

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

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**FORM 8-K**

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**CURRENT REPORT**

**Pursuant to Section 13 OR 15(d) of  
The Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported) **July 29, 2008**

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**Harsco Corporation**

(Exact name of registrant as specified in its charter)

**DE**  
(State or other jurisdiction  
of incorporation)

**1-3970**  
(Commission File Number)

**23-1483991**  
(IRS Employer Identification No.)

**350 Poplar Church Road, Camp Hill PA, 17011**  
(Address of principal executive offices)

**17011**  
(Zip Code)

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

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(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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**Item 2.02. Results of Operations and Financial Condition.**

On July 29, 2008, Harsco Corporation issued a press release announcing its earnings for the second quarter and first six months of 2008. A copy of the press release is attached hereto as Exhibit 99.1.

This information is being furnished in this report and shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 (the "Exchange Act") or otherwise subject to the liabilities of that Section, nor shall it be deemed incorporated by reference into any filing under the Securities Act of 1933 or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

**Item 9.01. Financial Statements and Exhibits.**

Exhibit 99.1. Press release dated July 29, 2008

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**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**Harsco Corporation**

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(Registrant)

July 29, 2008

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/s/ STEPHEN J. SCHNOOR

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(Date)

Stephen J. Schnoor  
*Senior Vice President and Chief Financial Officer*

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## **Exhibit Index**

99.1 Press release dated July 29, 2008

## Harsco Reports 18 Percent Increase in Second Quarter 2008 Diluted EPS and 16 Percent Increase in Sales

- \* Second quarter sales up 16 percent to a record \$1.1 billion; diluted EPS from continuing operations up 18 percent to a record \$1.07
- \* Record performance led by 18 percent increase in operating income from Company's Access Services Segment
- \* Second quarter cash flow from operations a record \$178 million, up 15 percent; cash from operations through the first half of 2008 exceeds \$200 million for the first time
- \* Company expects continued mid-teens EPS growth in 2008 second half, adjusts full-year 2008 guidance for diluted EPS from continuing operations from \$3.45 to \$3.55 to new range of \$3.50 to \$3.55

HARRISBURG, Pa., July 29, 2008 (PRIME NEWSWIRE) -- Worldwide industrial services company Harsco Corporation (NYSE:HSC) today reported record second quarter 2008 results from continuing operations.

Second quarter 2008 diluted EPS from continuing operations was a record \$1.07, up 18 percent from \$0.91 in the second quarter of 2007. Income from continuing operations was a record \$90.4 million, compared with \$77.0 million last year, an increase of 17 percent. Overall operating margins were 13.3 percent, compared with 14.4 percent in the second quarter of last year. Second quarter sales totaled a record \$1.1 billion, up 16 percent from sales of \$946 million in the same period last year. The weaker U.S. dollar in relation to foreign currencies added approximately \$58 million to second quarter sales and approximately \$7.8 million in pre-tax income but was also a factor in the Company's increased fuel costs. The Company was particularly impacted during the quarter in its Mill Services Segment, which incurred net higher fuel costs of approximately \$9 million over this time last year.

For the first six months of 2008, sales, income from continuing operations, and diluted earnings per share were all records. Income from continuing operations was \$147.3 million, or \$1.74 per diluted share, compared with income from continuing operations of \$122.5 million, or \$1.45 per diluted share in the first six months of 2007, an increase of 20 percent in both income and diluted EPS. Sales for the first six months of 2008 were \$2.1 billion, an increase of 17 percent from \$1.8 billion in the same period a year ago. Foreign currency translation increased first half sales by approximately \$120 million, and contributed \$14.2 million to pre-tax operating income. Here again, though, the weaker dollar contributed to an approximately \$12 million year-over-year increase in net fuel costs for the Company's Mill Services Segment.

Commenting on the Company's results, Harsco Chairman and Chief Executive Officer Salvatore D. Fazzolari said, "Despite the challenging economic backdrop, the Harsco team was able to deliver another record quarter led by high-teens earnings growth. We expect to sustain our momentum with solid earnings growth in the second half of the year.

"The expected moderation within some of our Access Services markets was more than offset in the quarter by better year-over-year results in other geographies, including the Middle East, Asia Pacific, Canada and parts of Europe. We believe that our expanding geographic balance will continue to serve us well in forthcoming quarters, and we are particularly pleased with our entry into India.

"We were also encouraged with our progress on a number of fronts in our Mill Services Segment during the quarter. Despite the continued headwind of significantly higher year-over-year fuel costs, we were able to improve margins on a sequential basis, as was our stated goal at the end of the first quarter. We expect to continue to make steady progress for the remainder of 2008. We are already taking constructive steps to recapture more immediately some of our higher fuel costs and address several underperforming contracts. Our decision to exit a number of historically low margin contracts within the next few months should in itself contribute to margin improvement. Likewise, we are well along in the negotiation of a number of new contracts that we expect to sign in the second half of 2008, which will further enhance future margins. While much is yet to be done to return our Mill Services Segment to its former margin levels, we firmly believe that the journey is solidly underway, and we are confident of its successful conclusion.

"The results from our Minerals & Rail Services and Products Group were excellent, particularly given the comparison to the very strong second quarter of 2007. All three operating arms of the Group -- rail, minerals, and the products companies -- contributed to this Group's fine performance.

"Like most companies, Harsco will continue to face a challenging macroeconomic environment. However, we firmly believe that the strategies we have pursued to expand our global footprint and further enhance our strong operating balance have prepared us well for such an environment and will continue to provide disciplined and sustainable growth."

### Outlook

Harsco Senior Vice President and Chief Financial Officer Stephen J. Schnoor said, "Given the geographic balance and business diversity that we have achieved and the expected earnings contribution from all three of our business groups, we are adjusting our full year 2008 guidance for EPS from continuing operations to a new range of \$3.50 to \$3.55, from the previous range of \$3.45 to \$3.55 per diluted share. Using the midpoint of this adjusted guidance, this reflects an increase of 17 percent from 2007's diluted EPS from continuing operations of \$3.01.

"For the third quarter of 2008, we are forecasting earnings from continuing operations in the range of \$0.92 - \$0.95 per share, compared with \$0.83 per share in the third quarter of 2007. Again, using the mid-point of the guidance, this reflects an increase of 13 percent."

## Second Quarter Business Review

### Access Services

Second quarter 2008 sales increased 19 percent to \$429 million from \$361 million last year. Organic growth contributed \$35 million, or 10 percent; acquisitions contributed \$4 million, or 1 percent; and positive foreign currency translation contributed \$29 million, or 8 percent. Operating income increased by 18 percent to \$58.1 million in the second quarter, up from \$49.3 million in the comparable period last year. Positive foreign currency translation increased operating income by approximately \$5 million in this year's second quarter. Operating margins were essentially comparable with last year at 13.5 percent vs. 13.7 percent in the second quarter of 2007.

The strong second quarter performance was led by improved results in the Middle East, Asia Pacific, Canada and parts of Europe, which more than offset some slowness during the quarter, particularly in the U.K., Denmark and Ireland.

The overall outlook for the second half remains positive, and the Company expects to continue to be well-served by its expanding geographic balance in this segment. Such expansion plans include India, Russia, South Africa and South America. In addition, the Company is taking advantage of the mobility of its rental equipment and strategically relocating its worldwide stock to regions, which will continue to provide the highest returns and sustain operating margins.

### Mill Services

Sales in the second quarter of 2008 increased 17 percent to \$445 million from \$381 million in last year's comparable quarter. Organic sales were up \$27 million, or just over 7 percent, reflecting increased global steel production and new contract signings; acquisitions contributed almost \$11 million, or approximately 3 percent; and positive foreign currency translation contributed \$27 million, or 7 percent. Second quarter operating income increased by 1 percent to \$37.1 million from \$36.7 million in the comparable period last year. Foreign currency translation, particularly from the strong euro in comparison to the dollar, contributed \$3.6 million to operating income in the quarter. Impacted by higher fuel costs, operating margins fell to 8.3 percent in the second quarter from last year's 9.6 percent but were up sequentially from 7.0 percent in the first quarter of 2008.

A major goal for this segment is continued sequential improvement in margins. In addition to the progress made in the second quarter, the Company expects additional progress as it successfully renegotiates or exits a number of underperforming contracts in the second half of 2008. Further, new contract bidding activity remains strong, and the Company expects several meaningful signings in forthcoming quarters. Lastly, steady progress is expected in the reduction of the negative impact from fuel prices. This will come from the automatic recapture of some of the higher fuel prices over the next twelve months through inflation adjustment clauses in existing contracts and from direct negotiations with customers for further fuel cost relief. In addition, any sustained reduction in the recent record-high oil prices in the marketplace will also have a favorable effect on future results and margins.

### Minerals & Rail Services and Products

The Minerals & Rail Services and Products Group posted improved revenues and earnings in the quarter, exceeding its exceptional second quarter comparables in 2007. Results were led by the Group's Track Technologies, Air-X-Changers, Reed Minerals and Patterson-Kelley business units, all of which saw increased levels of activity in the quarter compared with last year.

Sales of \$225 million in the quarter were 10 percent higher than the \$204 million in the same period last year. Organic sales growth contributed \$18 million, or approximately 9 percent; with acquisitions and positive currency translation contributing a combined \$2 million, or approximately 1 percent. Operating income increased from \$50.5 million to \$52.0 million, or 3 percent. Foreign currency translation decreased operating income by \$0.1 million in the second quarter of 2008. Operating margins of 23.1 percent in this year's second quarter were, as expected, slightly below the exceptionally strong 24.7 percent margins reported in the second quarter of last year.

The Group expects its solid results to continue in the second half but more in line with those of the same period last year. This is due principally to higher anticipated cost of sales resulting from increased commodity prices. Also, the timing of large unit deliveries within the Company's Track Technologies unit may cause some imbalance in quarterly performance in the final half of the year.

### Liquidity, Capital Resources and Other Matters

Net cash provided by operating activities for the second quarter of 2008 was a record \$178 million, a 15 percent increase over the \$155 million for the comparable period last year. Net cash used by investing activities was \$142 million, an 11 percent increase over the \$128 million last year. The increased use of cash continues to be primarily due to higher expenditures for organic growth and capital initiatives to improve operational efficiencies. Net cash provided by operating activities for the first six months of 2008 was a record \$210 million, compared with \$197 million in 2007, an increase of 7 percent.

During the first six months of 2008, the Company's total debt increased by \$107 million to \$1.2 billion at June 30, 2008. The increase in debt was principally due to higher growth-related capital expenditures and the strengthening of the euro and pound

sterling. However, the debt-to-capital ratio decreased by 140 basis points to 40.3 percent at the end of the second quarter of 2008, down from 41.7 percent at the end of the first quarter, and was 50 basis points lower than the 40.8 percent at the end of 2007.

Economic Value Added (EVA(r)) in the first half of 2008 improved over the same period last year.

#### Forward-Looking Statements

This news release contains forward-looking statements based on management's current expectations, estimates and projections. All statements that address expectations or projections about the future, including statements about the company's strategy for growth, product development, market position, expected expenditures and financial results are forward-looking statements. Some of the forward-looking statements may be identified by words like "may," "could," "believes," "expects," "anticipates," "plans," "intends," "projects," "indicates," and similar expressions. These statements are not guarantees of future performance and involve a number of risks, uncertainties and assumptions. Many factors, including those discussed more fully elsewhere in this release and in documents filed with the Securities and Exchange Commission by Harsco, particularly its latest annual report on Form 10-K and quarterly report on Form 10-Q, as well as others, could cause results to differ materially from those stated. These factors include, but are not limited to, changes in the worldwide business environment in which the Company operates; changes in the performance of stock and bond markets; changes in governmental laws and regulations; market and competitive changes, including pricing pressures, market demand and acceptance for new products, services, and technologies; unforeseen business disruptions in one or more of the many countries in which the Company operates; the seasonal nature of the Company's business; the successful integration of the Company's strategic acquisitions; and the amount and timing of repurchases of the Company's common stock, if any. The Company undertakes no duty to update forward-looking statements.

#### Conference Call

As previously announced, the Company will hold a conference call today at 2:00 p.m. Eastern Time (ET) to discuss its results and respond to questions from the investment community. The conference call will be broadcast live through the Harsco Corporation website at [www.harsco.com](http://www.harsco.com). The call can also be accessed by telephone by dialing (800) 611-4920, or (706) 634-5923 from outside the United States and Canada. Enter Conference ID number 52725646. Listeners are advised to dial in at least five minutes prior to the call. Replays will be available via the Harsco website, or by telephone beginning approximately 5:00 pm ET today. The telephone replay dial-in number is (800) 642-1687, or (706) 645-9291 from outside the United States and Canada. Enter Conference ID number 52725646.

#### About Harsco

Harsco Corporation is one of the world's leading diversified industrial services companies, serving key industries that play a fundamental role in worldwide economic growth and development. These include infrastructure, non-residential construction and industrial maintenance; metals and minerals; railways; and energy. Harsco's common stock is a component of the S&P MidCap 400 Index and the Russell 1000 Index. Additional information can be found at [www.harsco.com](http://www.harsco.com).

The Harsco Corporation logo is available at <http://www.primenewswire.com/newsroom/prs/?pkgid=361>

#### HARSCO CORPORATION CONSOLIDATED STATEMENTS OF INCOME (Unaudited)

(In thousands, except per share amounts)	Three Months Ended		Six Months Ended	
	2008	2007	2008	2007
Revenues from continuing operations:				
Service revenues	\$ 944,490	\$810,429	\$1,797,118	\$1,533,244
Product revenues	155,098	135,720	290,260	252,931
<b>Total revenues</b>	<b>1,099,588</b>	<b>946,149</b>	<b>2,087,378</b>	<b>1,786,175</b>

Costs and expenses from continuing operations:				
Cost of services sold	686,531	585,677	1,324,589	1,124,215
Cost of products sold	105,215	97,580	198,162	184,659
Selling, general and administrative expenses	160,332	127,313	316,964	255,068
Research and development expenses	1,508	734	2,561	1,727
Other (income) expenses	163	(1,003)	(117)	(1,916)

Total costs and expenses	953,749	810,301	1,842,159	1,563,753
Operating income from continuing operations	145,839	135,848	245,219	222,422
Equity in income of unconsolidated entities, net	246	285	650	413
Interest income	886	1,173	1,800	2,212
Interest expense	(19,075)	(20,540)	(36,194)	(39,116)
Income from continuing operations before income taxes and minority interest	127,896	116,766	211,475	185,931
Income tax expense	(35,000)	(37,388)	(59,188)	(58,989)
Income from continuing operations before minority interest	92,896	79,378	152,287	126,942
Minority interest in net income	(2,525)	(2,335)	(5,025)	(4,459)
Income from continuing operations	90,371	77,043	147,262	122,483
Discontinued operations: Income (loss) from discontinued business	(841)	8,379	(586)	11,500
Income tax expense	353	(2,353)	246	(3,260)
Income (loss) from discontinued operations	(488)	6,026	(340)	8,240
Net Income	\$ 89,883	\$ 83,069	\$ 146,922	\$ 130,723
Average shares of common stock outstanding	84,271	84,145	84,323	84,097
Basic earnings per common share:				
Continuing operations	\$ 1.07	\$ 0.92	\$ 1.75	\$ 1.46
Discontinued operations	(0.01)	0.07	(0.00)	0.10
Basic earnings per common share	\$ 1.07(a)	\$ 0.99	\$ 1.74(a)	\$ 1.55(a)
Diluted average shares of common stock outstanding	84,751	84,702	84,801	84,641
Diluted earnings per common share:				
Continuing operations	\$ 1.07	\$ 0.91	\$ 1.74	\$ 1.45

Discontinued operations	(0.01)	0.07	(0.00)	0.10
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Diluted earnings per common share	\$ 1.06	\$ 0.98	\$ 1.73(a)	\$ 1.54(a)
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(a) Does not total due to rounding.

HARSCO CORPORATION  
CONSOLIDATED BALANCE SHEETS (Unaudited)

(In thousands)	June 30 2008	December 31 2007
-----		
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 123,309	\$ 121,833
Trade accounts receivable, net	907,802	779,619
Other receivables	59,895	44,475
Inventories	368,108	310,931
Other current assets	99,165	88,016
Assets held-for-sale	1,261	463
-----		
Total current assets	1,559,540	1,345,337
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Property, plant and equipment, net	1,710,827	1,535,214
Goodwill, net	744,662	720,069
Intangible assets, net	178,278	188,864
Other assets	119,850	115,946
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Total assets	\$ 4,313,157	\$ 3,905,430
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LIABILITIES

Current liabilities:

Short-term borrowings	\$ 140,217	\$ 60,323
Current maturities of long-term debt	8,096	8,384
Accounts payable	370,652	307,814
Accrued compensation	95,136	108,871
Income taxes payable	35,310	41,300
Dividends payable	16,437	16,444
Insurance liabilities	53,240	44,823
Advances on contracts	82,380	52,763
Other current liabilities	251,440	233,248
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Total current liabilities	1,052,908	873,970
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Long-term debt	1,039,476	1,012,087
Deferred income taxes	183,350	174,423
Insurance liabilities	67,919	67,182
Retirement plan liabilities	107,939	120,536
Other liabilities	98,963	91,113
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Total liabilities	2,550,555	2,339,311
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STOCKHOLDERS' EQUITY

Common stock	138,870	138,665
Additional paid-in capital	133,859	128,622
Accumulated other comprehensive income (loss)	94,251	(2,501)
Retained earnings	2,017,106	1,904,502
Treasury stock	(621,484)	(603,169)
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Total stockholders' equity	1,762,602	1,566,119
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Total liabilities and stockholders' equity	\$ 4,313,157	\$ 3,905,430
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HARSCO CORPORATION  
CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)

(In thousands)	Three Months		Six Months	
	Ended June 30 2008	2007	Ended June 30 2008	2007
-----				
Cash flows from operating activities:				
Net income	\$ 89,883	\$ 83,069	\$146,922	\$130,723
Adjustments to reconcile net income to net cash provided (used) by operating activities:				
Depreciation	80,920	67,778	157,542	132,787
Amortization	7,779	7,690	15,449	12,959
Equity in income of unconsolidated entities, net	(246)	(285)	(650)	(414)
Dividends or distributions from unconsolidated entities	484	176	484	176
Other, net	(4,837)	(61)	(2,687)	(821)
Changes in assets and liabilities, net of acquisitions and dispositions of businesses:				
Accounts receivable	(55,802)	(49,633)	(104,705)	(93,118)
Inventories	(3,819)	(24,154)	(45,846)	(54,224)
Accounts payable	34,320	25,157	41,397	11,215
Accrued interest payable	11,540	9,437	15,818	15,057
Accrued compensation	5,970	14,525	(18,368)	(8,323)
Other assets and liabilities	12,267	21,210	5,057	50,579
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Net cash provided by operating activities	178,459	154,909	210,413	196,596
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Cash flows from investing activities:				
Purchases of property, plant and equipment	(138,463)	(117,839)	(258,283)	(201,202)
Net use of cash associated with the purchases of businesses	(9,552)	(14,987)	(13,575)	(227,323)
Proceeds from sale of assets	5,200	6,261	7,167	10,773
Other investing activities	482	(1,453)	15,279	(1,845)
-----				
Net cash used by investing activities	(142,333)	(128,018)	(249,412)	(419,597)
-----				
Cash flows from financing activities:				
Short-term borrowings, net	(38,436)	(27,961)	73,783	220,926
Current maturities and long-term debt:				
Additions	547,221	171,692	686,373	466,480
Reductions	(517,778)	(167,644)	(675,649)	(446,171)
Cash dividends paid on common stock	(16,428)	(14,921)	(32,899)	(29,837)
Common stock issued-options	30	3,358	1,276	3,899
Common stock acquired for treasury	--	--	(16,858)	--
Other financing activities	(3,400)	(1,898)	(3,436)	(3,448)
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Net cash provided (used) by financing activities	(28,791)	(37,374)	32,590	211,849
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Effect of exchange rate changes on cash	1,072	4,379	7,885	5,819



Net increase (decrease) in cash and cash equivalents	8,407	(6,104)	1,476	(5,333)
Cash and cash equivalents at beginning of period	114,902	102,031	121,833	101,260
Cash and cash equivalents at end of period	\$ 123,309	\$ 95,927	\$ 123,309	\$ 95,927

HARSCO CORPORATION  
REVIEW OF OPERATIONS BY SEGMENT (Unaudited)  
(In thousands)

	Three Months Ended June 30, 2008		Three Months Ended June 30, 2007	
	Sales	Operating Income (loss)	Sales	Operating Income (loss)
Access Services Segment	\$ 429,176	\$ 58,134	\$ 360,921	\$ 49,305
Mill Services Segment	445,490	37,114	380,824	36,670
All Other Category (Minerals & Rail Services and Products)	224,862	52,036	204,404	50,539
General Corporate	60	(1,445)	--	(666)
Consolidated Totals	\$1,099,588	\$ 145,839	\$ 946,149	\$ 135,848

	Six Months Ended June 30, 2008		Six Months Ended June 30, 2007	
	Sales	Operating Income (loss)	Sales	Operating Income (loss)
Access Services Segment	\$ 808,000	\$ 95,972	\$ 677,130	\$ 84,346
Mill Services Segment	862,206	66,321	741,594	68,978
All Other Category (Minerals & Rail Services and Products)	417,052	85,978	367,451	69,918
General Corporate	120	(3,052)	--	(820)
Consolidated Totals	\$2,087,378	\$ 245,219	\$1,786,175	\$ 222,422

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