmental laws and regulatory requirements, the availability and application of technology, the allocation of cost among potentially responsible parties, the years of remedial activity required and the remediation methods selected. In light of developing facts, the Company recorded additional provisions during the year 1993 in the amount of \$3,235,000, which when added to the amounts previously recorded reflect the Company's best estimate of the costs to be incurred for remediation and clean-ups. The liability for future remediation costs is evaluated on a quarterly basis and it is the opinion of management that any liability over the amounts accrued will not have a materially adverse effect on the Company's financial position or results of operations.

Other:

The Company is subject to various other claims, legal proceedings and investigations covering a wide range of matters that arose in the ordinary course of business. In the opinion of management, all such matters are adequately covered by insurance or by accruals, and if not so covered, are without merit or are of such kind, or involve such amounts, as would not have a materially adverse effect on the financial position or results of operations of the Company.

11. FINANCIAL INSTRUMENTS:

Off-Balance Sheet Risk:

As collateral for performance and advances on long-term contracts and to ceding insurers, the Company is contingently liable under standby letters of credit and bonds in the amount of \$220.1 million and \$219.0 million at December 31, 1993 and 1992, respectively. These standby letters of credit and bonds are generally in force from one to three years for which the Company pays fees to various banks and insurance companies that generally range from .25 to 1 percent per annum of their face value. If the Company were required to obtain replacement standby letters of credit and bonds as of December 31, 1993 for those currently outstanding, it is the Company's opinion that the replacement costs for such standby letters of credit and bonds would not significantly vary from the present fee structure.

At December 31, 1993 and 1992, the Company had \$34.6 million and \$6.0 million, respectively, of forward foreign currency exchange contracts outstanding. These contracts are part of a worldwide program to minimize foreign currency exchange operating income and balance sheet exposure. The unsecured contracts generally mature within 12 months and are principally with banks. The Company is exposed to credit loss in the event of non-performance by the other parties to the contracts. The Company evaluates the creditworthiness of the counterparties' financial condition and does not expect default by the counterparties.

Concentrations of Credit Risk:

Financial instruments which potentially subject the Company to concentrations of credit risk consist principally of temporary cash investments, insurance related assets and accounts receivable. The Company places its temporary cash investments (\$49.3 million at December 31, 1993 and \$39.1 million at December 31, 1992) and insurance related investments (\$67.8 million at December 31, 1993 and \$65.4 million at December 31, 1992) with high quality institutions and, by policy, limits the amount of credit exposure to any one institution. Except for U.S. and foreign government agencies, concentrations of credit risk with respect to accounts receivable are limited, due to the large number of customers comprising the Company's customer base and their dispersion across many different industries and geographies. Generally, the Company does not require collateral or other security to support customer receivables.

Fair Value:

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value:

Cash and cash equivalents -

The carrying amount approximates fair value because of the short maturity of these instruments.

Investments -

The fair values of investments are estimated based on quoted market prices for those or similar investments.

Long-term debt -

The fair value of the Company's long-term debt is estimated based on the quoted market prices for the same or similar issues or on the current rates offered to the Company for debt of the same remaining maturities.

Foreign currency exchange contracts -

The fair value of foreign currency exchange contracts (used for hedging purposes) is estimated by obtaining quotes from brokers.

The estimated fair values of the Company's financial instruments are as follows:

(In thousands)	1993	
	Carrying Amount	Fair Value
Cash and cash equivalents	\$ 58,740	\$
58,740		
Investments:		
Marketable equity securities	1,750	
7,766		
Other (principally classified as insurance related assets)	69,066	
67,663		
Long-term debt	376,494	
379,415		
Foreign currency exchange contracts	34,577	
34,275		

12. INFORMATION BY INDUSTRY GROUP AND GEOGRAPHIC AREA:

Financial information by industry group and geographic area for the years 1993, 1992 and 1991 is presented below:

INDUSTRY GROUP (In millions)	1993	1992
1991		
Net Sales to Unaffiliated Customers		
Industrial Services and Building Products	\$ 395.6	\$ 292.7
\$ 353.7		
Engineered Products	564.6	558.7
534.1		
Defense	462.1	773.5
1,055.3		
<hr/>	<hr/>	<hr/>
Total	\$1,422.3	\$1,624.9
\$1,943.1		
<hr/>	<hr/>	<hr/>
<hr/>	<hr/>	<hr/>
Pre-Tax Income		
Group Operating Profit		
Industrial Services and Building Products	\$ 34.9	\$ 35.6
\$ 33.4		
Engineered Products	43.5	43.4
38.0		
Defense	67.0	83.8
66.8		
<hr/>	<hr/>	<hr/>
Total Group Operating Profit	145.4	162.8
138.2		
General corporate expense, net	(8.4)	(9.1)
(9.3)		
Interest income, etc., net	17.8	2.2
5.8		
Interest expense	(20.0)	(18.9)
(18.9)		
Equity in net income of unconsolidated companies	2.4	3.6
3.8		
<hr/>	<hr/>	<hr/>
Pre-tax income	\$ 137.2	\$ 140.6
\$ 119.6		
<hr/>	<hr/>	<hr/>
<hr/>	<hr/>	<hr/>
Identifiable Assets		
Industrial Services and Building Products	\$ 728.2	\$ 213.8
\$ 262.0		

Engineered Products	271.6	247.9
239.5		
Defense	265.0	353.4
314.0		
Subtotal	1,264.8	815.1
815.5		
Corporate	156.9	170.9
240.1		
Investments in unconsolidated companies	5.9	5.2
4.1		
Total assets	\$1,427.6	\$ 991.2
\$1,059.7		
Depreciation		
Industrial Services and Building Products	\$ 42.6	\$ 29.8
\$ 32.9		
Engineered Products	15.0	14.8
12.9		
Defense	11.3	11.7
11.2		
Corporate	.7	.8
.7		
Total depreciation	\$ 69.6	\$ 57.1
\$ 57.7		
Capital Expenditures		
Industrial Services and Building Products	\$ 55.1	\$ 23.0
\$ 24.6		
Engineered Products	18.2	14.2
16.1		
Defense	9.2	5.4
12.6		
Corporate	.9	.1
.5		
Total capital expenditures	\$ 83.4	\$ 42.7
\$ 53.8		

[FN]
Excludes property, plant and equipment from acquired companies of \$202.2 (Industrial Services and Building Products \$197.1, Engineered Products \$4.0 and Defense \$1.1) in 1993, \$16.5 (Engineered Products) in 1992 and \$2.9 (Industrial Services and Building Products) in 1991.

Identifiable assets are those assets used in each Group. Corporate assets include cash, short-term investments, insurance related assets, prepaid pension costs and deferred taxes. There are no significant intergroup sales.

GEOGRAPHIC AREA (In millions)	1993	1992
1991		
Net Sales to Unaffiliated Customers		
United States	\$1,181.0	\$1,468.1
\$1,799.1		
Europe	140.9	92.3
89.2		
All Other	100.4	64.5
54.8		
Total	\$1,422.3	\$1,624.9
\$1,943.1		
Geographic Operating Profit		
United States	\$ 133.1	\$ 146.3
\$ 120.7		
Europe	11.7	13.3
13.0		
All Other	.6	3.2
4.5		

Total	\$ 145.4	\$ 162.8
\$ 138.2		
Identifiable Assets		
United States	\$ 655.8	\$ 708.8
\$ 702.5		
Europe	376.6	61.5
62.9		
All Other	232.4	44.8
50.1		
Total	\$1,264.8	\$ 815.1
\$ 815.5		

Export Sales and Major Customer Information:

*Export sales from the United States	\$ 343.5	\$ 585.4
\$ 533.5		
*Sales to U.S. Government agencies, principally by Defense Group	\$ 303.3	\$ 563.6
\$ 860.1		

* Includes Foreign Military Sales through U.S. Government agencies of \$137.9, \$279.3 and \$270.8 in 1993, 1992 and 1991, respectively.

13. SUBSEQUENT EVENT - FORMATION OF DEFENSE BUSINESS PARTNERSHIP:

On January 28, 1994, FMC Corporation and Harsco Corporation announced the completion of the joint venture, that was first announced in December 1992, to combine FMC's Defense Systems Group and Harsco's BMY-Combat Systems Division. The new partnership is known as United Defense, L.P., and is effective January 1, 1994. United Defense, L.P. is jointly owned, with FMC holding an interest of 60 percent and Harsco holding 40 percent. FMC is the managing general partner, and Harsco is a limited partner. United Defense, L.P. expects to achieve annual sales of about \$1 billion in 1994. Harsco's capital contribution to the Partnership consists of \$29,600,000, which includes \$5,200,000 in cash.

The Partnership has an Advisory Committee comprised of ten individuals, six appointed by FMC and four appointed by Harsco which considers and discusses Partnership issues. FMC as the managing general partner exercises management control over the Partnership subject to Harsco's right to consent to certain actions delineated in the Partnership Agreement. Additionally, the Partnership Agreement contains certain exit rights for both Partners any time more than 25 months after the formation of the Partnership including the right of Harsco to sell its interest to the partnership (payable by a promissory note from the Partnership) based upon a calculation of 95% of appraised value, and the right of FMC or the partnership to buy Harsco's interest (payable in cash) based upon a calculation of 110% of appraised value. Appraised value is substantially the fully distributed public equity trading value of the Partnership as determined by three investment banking firms in accordance with certain contractual stipulations, multiplied by Harsco's percentage interest in the Partnership. The Partnership Agreement provides for certain special capital account allocations and cash distributions, but otherwise allocates and distributes income in proportion to the partners' percentage ownership. Harsco has retained the rights and liabilities associated with certain legal issues described in Note 10 related to BMY-Combat System Division.

United Defense, L.P. will primarily produce the Bradley Fighting Vehicle, Armored Gun System, M109 Paladin Self-propelled Howitzer, Multiple Launch Rocket System, M88A1 and M88IRV Recovery Vehicles, M9 Armored Combat Earthmover, M992 Field Artillery Ammunition Support Vehicle, the Breacher and M113 Armored Personnel Carrier. The Partnership also makes naval guns and launching systems, military track for armored vehicles, and provides overhaul and conversion, as well as coproduction, training and logistics support.

Harsco will account for its investment on the equity method. Accordingly, Harsco's investment will be reported as investments in unconsolidated companies on its balance sheet and its proportionate share of the Partnership operating results will be reflected as equity in net income of unconsolidated companies in the Statement of Income. The following amounts related to the business contributed are included in Harsco's financial statements as of and for the year ended December 31, 1993.

Sales	\$347,958,000
Profit from operations	64,054,000
Assets	150,015,000
Liabilities	120,415,000

REPORT OF INDEPENDENT ACCOUNTANTS

To the Shareholders of Harsco Corporation:

We have audited the accompanying consolidated balance sheets of Harsco Corporation and Subsidiary companies as of December 31, 1993 and 1992, and the related consolidated statements of income, shareholders' equity, and cash flows for each of the three years in the period ended December 31, 1993. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Harsco Corporation and Subsidiary Companies as of December 31, 1993 and 1992, and the consolidated results of their operations and their cash flows for each of the three years in the period ended December 31, 1993 in conformity with generally accepted accounting principles.

As discussed in Note 10 to the consolidated financial statements, the Company is involved in various disputes regarding Federal Excise Tax and other contract matters primarily relating to the five ton truck contract. Also, the Company has filed or is in the process of filing various claims against the Government relating to certain contracts. The ultimate outcome of these matters cannot presently be determined. Accordingly, no provision for such potential additional losses or recognition of possible recovery from such claims (other than relating to the "after-imposed" Federal Excise Tax and related claims) has been reflected in the accompanying financial statements.

As discussed in Notes 1, 5 and 6 to the consolidated financial statements, the Company changed its method of accounting for income taxes in 1993, and its method of accounting for postretirement benefits other than pensions in 1992.

Philadelphia, Pennsylvania
February 1, 1994, except as to
the first and third paragraphs
of Note 10, for which the dates
are February 25, 1994 and
March 4, 1994, respectively.

MANAGEMENT'S DISCUSSION
OF FINANCIAL CONDITION AND
RESULTS OF OPERATIONS

Financial Condition

Cash provided by operating activities was \$232.2 million for the year 1993, reflecting among other things, a \$66.6 million decrease in receivables due principally to the completed contract for five-ton trucks, and a \$13.7 million increase in advance deposits on long-term contracts. Included in the Defense Group receivables is \$62.4 million for amounts expended, or income not received, related to the Federal Excise Tax (FET) and related claims for the completed five-ton truck contract. Final resolution of the FET and related claims in favor of the Company would not result in the recording of additional income other than any interest received, but would have a positive cash flow effect. To the extent that any portion of the FET and related claims is not recovered, additional losses on the contract will have to be recognized, but there would be little impact on cash outflows.

Cash used by investing activities includes \$327.5 million for the purchase of MultiServ International, N.V., an international leader in metal reclamation and specialized steel mill services; \$7.5 million for the purchase of Electroforjados Nacionales, S.A. de C.V. (ENSA) a manufacturer of grating products, and \$2.1 million for the purchase of certain assets of the Wayne Corporation, a manufacturer of school buses. Investment activity also includes capital expenditures of \$83.4 million and \$22.6 million of proceeds from the partial sale of an equity investment. Cash flow from financing activities includes the issuance of \$150 million of Harsco 6% 10-year Notes used to repay a portion of the \$250 million borrowing under the bank credit facility for the purchase of MultiServ. The long-term debt reduction is principally due

to the early call of \$7.5 million of industrial development bonds due 2003. Cash expended under financing activities included \$36.3 million for the repurchase of the Company's common stock under a plan approved by the Board of Directors in January 1992 to purchase up to 4,000,000 shares over a two-year period, and \$35.1 million of cash dividends paid on common stock. Cash and cash equivalents increased \$8.4 million to \$58.7 million at December 31, 1993.

Due to the acquisition of MultiServ the Company recognized non-cash transactions of \$12.0 million with the issuance of Harsco treasury stock and the assumption of \$39.1 million of project financing debt. Also, as a result of the adoption of Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes" (SFAS 109), effective January 1, 1993, the Company recognized a non-cash cumulative benefit of \$6.8 million, as reported in the Statement of Income.

Other matters which could significantly affect cash flows in the future are discussed in the financial statements under Note 10, "Commitments and Contingencies" and Note 13 "Subsequent Event - Formation of Defense Business Partnership."

Harsco continues to maintain a good financial position with net working capital of \$182.8 million, down from the \$316.9 million at December 31, 1992 due to the additional liabilities assumed and cash expended for the MultiServ acquisition. Current assets amounted to \$600.1 million, and current liabilities were \$417.3 million, resulting in a current ratio of 1.4 to 1, lower than the 2.1 to 1 at year-end 1992. With total debt at \$428.4 million and equity at \$523.1 million at December 31, 1993, the total debt as a percent of capital was 45.0% compared with 20.9% at December 31, 1992.

The stock price range during 1993 was 45 - 35. Harsco's book value per share at December 31, 1993 was \$20.95, compared with \$19.51 at year-end 1992. The Company's return on equity for 1993 was 17.3%, compared with 17.2% in 1992. The return on assets, excluding the cumulative effect of the accounting changes, was 13.4% compared with the 15.2% for 1992.

The Company has available through a group of banks a \$150 million 364 day revolving line of credit and a \$150 million multi-currency five-year term line of credit of which \$30.0 million and \$68.8 million, respectively, have been used at year-end. Harsco's outstanding notes are rated A by Standard & Poor's and Baal by Moody's.

As indicated by the above, the Company's financial position and debt capacity should enable it to meet its current and future requirements. As additional resources are needed, Harsco should be able to obtain funds at competitive costs.

RESULTS OF OPERATIONS

1993 Compared with 1992

Sales for the year were \$1.4 billion, down 12% from 1992. The decrease is due principally to lower sales of five-ton trucks in the Defense Group, reflecting reduced production levels in 1993 and completion of most contracts at midyear. Also contributing to the sales decline were lower sales of tracked vehicles in the Defense Group, gas control and containment equipment, and grating. The decline in sales also included the divestiture of a division and a product line in the first quarter of 1992. These declines were partially offset by sales arising from acquisitions in 1993, principally MultiServ International, N.V., as well as an acquisition made in June 1992. Higher sales were recorded for pipe fittings, process equipment and scaffolding equipment.

Cost of sales decreased at a rate greater than revenues, due principally to improvement in profit margins on sales of tracked vehicles in the Defense Group and the favorable impact of profit improvement measures, including the divestiture of an unprofitable division and a marginally profitable operation in the first quarter of 1992. Selling and administrative expenses increased, as a result of the inclusion of acquired companies which more than offset lower costs associated with sales in the Defense Group and the collection of previously reserved bad debts related to discontinued operations.

Profit from operations was lower than last year. Unfavorably affecting profits were significantly lower results for wheeled vehicles in the Defense Group, which includes start-up costs associated with the recently acquired school bus business. Also, earnings were lower in 1993 for metal reclamation and specialized mill services due to start-up costs at certain locations, particularly Mexico and weaker economic conditions in Europe, which also contributed to lower earnings for gas control and containment equipment. On a comparative basis, income was unfavorably affected in 1993 by larger provisions for facilities discontinuances compared with a smaller net charge in 1992 which included profits related to the divestitures of the Company's unprofitable plastic pipe division and its marginally profitable hydraulic tool product line. Higher earnings in 1993 were recorded for tracked vehicles in the Defense Group, and to a lesser extent, for pipe fittings.

Income benefited significantly from a \$17.6 million pre-tax gain (\$10.7 million after-tax, \$.43 per share) on the sale of a substantial portion of an equity investment. Interest expense increased, due to the debt incurred in conjunction with the acquisition and operations of

MultiServ, International, N.V. which was partially offset by lower interest expense due to the payment of \$82.5 million of other nonrelated debt during the last nine months of 1992. The effective income tax rate of 41% in 1993 was up from 35% in 1992, due to higher tax rates associated with international operations and nondeductibility of certain costs related to the recent acquisition of MultiServ, as well as the recently enacted U.S. Federal tax legislation that increased the corporate income tax rate.

Net income of \$87.6 million, a record, which included a \$6.8 million noncash reduction of income taxes (\$.27 per share) to reflect the adoption, effective January 1, 1993, of Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes," was up from last year which included a \$7.2 million non-cash, after-tax charge (\$.27 per share) to reflect the adoption of Statement of Financial Accounting Standards No. 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions." 1992 also included after-tax profit of \$2.3 million (\$.09 per share) from the divestiture of the Company's plastic pipe division and hydraulic tool product line.

The Industrial Services and Building Products Group recorded sales of \$395.6 million which were 35% above those for 1992, due to the acquisition of MultiServ International, N.V. Sales for the Engineered Products Group, at \$564.6 million, were slightly above 1992, reflecting reduced demand in gas control and containment equipment, and grating which was more than offset by higher volume in railway maintenance equipment due to an acquisition made in June 1992 and increased sales in pipe fittings. Sales for the Defense Group, at \$462.1 million, were well below the level for the prior year's similar period, reflecting the completion of most contracts for five-ton trucks at midyear and, to a lesser extent, lower sales for tracked vehicles.

Operating profit for the Industrial Services and Building Products Group was slightly below last year, due principally to reduced earnings from metal reclamation and specialized mill services, which experienced weaker demand from economic conditions in Europe and start-up costs at several locations. Results for 1992 included a modest profit on the sale of an unprofitable division. The Engineered Products Group's operating profit approximated 1992. Results for 1992 included a modest profit on the sale of a marginal product line. The Defense Group posted an operating profit of \$67.0 million, significantly below 1992, due to completion of most contracts for five-ton trucks at midyear. Higher earnings were recorded for tracked vehicles, which reflected improvement in margins.

RESULTS OF OPERATIONS

1992 Compared with 1991

Sales for the year were \$1.62 billion versus \$1.94 billion for 1991. The decrease is due to lower sales of five-ton trucks in the Defense Group, reflecting the previously announced reduced production levels. Also contributing to the sales decline was the divestiture of a division and a product line in the first quarter of 1992, as well as lower sales of grating, scaffolding equipment, and process equipment which continue to be affected by weaknesses in the economy. These declines were partially offset by increased sales recorded for tracked vehicles in the Defense Group, railway maintenance equipment, gas control and containment equipment, metal reclamation and specialized steel mill services, roofing granules and slag abrasives, and the inclusion of product sales from an acquisition made in the second quarter of 1992.

Cost of sales decreased at a rate greater than revenues, due to the improvement in profit margins of five-ton truck sales, lower charges in 1992 for product liability insurance, and the favorable impact of profit improvement measures, including divestitures of a loss and a marginally profitable operation. Selling and administrative expenses increased as a result of higher costs associated with sales in the Defense Group and the inclusion of an acquisition in 1992. The higher costs, however, were partially offset by the divestiture of certain operations, lower compensation costs, and decreased commissions.

Profit from operations was significantly higher than that for the comparable period last year. Favorably affecting profits were improved results for both tracked vehicles and wheeled vehicles in the Defense Group. On a comparative basis, results were favorably affected by certain nonrecurring expenses incurred in 1991 in conjunction with the Company's unsuccessful bid on a contract for initial production of the Family of Medium Tactical Vehicles with the U.S. Government, as well as abnormally high charges for product liability insurance, which were recorded particularly in the fourth quarter of 1991. Also contributing to the increase in profits were higher levels of income for railway maintenance equipment, metal reclamation and specialized steel mill services, and roofing granules and slag abrasives, as well as lower net expenses for facility discontinuances, due principally to profits related to the divestiture of the Company's plastic pipe division and the hydraulic tool product line. Earnings benefited from income arising from an acquisition in the second quarter of 1992. Grating and pipe fittings recorded lower income in 1992.

Interest income decreased, due to lower investment rates available for funds. Interest expense approximated the amount recorded in 1991. Equity in net income of unconsolidated companies decreased as a result of discontinuing operations at a foreign location. The effective income

tax rate of 35% in 1992 was down from 36% in 1991, due to utilization of tax loss carryforwards at a foreign subsidiary, and benefits related to export sales. Net income, after a \$7.2 million one-time, non-cash after-tax charge for the effect of an accounting change, to adopt Statement of Financial Accounting Standards No. 106, was \$84.3 million, a record, up 10% from last year's record, as a result of the foregoing. Earnings for the first quarter of 1992 have been restated by \$.27 per share to reflect the additional expense associated with Financial Accounting Standard No. 106, which was adopted retroactive to January 1, 1992.

The Industrial Services and Building Products Group had sales of \$292.7 million, versus \$353.7 million for 1991. This decrease resulted from the divestiture of an unprofitable division in the first quarter of 1992. Engineered Products sales of \$558.7 million, which included sales from an acquisition made in the second quarter of 1992, were slightly higher than last year. Sales in the Defense Group were \$773.5 million versus \$1.1 billion for 1991, as a result of decreased sales of five-ton trucks, which more than offset a sizable increase in sales of tracked vehicles.

Operating profit for the Industrial Services and Building Products Group was \$35.6 million versus \$33.4 million for last year. The increase reflects improvement in metal reclamation and specialized steel mill services, as well as the inclusion in 1992 of a modest profit on the sale of a division which operated at a loss in 1991. Operating profit for the Engineered Products Group was up from last year's performance. The improvement is due to income arising from an acquisition during the second quarter of 1992, the inclusion in 1992 of profit from the divestiture of a product line, and lower costs in 1992 than the abnormally high charges for product liability insurance recorded in 1991. The Defense Group's operating profit was significantly above last year, as a result of higher levels of profits on sales of five-ton trucks and tracked vehicles, as well as the inclusion in 1991 of certain nonrecurring expenses incurred in conjunction with the Company's unsuccessful bid on a contract for initial product of the Family of Medium Tactical Vehicles with the U.S. Government.

RESULTS OF OPERATIONS

1991 Compared with 1990

The Company reached final agreement in September with the U.S. Government on prices of M939A2 five-ton trucks under an order received in February 1991. As a result of the agreement, Harsco recorded pre-tax income of \$21.7 million (\$.52 per share after-tax) for five-ton trucks sold through December 31, 1991. Based on the current estimated cost-to-complete the contract, the income recorded through December 31 represents approximately 93% of the total income that Harsco expected to record as a result of the February order, with the balance of the income to be recorded in 1992. Through exercise of options, since February 1991, the Company received orders for 3,368 additional trucks, of which approximately one-third had been sold as of December 31, 1991. These sales had been recorded on an estimated basis pending completion of negotiations of the selling prices with the U.S. Army.

Sales for the year of \$1.9 billion, a record, were up 10% from 1990. Sales of five-ton trucks in the Defense Group were significantly higher. Demand for tracked vehicles in the Defense Group, process equipment, slag abrasives, composite products and grating also exceeded levels recorded in 1990. Also contributing to the sales gain was the inclusion of product sales from acquisitions. These gains more than offset the divestiture of certain operations, decreased sales of scaffolding equipment, plastic products and reduced demand for several product classes, including metal reclamation and specialized steel mill services, gas control and containment equipment, railway maintenance equipment, as well as pipe fittings.

As a result of the weakness in the economy, not all of the cost of sales increases could be passed on to customers, resulting in an adverse impact on profit margins which were also unfavorably affected by abnormally high charges for product liability and workmen's compensation insurance costs, particularly in the fourth quarter of 1991. Selling and administrative expenses decreased, as a result of lower professional fees and divesting of operations, which more than offset higher compensation and pension costs.

Profit from operations approximated that for the comparable period in 1990, despite the continued effects of the economic slowdown and abnormally high charges for product liability and workmen's compensation insurance costs. Substantial decreases in profit in several product classes in both the Industrial Services and Building Products and the Engineered Products Groups were more than offset by positive developments in the Defense Group, as discussed above. On a comparative basis, lower profits in the Industrial Services and Building Products Group also reflected the inclusion in 1990 of a gain from the sale of a division.

The increase in interest expense, resulting primarily from the issuance of \$100.0 million principal amount of five-year Notes in May 1991 was more than offset by the increase in interest income. Equity in net income of unconsolidated companies increased as a result of Tactical Truck Corporation, the former joint venture company developing and testing a new series of medium tactical trucks for the U.S. Armed

Forces, becoming a wholly-owned subsidiary in early March 1991; subsequent to that date, expenditures by Tactical Truck Corporation are reflected as operating expenses in the Defense Group. Other income benefitted in 1990 from a gain arising from the disposal of certain fixed assets at a foreign subsidiary. The effective income tax rate decreased to 36.0% in 1991, down from 37.3% in 1990, due principally to book and tax differences on operations sold in the prior year and favorable tax adjustments. Net income of \$76.5 million, a record, was up 6% from last year's record of \$72.5 million, as a result of the foregoing.

The Industrial Services and Building Products Group recorded sales of \$353.7 million, 10% below last year's performance, reflecting the adverse impact of low levels of production in the domestic steel industry and the stagnant U.S. construction market. Also contributing to the decrease in sales was the divestiture of a division in the first quarter of 1990. Engineered Products had sales of \$534.1 million, slightly below last year's sales for the comparable period. Revenues in the Defense Group were \$1.1 billion, a 30% increase over 1990, due principally to increased sales of five-ton trucks.

Operating profit for the year for the Industrial Services and Building Products Group was significantly below the comparable period last year. The decrease reflects market weaknesses for products in the Group as discussed above, as well as the inclusion in 1990 of a gain on the sale of a division. Operating profit for the Engineered Products Group in 1991 was also significantly below last year's performance, reflecting market weaknesses for gas control and containment equipment and pipe fitting products, as well as the unfavorable impact of abnormally high product liability and workmen's compensation insurance costs. The Company's Defense Group showed substantial improvement in operating profit, due principally to the profit on the five-ton truck program. The Defense Group also benefitted from higher levels of profits on sales of tracked vehicles.

SELECTED FINANCIAL DATA FOR THE YEARS 1989 THROUGH 1993

	1993	1992	1991	1990	1989
SUMMARY OF OPERATIONS					
Net Sales	\$ 1,422,308	\$ 1,624,939	\$ 1,943,083	\$ 1,759,507	\$ 1,351,213
Operating Expenses	1,295,148	1,477,217	1,821,614	1,637,669	1,322,170
Income from Operations	127,160	147,722	121,469	121,838	29,043
Interest Expense	19,974	18,882	18,925	17,506	16,412
Other Income	29,965	11,736	17,103	11,255	9,542
Provision for Income Taxes	56,335	49,060	43,104	43,083	10,811
Net Income	80,816	91,516	76,543	72,504	11,362
Return on Net Sales	5.7%	5.6%	3.9%	4.1%	0.8%
Return on Average Equity	17.3%	17.2%	16.9%	17.5%	2.8%
Return on Average Assets	13.4%	15.2%	13.5%	13.1%	4.1%
FINANCIAL DATA					
Shareholders' Equity	523,084	495,103	479,726	437,111	394,480
Cash Dividends Declared	34,946	34,598	32,319	31,463	31,464
Depreciation	69,558	57,064	57,664	56,574	56,229
Capital Expenditures	83,395	42,720	53,846	71,127	67,613
Cash Provided by Operating Activities	232,220	108,134	151,485	63,635	129,547
Working Capital	182,756	316,918	284,699	226,522	211,130
Current Ratio	1.4:1	2.1:1	1.8:1	1.6:1	1.5:1
Total Assets	1,427,612	991,225	1,059,708	990,960	978,200
Cost in Excess of Net Assets of					
Businesses Acquired	221,082	13,527	15,066	16,627	16,129
Long-term Debt	364,869	119,841	120,451	122,695	127,344
Total Debt	428,378	131,068	221,652	170,732	151,175
Percent of Total Debt to Capital	45.0%	20.9%	31.6%	28.1%	27.7%
PER SHARE DATA					
Net Income	3.23	3.52	2.91	2.77	.43
Shareholders' Equity	20.95	19.51	18.29	16.67	15.05
Cash Dividends Declared	1.40	1.34	1.23	1.20	1.20
Price/Earnings Ratio, High-Low	13-10	12-9	10-8	10-6	72-52
Market Price of Common Stock					
High - Low, by Quarter					
1st	45-36 7/8	39 1/2-27 3/4	27 3/4-22/34	28 3/4-21 1/8	29 1/2-24 1/4
2nd	44 1/2-35	38-33 5/8	30 3/8-25 1/4	26 1/2-22 5/8	27-23 7/8
3rd	44 5/8-37 1/2	37 5/8-28	29 5/8-26 3/4	24 1/2-20 1/4	26 3/4-22 1/2
4th	43 3/8-39 1/4	38 3/4-28 1/8	30 1/8-23 5/8	26 1/4-17 3/4	31 1/8-23
Dividends Paid, by Quarter					
1st	.35	.33	.30	.30	.30
2nd	.35	.33	.30	.30	.30
3rd	.35	.33	.30	.30	.30
4th	.35	.33	.30	.30	.30
OTHER INFORMATION					
Average Number of Shares Outstanding	25,036,893	25,966,755	26,278,384	26,217,027	26,261,017
Number of Shareholders of Record	8,069	8,415	8,767	9,308	9,620
Number of Employees	14,200	9,600	10,500	10,300	11,200
Backlog	\$ 146,751	\$ 738,978	\$ 1,229,688	\$ 1,197,126	\$ 1,538,331

Excludes cumulative effect of change in method of accounting for income taxes, which increased net income by \$6.8 million, (\$.27 per share).

Excludes cumulative effect of change in method of accounting for postretirement benefits other than pensions, which decreased net income by \$7.2 million, (\$.27 per share).

Excludes \$397.9 million contributed to United Defense, L.P.

Includes MultiServ International, N.V. since date of acquisition.

THREE-YEAR SUMMARY OF QUARTERLY RESULTS

(All dollars in millions, except per share)

1993 Fourth	First	Second	Third	
Net Sales	\$ 345.8	\$ 354.6	\$ 314.9	\$
407.0				
Profit from Operations	31.3	36.3	27.9	
31.7				
Net Income	31.0	22.2	18.3	
16.1				
Net Income per Common Share	1.22	.89	.74	
.65				

1992 Fourth	First	Second	Third	
Net Sales	\$ 408.1	\$ 386.8	\$ 415.9	\$
414.1				
Profit from Operations	35.4	30.7	43.5	
38.1				
Net Income	13.6	18.8	26.8	
25.1				
Net Income per Common Share	.52	.72	1.03	
.98				

1991 Fourth	First	Second	Third	
Net Sales	\$ 454.5	\$ 454.5	\$ 447.8	\$
586.3				
Profit from Operations	22.1	21.7	39.4	
38.3				
Net Income	12.0	12.1	25.2	
27.2				
Net Income per Common Share	.46	.46	.96	
1.03				

Notes:

- - The first quarter of 1993 includes the cumulative effect of the adoption of SFAS 109 for Accounting for Income Taxes (see Notes 1 and 5 to consolidated financial statements) which increased net income by \$6.8 million (\$.27 per share) and the after-tax gain of \$5.4 million (\$.21 per share) on the partial sale of an investment.
- - The first quarter of 1992 includes the cumulative effect of the adoption of SFAS 106 for Postretirement benefits (see Notes 1 and 6 to consolidated financial statements) which decreased first quarter after-tax income by \$7.2 million (\$.27 per share).
- - The third quarter of 1993 includes the after-tax gain of \$5.3 million (\$.22 per share) on the partial sale of an investment.
- - The third quarter of 1992 reflects \$12 million of pre-tax income (\$.30 per share after tax) due to final agreement with the U.S. Government on prices for five-ton trucks sold through September 30, 1992 and the third quarter of 1991 reflects \$13.8 million of pre-tax income (\$.33 per share after tax) due to final agreement with the U.S. Government on prices for five-ton trucks sold through September 30, 1991.
- - The fourth quarters of 1993, 1992 and 1991 reflect after tax LIFO income of \$1.4 million, \$4.8 million, and \$1.4 million, respectively, representing final determination of price changes and liquidations of inventories which occurred during the year.
- - The fourth quarters of 1993, 1992 and 1991 reflect reduction in income taxes of \$1.1 million and \$2.2 million, and \$2.6 million, respectively, resulting from final determination of income taxes to be provided for the year.

Subsidiaries of the Registrant:

Ownership Name Percentage	Country of Incorporation
MultiServ SAIC	Argentina
100%	
MetServ (Australia) Pty. Ltd.	Australia
70%	
MetServ Victoria Pty. Ltd.	Australia
70%	
MetServ Pty. Ltd.	Australia
55%	
Harsco (Australia) Pty. Limited	Australia
100%	
Tamper (Australia) Pty. Limited	Australia
100%	
Taylor-Wharton (Australia) Pty. Limited	Australia
100%	
WRG MultiServ GmbH	Austria
90%	
MultiServ S.A.	Belgium
100%	
MultiServ Russia S.A.	Belgium
100%	
Loyquip Holdings S.A.	Belgium
100%	
Societe D'Etudes et D'Administration des Entreprises S.A.	Belgium
100%	
Somafer Benelux Interim S.A.	Belgium
100%	
Finauxa S.A.	Belgium
100%	
Fortuna Insurance Limited	Bermuda
100%	
Harsco (Bermuda) Limited	Bermuda
100%	
Sociedade Brasileira de Recuperacao de Metalls (Sobremetal) Ltda	Brazil
100%	
MultiServ Recuperacao de Metalls Ltda	Brazil
100%	
Comercio de Rejeitos Industriais Ltda	Brazil
100%	
Harsco Canada Limited	Canada
100%	
Heckett Technology Services Canada, Inc.	Canada
100%	
MultiServ S.A.	Chile
100%	
MultiServ Wuhan Ltd.	China
100%	
MultiServ Jiangxi Ltd.	China
100%	
EnviroServ Co. Ltd.	China
30%	
MultiServ s r.o.	Czech Republic
100%	
MultiServ Holding S.A.	France
100%	
Floyequip S.A.	France
100%	
MultiServ S.A.	France
100%	
ASVID S.A.	France
100%	
Chimimeca S.A.	France
100%	
PyroServ	France
100%	
MultiServ Rhone Alpes SNC	France
100%	
Societe Francais D'Interim S.A.	France
100%	
MultiServ Est SNC	France
100%	
MultiServ Sud S.A.	France
100%	
MultiServ Nord SNC	France
100%	
MultiServ GmbH	Germany
100%	
Harsco GmbH	Germany
100%	
Ferro Scrap Nigam Ltd.	India
40%	
P.T. Purna Baja Heckett	Indonesia

40%	
Axil International Ltd.	Ireland
100%	
IMS Servizi Spa	Italy
100%	
MultiServ Spa	Italy
100%	
ILSERV	Italy
65%	
Luxequip Holdings S.A.	Luxembourg
100%	
MultiServ S.A.	Luxembourg
100%	
Societe Luxembourgoiese D'Interim S.A.	Luxembourg
100%	
IKG-Salcon SDN. BHD.	Malaysia
50%	
Taylor-Wharton Asia (M) SDN. BHD.	Malaysia
70%	
Irving, S.A. de C.V.	Mexico
100%	
Heckett Mexicana, S.A. de C.V.	Mexico
100%	
Andamios Patentados, S.A. de C.V.	Mexico
100%	
Servicios Industriales Siderurgicos, S.A. de C.V.	Mexico
100%	
Electroforjados Nacionales, S.A. de C.V.	Mexico
100%	
Nutter-Niro Ingenieria S.A. de C.V.	Mexico
49%	
MultiServ International N.V.	Netherlands
100%	
MultiServ Finance B.V.	Netherlands
100%	
MultiServ China B.V.	Netherlands
100%	
MultiServ Far East B.V.	Netherlands
100%	
Harsco Europa B.V.	Netherlands
100%	
Heckett (Holland) B.V.	Netherlands
100%	
MultiServ AS	Norway
100%	
Heckett Saudi Arabia Limited	Saudi Arabia
55%	
MultiServ Slovensko s r.o.	Slovakia Republic
100%	
FerroServ (Pty.) Limited	South Africa
100%	
FerroServ Operations (Pty.) Ltd.	South Africa
100%	
Heckett (South Africa) (Pty.) Ltd.	South Africa
50%	
MultiServ Lycrete S.A.	Spain
95%	
Serviequipo S.A.	Spain
95%	
MultiServ Intermetal S.A.	Spain
100%	
MultiServ Iberica S.A.	Spain
100%	
Heckett Reclamet S.A.	Spain
100%	
MultiServ Nordiska AB	Sweden
100%	
MultiServ AB	Sweden
100%	
MultiServ International plc	U.K.
100%	
MultiServ Ltd.	U.K.
100%	
MultiServ Overseas Ltd.	U.K.
100%	
Quipco Ltd.	U.K.
100%	
Axlebourne Ltd.	U.K.
100%	
Harsco (U.K.) Ltd.	U.K.
100%	
The Permanent Way Equipment Company Limited	U.K.
100%	
Combat Engineering Limited	U.K.
100%	
A. L. Hughes Heating Engineers Limited	U.K.
100%	
Insulation Equipments Limited	U.K.
100%	
Tamper Corp. (U.K.) Limited	U.K.
100%	
Heckett International Services Limited	U.K.
100%	
Heckett Limited	U.K.
100%	

MultiServ Inc. 100%	U.S.A.
MultiServ U.S. Corp. 100%	U.S.A.
MultiServ Operations Ltd. 100%	U.S.A.
IMS General Corp. 100%	U.S.A.
MultiServ Intermetal Inc. 100%	U.S.A.
Heckett Technology Services Inc. 100%	U.S.A.
Harsco Investment Corporation 100%	U.S.A.
Harsco Tamper Acquisition Corporation 100%	U.S.A.
Tactical Truck Corporation 100%	U.S.A.
Harsco Foreign Sales Corporation 100%	U.S. Virgin Islands
MultiServ MV + MS 100%	Venezuela
Heckett Yugoslavia Ltd. 100%	Yugoslavia

Companies in which Harsco Corporation does not have majority ownership are not consolidated and are omitted because in the aggregate they would not constitute a significant subsidiary.

We consent to the incorporation by reference in the following Registration Statements of Harsco Corporation and subsidiary companies of our reports dated February 1, 1994 except as to the first and third paragraphs of Note 10, for which the dates are February 25, 1994 and March 4, 1994, respectively on our audits of the consolidated financial statements and consolidated financial statement schedules of Harsco Corporation as of December 31, 1993 and 1992 and for each of the three years in the period ended December 31, 1993. Our reports, which include explanatory paragraphs regarding (i) uncertainties concerning the Company's involvement in various disputes regarding Federal Excise Tax and other contract matters primarily relating to the five-ton truck contract and the ultimate outcome of the Company's claims against the Government relating to certain contracts and (ii) changes in the Company's method of accounting for income taxes and postretirement benefits other than pensions, appear on page 56 of the Company's Annual Report to Shareholders and under Item 14(a) 2 on page 28 of this Annual Report on Form 10-K:

- - Post Effective Amendment No. 6 to Form S-8 Registration Statement (Registration No. 2-57876), effective May 21, 1982.
- - Post Effective Amendment No. 2 to Form S-8 Registration Statement (Registration No. 33-5300), dated March 26, 1987.
- - Form S-8 Registration Statement (Registration No. 33-14064), dated May 6, 1987.
- - Amendment No. 2 to Form S-8 Registration Statement (Registration No. 33-24854), dated October 31, 1988.

COOPERS & LYBRAND

Philadelphia, Pennsylvania
March 28, 1994