

**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) **April 23, 2007**

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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(b) 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 April 23, 2007, Harsco Corporation (the "Company") issued a press release announcing its earnings for the first quarter of 2007. 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 April 23, 2007

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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)

April 23, 2007

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/s/ SALVATORE D. FAZZOLARI

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(Date)

Salvatore D. Fazzolari  
*President, Chief Financial Officer and Treasurer*

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## **Exhibit Index**

99.1 Press release dated April 23, 2007

## Harsco Reports Record First Quarter Sales and EPS From Continuing Operations; Raises Guidance for 2007

- \* First quarter diluted EPS from continuing operations up 39% to a record \$0.54
- \* First quarter sales up 23% to a record \$840 million
- \* Record performance was led by 109% increase in operating income from the Company's Access Services Segment
- \* Results also benefited from the acquisition of Excell Minerals
- \* Company raises full-year 2007 guidance for diluted EPS from \$2.52 to \$2.57 for continuing operations to new range of \$2.69 to \$2.74

HARRISBURG, Pa., April 23, 2007 (PRIME NEWSWIRE) -- Worldwide industrial services company Harsco Corporation (NYSE:HSC) today reported record first quarter 2007 results from continuing operations. All per share and share amounts in this release reflect the 2-for-1 stock split effective March 27, 2007.

First quarter 2007 diluted EPS from continuing operations was a record \$0.54, up 39 percent from \$0.39 in the first quarter of 2006. Income from continuing operations was a record \$45.4 million, compared with \$32.6 million last year, also an increase of 39 percent. Overall operating margins improved by 80 basis points to 10.3 percent from 9.5 percent in last year's comparable period. First quarter sales totaled a record \$840 million, up 23 percent from sales of \$682 million in the same period last year. Foreign currency translation increased first quarter sales by \$36.6 million and pre-tax income by \$1.8 million.

Commenting on the Company's results, Harsco Chairman and Chief Executive Officer Derek C. Hathaway said, "We are once again pleased with the strong start to a new fiscal year. Our end markets remain strong and we are particularly encouraged by the opportunities presented to our Access Services businesses from the strength of the global non-residential construction and industrial maintenance markets. We are also pleased with the success of our acquisition program which continues to provide us with accretive opportunities, a recent example of which is our acquisition of Excell Minerals. Perhaps most significant is the success of our continuing strategic efforts to focus the company in market-leading industrial services on a global basis. We are confident in our ability to continue to build on our successes in this regard and add to future growth in stockholder value."

### Outlook

Harsco President, Chief Financial Officer and Treasurer Salvatore D. Fazzolari said, "We look forward to continuing our first quarter momentum throughout all of 2007. Our overall global markets remain strong and provide us with numerous opportunities for growth. We see continued strength in future quarters, particularly from our Access Services Segment, as well as from our Excell Minerals, Harsco Track Technologies, and Air-X-Changers units. Likewise, we expect progressive year-over-year improvement in future quarters from our Mill Services Segment as production levels normalize in the U.S., new contracts are signed and work started, and unplanned mill maintenance outages diminish. In addition, we continue to pursue a prudent acquisition strategy of seeking further accretive bolt-on acquisitions to our existing industrial services platforms. As such, we are raising our full year 2007 guidance for EPS from continuing operations to a range of \$2.69 to \$2.74, from the previous range of \$2.52 to \$2.57 per dilute d share. Using the midpoint of the updated guidance, this reflects an increase of approximately 23 percent over 2006's diluted EPS from continuing operations of \$2.21.

For the second quarter of 2007, we are forecasting earnings from continuing operations in the range of \$0.76 to \$0.79 per diluted share, a 21 to 25 percent increase over the \$0.63 in the second quarter of 2006."

### First Quarter Business Review

#### Access Services

First quarter 2007 sales increased 40 percent to \$316 million from \$226 million last year. Organic sales growth contributed \$53 million, or approximately 24 percent; the net effect of the third quarter acquisition of Cleton Industrial Services in Holland and the fourth quarter acquisition of MyATH in Chile contributed \$21 million, or 9 percent; and positive foreign currency translation contributed \$16 million, or approximately 7 percent. Operating income increased by 109 percent to \$35.0 million in the first quarter, up from \$16.8 million in the comparable period last year. Positive foreign currency translation increased operating income by approximately \$0.8 million in this year's first quarter. Operating margins increased by approximately 370 basis points to 11.1 percent from 7.4 percent in the first quarter of last year. Included in this year's first quarter results was a \$1.6 million pre-tax gain from the sale of property no longer required in the business. Without this gain, 2007 first quarter operating income would have been up by 99 percent and operating margins of 10.6 percent would have been 320 basis points higher than last year.

The increased performance in the quarter was led by continued strength in the Company's worldwide non-residential construction and industrial maintenance markets, particularly in North America and Eastern Europe; further market penetration; and positive returns from the Company's increased investment in higher value rental systems.

The market outlook for the Access Services Segment remains positive for 2007 and beyond. Industry sources continue to predict further growth in non-residential construction and industrial maintenance in North America, Europe, and other key markets. Further

global expansion and market share gains are also expected from this Segment.

#### Mill Services

Sales in the first quarter of 2007 increased by approximately 11 percent to \$361 million from \$326 million in last year's first quarter. Organic sales growth contributed \$14 million, or approximately 4 percent; the fourth quarter 2006 purchase of Technic Gum Services contributed \$2 million, or 1 percent; and positive foreign currency translation contributed \$19 million, or approximately 6 percent. First quarter operating income decreased by some 4 percent to \$32.3 million, from \$33.6 million in the first quarter of last year. Foreign currency translation contributed \$1.6 million to operating income in the quarter. Operating margins decreased by approximately 130 basis points to 9.0 percent from 10.3 percent in the first quarter of 2006. The first quarter of 2007 included a \$1.0 million provision associated with the termination of a mill services contract. Without this provision, 2007 first quarter operating income would have been only slightly less than that of the first quarter last year and operating margins would have been 9.2 percent.

Performance was negatively impacted by unplanned maintenance outages at a number of mill sites during the quarter, the timing of new contract signings and start-ups, and lower steel production in certain geographies, principally North America.

The first quarter is traditionally the slowest period for the Mill Services Segment due to seasonal factors. As such, the outlook for the remainder of the year remains positive. Liquid steel production in the U.S. has recently begun to improve over last year and global steel production, even excluding China, is expected to exceed that of 2006. In addition, bidding activity on new contract opportunities remains strong and signings should gain momentum as the year progresses. The Company's ongoing cost reduction program is also expected to continue to make a positive contribution to operating results.

#### Minerals & Rail Technologies, Services and Products ("All Other")

Sales of \$163 million in the first quarter of 2007 were 25 percent higher than the \$130 million in the same period last year. Operating income increased 26 percent to \$19.4 million, from \$15.4 million in the first quarter of last year. Operating margins were 11.9 percent, the same as last year. Foreign currency translation increased sales by \$1.1 million in the quarter and operating income by \$0.3 million.

As expected, the February 1, 2007 acquisition of Excell Minerals made a solid contribution to this group's improved performance in the quarter. Sales from Excell were almost \$22 million and operating results were accretive to earnings. Sales on a year-over-year basis were also ahead for four of the five other operating divisions within this group. In addition, operating income in the first quarter of 2007 was up for three of the five other operating divisions, as were margins.

The outlook for this group remains positive. Excell Minerals is expected to continue to make a solid and growing contribution to results in the remaining quarters of 2007, as it is fully integrated into the Company. Likewise, the Company's Harsco Track Technologies unit is expected to see further improved results in future quarters due to the seasonality of its growing rail track maintenance services business and the timing of equipment deliveries. The group's remaining units continue to have an overall positive outlook, particularly Air-X-Changers, which continues to benefit from strong market demand for its gas compression equipment.

#### Discontinued Operations

As reported on January 24, 2007, the Company is pursuing the divestiture of its Gas Technologies business group. As such, first quarter results for Gas Technologies have been reclassified as discontinued operations.

Income from discontinued operations for the first quarter was \$2.2 million after tax, or \$0.03 per share, compared with \$1.6 million after-tax or \$0.02 per share in 2006. The first quarter 2007 results include a pre-tax pension curtailment loss of \$1.5 million.

#### Liquidity, Capital Resources and Other Matters

Net cash provided by operating activities for the first quarter of 2007 was \$42 million, down from \$70 million for the comparable period last year. The decrease in cash flow from operating activities is due principally to working capital associated with Gas Technologies and Harsco Track Technologies. Although Gas Technologies is classified as a discontinued operation, its operating cash flows must be classified as cash from operating activities, as required by U.S. GAAP. For the first quarter of 2007, Gas Technologies had negative operating cash flow of approximately \$15 million compared with last year. Also, Harsco Track Technologies had negative operating cash flow of approximately \$13 million compared with last year, due mainly to working capital timing differences. The Company still expects to achieve its previously stated cash flow objectives for the year. Net cash used by investing activities was \$292 million, a 360 percent increase over the \$63 million last year. The increased cash usage was due primarily to the acquisition of Excell Minerals and higher capital expenditures for organic growth.

During the first quarter, the Company's total debt increased by some \$266 million to \$1,329 million from \$1,063 million at the end of 2006. The debt-to-capital ratio increased by 450 basis points to 52.6 percent at the end of the first quarter of 2007 from 48.1 percent at the end of 2006. The increase in debt is due principally to the Excell Minerals acquisition.

Consistent with the quarterly results, improvement in Economic Value Added (EVA(r)) continued to be achieved in the first quarter of 2007.

## Forward-Looking Statements

The nature of the Company's business and the many countries in which it operates subject it to changing economic, competitive, regulatory, and technological conditions, risks, and uncertainties. In accordance with the "Safe Harbor" provisions of the Private Securities Litigation Reform Act of 1995, the Company provides the following cautionary remarks regarding important factors which, among others, could cause future results to differ materially from the forward-looking statements, expectations and assumptions expressed or implied herein. Forward-looking statements include information about management's confidence and strategies for performance; expectations for new and existing products, technologies, and opportunities; and expectations regarding growth, sales, cash flows, earnings, and EVA. These statements are identified by the use of such terms as "may," "could," "expect," "anticipate," "intend," "believe," or other comparable terms.

Risk factors and uncertainties which could affect results include, but are not limited to: (1) changes in the worldwide business environment in which the Company operates, including general economic conditions; (2) changes in currency exchange rates, certain commodity costs, interest rates, and capital costs; (3) changes in the performance of stock and bond markets, particularly in the United States and United Kingdom; (4) changes in governmental laws and regulations, including taxes and import tariffs; (5) market and competitive changes, including pricing pressures, market demand, and acceptance for new products, services, and technologies; (6) unforeseen business disruptions in one or more of the over 40 countries in which the Company operates due to political instability, civil disobedience, armed hostilities or other calamities; and (7) other risk factors listed from time to time in the Company's SEC reports. The Company cautions that these factors may not be exhaustive and that many of these factors are beyond the Company's ability to control or predict. Accordingly, forward-looking statements should not be relied upon as a prediction of actual results. 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 4690936. 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 4690936.

## About Harsco

Harsco Corporation is one of the world's leading diversified industrial services companies, serving major customers in the global non-residential construction, steel and metals, energy and railway industries. The Company posted 2006 revenues of \$3.4 billion and employs approximately 21,500 people worldwide. 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.primezone.com/newsroom/prs/?pkgid=361>

## HARSCO CORPORATION CONSOLIDATED STATEMENTS OF INCOME (Unaudited)

(In thousands, except per share amounts)	Three Months Ended	
	2007	March 31 2006 (a)
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Revenues from continuing operations:		
Service revenues	\$ 722,815	\$ 572,631
Product revenues	117,211	109,434
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Total revenues	840,026	682,065
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Costs and expenses from continuing operations:		
Cost of services sold	538,538	422,824
Cost of products sold	87,079	79,534
Selling, general and administrative expenses	127,754	112,251
Research and development expenses	993	557
Other (income) expenses	(912)	1,849
-----		
Total costs and expenses	753,452	617,015
-----		
Operating income from continuing operations	86,574	65,050

Equity in income of unconsolidated entities, net	128	61
Interest income	1,039	861
Interest expense	(18,575)	(14,090)

Income from continuing operations before income taxes and minority interest	69,166	51,882
Income tax expense	(21,602)	(16,986)

Income from continuing operations before minority interest	47,564	34,896
Minority interest in net income	(2,124)	(2,271)

Income from continuing operations	45,440	32,625
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Discontinued operations:		
Income from operations of discontinued business	5,418	2,317
Loss on disposal of discontinued business	(2,297)	-
Income tax expense	(908)	(690)

Income from discontinued operations	2,213	1,627
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Net Income	\$ 47,653	\$ 34,252
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Average shares of common stock outstanding	84,048	83,645
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Basic earnings per common share:		
Continuing operations	\$ 0.54	\$ 0.39
Discontinued operations	0.03	0.02

Basic earnings per common share	\$ 0.57	\$ 0.41
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Diluted average shares of common stock outstanding	84,578	84,230
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Diluted earnings per common share:		
Continuing operations	\$ 0.54	\$ 0.39
Discontinued operations	0.03	0.02

Diluted earnings per common share	\$ 0.56 (b)	\$ 0.41
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(a) Reclassified for comparative purposes.

(b) Does not total due to rounding.

HARSCO CORPORATION  
CONSOLIDATED BALANCE SHEETS (Unaudited)

(In thousands)	March 31 2007	December 31 2006
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ASSETS

Current assets:		
Cash and cash equivalents	\$ 102,031	\$ 101,260
Accounts receivable, net	757,549	753,168
Inventories	219,627	285,229
Other current assets	74,581	88,398

Assets held-for-sale	280,600	3,567
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Total current assets	1,434,388	1,231,622
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Property, plant and equipment, net	1,320,983	1,322,467
Goodwill, net	692,149	612,480
Intangible assets, net	183,493	88,164
Other assets	92,319	71,690
-----		
Total assets	\$ 3,723,332	\$ 3,326,423
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#### LIABILITIES

##### Current liabilities:

Short-term borrowings	\$ 435,382	\$ 185,074
Current maturities of long-term debt	11,282	13,130
Accounts payable	260,312	287,006
Accrued compensation	70,654	95,028
Income taxes payable	36,437	61,967
Dividends payable	16,009	15,983
Insurance liabilities	42,270	40,810
Other current liabilities	224,414	211,777
Liabilities associated with assets held-for-sale	57,532	-
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Total current liabilities	1,154,292	910,775
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Long-term debt	882,046	864,817
Deferred income taxes	147,295	103,592
Insurance liabilities	64,602	62,542
Retirement plan liabilities	181,190	189,457
Other liabilities	96,421	48,876
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Total liabilities	2,525,846	2,180,059
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##### STOCKHOLDERS' EQUITY

Common stock	138,161	85,614
Additional paid-in capital	115,507	166,494
Accumulated other comprehensive loss	(152,006)	(169,334)
Retained earnings	1,698,995	1,666,761
Treasury stock	(603,171)	(603,171)
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Total stockholders' equity	1,197,486	1,146,364
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Total liabilities and stockholders' equity	\$ 3,723,332	\$ 3,326,423
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#### HARSCO CORPORATION

##### CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)

(In thousands)	Three Months Ended	
	2007	2006
	March 31	
	2007	2006
-----		
Cash flows from operating activities:		
Net income	\$ 47,653	\$ 34,252
Adjustments to reconcile net income to net cash provided (used) by operating activities:		
Depreciation	65,008	58,415
Amortization	5,270	1,836
Equity in income of unconsolidated entities, net	(128)	(61)
Other, net	(760)	2,336
Changes in assets and liabilities, net of acquisitions and dispositions of businesses:		
Accounts receivable	(43,486)	27,464
Inventories	(30,070)	(27,611)

Accounts payable	(13,942)	(10,250)
Accrued interest payable	5,621	4,710
Accrued compensation	(22,848)	(14,543)
Other assets and liabilities	29,369	(6,708)
-----		
Net cash provided by operating activities	41,687	69,840
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Cash flows from investing activities:		
Purchases of property, plant and equipment	(83,363)	(66,940)
Net source (use) of cash associated with the purchases of businesses	(212,337)	2,264
Proceeds from sale of assets	4,513	1,324
Other investing activities	(392)	-
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Net cash used by investing activities	(291,579)	(63,352)
-----		
Cash flows from financing activities:		
Short-term borrowings, net	248,887	10,352
Current maturities and long-term debt:		
Additions	294,788	59,841
Reductions	(278,527)	(92,484)
Cash dividends paid on common stock	(14,916)	(13,580)
Common stock issued-options	541	6,345
Other financing activities	(1,550)	(2,266)
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Net cash provided (used) by financing activities	249,223	(31,792)
-----		
Effect of exchange rate changes on cash	1,440	3,227
-----		
Net increase (decrease) in cash and cash equivalents	771	(22,077)
Cash and cash equivalents at beginning of period	101,260	120,929
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Cash and cash equivalents at end of period	\$ 102,031	\$ 98,852
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HARSCO CORPORATION  
REVIEW OF OPERATIONS BY SEGMENT (Unaudited)  
(In thousands)

	Three Months Ended March 31, 2007		Three Months Ended March 31, 2006	
	Sales	Operating Income (loss)	Sales	Operating Income (loss)
-----				
Access Services Segment	\$ 316,209	\$ 35,041	\$ 225,794	\$ 16,783
Mill Services Segment	360,771	32,308	326,235	33,580
Minerals & Rail Technologies, Services and Products ("all other") Category	163,046	19,379	130,036	15,438
General Corporate	-	(154)	-	(751)



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Consolidated Totals        \$ 840,026    \$ 86,574    \$ 682,065    \$ 65,050  
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