UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 or 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the Quarterly Period Ended June 30, 2013
or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission File Number 001-03970

HARSCO CORPORATION

(Exact name of registrant as specified in its charter)

Delaware	**23-1483991**
(State or other jurisdiction of incorporation or organization)	(I.R.S. employer identification number)
350 Poplar Church Road, Camp Hill, Pennsylvania	**17011**
(Address of principal executive offices)	(Zip Code)

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

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 ☒ NO o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). YES ☒ NO o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒	Accelerated filer o
Non-accelerated filer o (Do not check if a smaller reporting company)	Smaller reporting company o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). YES o NO ☒

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

Class	Outstanding at August 1, 2013
Common stock, par value $1.25 per share	80,666,620

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PART I — FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

HARSCO CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS (Unaudited)

(In thousands)	June 30, 2013	December 31, 2012
ASSETS		
Current assets:		
Cash and cash equivalents	$ 89,001	$ 95,250
Trade accounts receivable, net	631,955	600,264
Other receivables	41,659	39,836
Inventories	244,836	236,512
Other current assets	96,181	94,581
Total current assets	1,103,632	1,066,443
Property, plant and equipment, net	1,232,874	1,266,225
Goodwill	418,053	429,198
Intangible assets, net	67,271	77,726
Other assets	153,045	136,377
Total assets	$ 2,974,875	$ 2,975,969
LIABILITIES		
Current liabilities:		
Short-term borrowings	$ 10,157	$ 8,560
Current maturities of long-term debt	5,813	3,278
Accounts payable	231,335	221,479
Accrued compensation	75,876	94,398
Income taxes payable	11,526	10,109
Dividends payable	16,536	16,520
Insurance liabilities	20,253	19,434
Advances on contracts	37,924	47,696
Other current liabilities	199,437	216,101
Total current liabilities	608,857	637,575
Long-term debt	1,039,337	957,428
Deferred income taxes	18,931	18,880
Insurance liabilities	59,629	63,248
Retirement plan liabilities	348,515	385,062
Other liabilities	43,862	52,152
Total liabilities	2,119,131	2,114,345
COMMITMENTS AND CONTINGENCIES		
HARSCO CORPORATION STOCKHOLDERS' EQUITY		
Preferred stock	—	—
Common stock	140,222	140,080
Additional paid-in capital	156,959	152,645
Accumulated other comprehensive loss	(425,146)	(411,168)
Retained earnings	1,673,423	1,675,490
Treasury stock	(746,045)	(745,205)
Total Harsco Corporation stockholders' equity	799,413	811,842
Noncontrolling interests	56,331	49,782
Total equity	855,744	861,624
Total liabilities and equity	$ 2,974,875	$ 2,975,969

See accompanying notes to unaudited condensed consolidated financial statements.

HARSCO CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (Unaudited)

	Three Months Ended June 30		Six Months Ended June 30	
(In thousands, except per share amounts)	2013	2012	2013	2012
Revenues from continuing operations:				
Service revenues	**$ 584,908**	$ 598,823	**$ 1,136,063**	$ 1,197,523
Product revenues	**174,828**	171,752	**339,068**	325,387
Total revenues	**759,736**	770,575	**1,475,131**	1,522,910
Costs and expenses from continuing operations:				
Cost of services sold	**460,305**	469,998	**903,701**	953,423
Cost of products sold	**116,849**	114,782	**237,711**	225,024
Selling, general and administrative expenses	**125,623**	125,594	**250,321**	254,797
Research and development expenses	**2,184**	2,686	**4,380**	4,746
Other expenses	**3,928**	22,876	**2,386**	62,968
Total costs and expenses	**708,889**	735,936	**1,398,499**	1,500,958
Operating income from continuing operations	**50,847**	34,639	**76,632**	21,952
Interest income	**830**	882	**1,236**	1,556
Interest expense	**(12,855)**	(11,608)	**(24,598)**	(24,432)
Income (loss) from continuing operations before income taxes and equity income	**38,822**	23,913	**53,270**	(924)
Income tax expense	**(11,508)**	(10,446)	**(16,473)**	(14,944)
Equity in income of unconsolidated entities, net	**595**	128	**581**	297
Income (loss) from continuing operations	**27,909**	13,595	**37,378**	(15,571)
Discontinued operations:				
Loss on disposal of discontinued business	**(863)**	(515)	**(1,505)**	(1,165)
Income tax benefit related to discontinued business	**330**	193	**575**	437
Loss from discontinued operations	**(533)**	(322)	**(930)**	(728)
Net income (loss)	**27,376**	13,273	**36,448**	(16,299)
Less: Net income attributable to noncontrolling interests	**(3,578)**	(562)	**(5,405)**	(359)
Net income (loss) attributable to Harsco Corporation	**$ 23,798**	$ 12,711	**$ 31,043**	$ (16,658)
Amounts attributable to Harsco Corporation common stockholders:				
Income (loss) from continuing operations, net of tax	**$ 24,331**	$ 13,033	**$ 31,973**	$ (15,930)
Loss from discontinued operations, net of tax	**(533)**	(322)	**(930)**	(728)
Net income (loss) attributable to Harsco Corporation common stockholders	**$ 23,798**	$ 12,711	**$ 31,043**	$ (16,658)
Weighted-average shares of common stock outstanding	**80,760**	80,631	**80,733**	80,605
Basic earnings (loss) per common share attributable to Harsco Corporation common stockholders:				
Continuing operations	**$ 0.30**	$ 0.16	**$ 0.40**	$ (0.20)
Discontinued operations	**(0.01)**	—	**(0.01)**	(0.01)
Basic earnings (loss) per share attributable to Harsco Corporation common stockholders	**$ 0.29**	$ 0.16	**$ 0.38** (a)	$ (0.21)
Diluted weighted-average shares of common stock outstanding	**81,004**	80,882	**80,967**	80,605
Diluted earnings (loss) per common share attributable to Harsco Corporation common stockholders:				
Continuing operations	**$ 0.30**	$ 0.16	**$ 0.39**	$ (0.20)
Discontinued operations	**(0.01)**	—	**(0.01)**	(0.01)
Diluted earnings (loss) per share attributable to Harsco Corporation common stockholders	**$ 0.29**	$ 0.16	**$ 0.38**	$ (0.21)
Cash dividends declared per common share	**$ 0.205**	$ 0.205	**$ 0.41**	$ 0.41

(a) Does not total due to rounding

See accompanying notes to unaudited condensed consolidated financial statements.

HARSCO CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS) (Unaudited)

	Three Months Ended June 30	
(In thousands)	**2013**	**2012**
Net income	**$ 27,376**	$ 13,273
Other comprehensive income (loss):		
Foreign currency translation adjustments, net of deferred income taxes	**(34,539)**	(67,119)
Net gain (loss) on cash flow hedging instruments, net of deferred income taxes of $1,206 and $(680) in 2013 and 2012, respectively	**(1,525)**	1,939
Pension liability adjustments, net of deferred income taxes of $(457) and $(2,118) in 2013 and 2012, respectively	**3,220**	14,267
Unrealized loss on marketable securities, net of deferred income taxes of $3 in 2012	**—**	(5)
Total other comprehensive loss	**(32,844)**	(50,918)
Total comprehensive loss	**(5,468)**	(37,645)
Less: Comprehensive loss attributable to noncontrolling interests	**2,946**	316
Comprehensive loss attributable to Harsco Corporation	**$ (2,522)**	$ (37,329)

	Six Months Ended June 30	
(In thousands)	**2013**	**2012**
Net income (loss)	**$ 36,448**	$ (16,299)
Other comprehensive income (loss):		
Foreign currency translation adjustments, net of deferred income taxes	**(46,555)**	(31,079)
Net gain on cash flow hedging instruments, net of deferred income taxes of $769 and $(895) in 2013 and 2012, respectively	**536**	2,701
Pension liability adjustments, net of deferred income taxes of $(4,548) and $(1,325) in 2013 and 2012, respectively	**31,223**	8,849
Unrealized gain on marketable securities, net of deferred income taxes of $(5) and $(1) in 2013 and 2012, respectively	**8**	2
Total other comprehensive loss	**(14,788)**	(19,527)
Total comprehensive income (loss)	**21,660**	(35,826)
Less: Comprehensive loss attributable to noncontrolling interests	**4,595**	12
Comprehensive income (loss) attributable to Harsco Corporation	**$ 26,255**	$ (35,814)

See accompanying notes to unaudited condensed consolidated financial statements.

HARSCO CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)

(In thousands)	Six Months Ended June 30 2013	2012
Cash flows from operating activities:		
Net income (loss)	$ **36,448**	$ (16,299)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation	**121,640**	126,889
Amortization	**8,847**	11,067
Deferred income tax benefit	**(2,528)**	(11,801)
Equity in income of unconsolidated entities, net	**(581)**	(297)
Dividends from unconsolidated entities	**—**	154
Harsco 2011/2012 Restructuring Program non-cash adjustment	**—**	19,558
Other, net	**(2,157)**	(15,984)
Changes in assets and liabilities:		
Accounts receivable	**(47,398)**	(5,564)
Inventories	**(13,363)**	(24,850)
Accounts payable	**9,949**	(7,951)
Accrued interest payable	**566**	31
Accrued compensation	**(14,782)**	(5,719)
Harsco Infrastructure Segment 2010 Restructuring Program accrual	**(295)**	(2,751)
Harsco 2011/2012 Restructuring Program accrual	**(10,950)**	(3,508)
Other assets and liabilities	**(29,027)**	(27,228)
Net cash provided by operating activities	**56,369**	35,747
Cash flows from investing activities:		
Purchases of property, plant and equipment	**(120,191)**	(107,845)
Proceeds from sales of assets	**14,853**	36,573
Other investing activities, net	**(2,400)**	1,348
Net cash used by investing activities	**(107,738)**	(69,924)
Cash flows from financing activities:		
Short-term borrowings, net	**4,188**	(26,366)
Current maturities and long-term debt:		
Additions	**127,395**	219,076
Reductions	**(51,277)**	(124,176)
Cash dividends paid on common stock	**(33,093)**	(33,029)
Dividends paid to noncontrolling interests	**(2,655)**	(2,072)
Contributions from noncontrolling interests	**4,502**	7,985
Purchase of noncontrolling interests	**(166)**	—
Common stock issued - options	**371**	725
Other financing activities, net	**—**	(2,708)
Net cash provided by financing activities	**49,265**	39,435
Effect of exchange rate changes on cash	**(4,145)**	(5,073)
Net increase (decrease) in cash and cash equivalents	**(6,249)**	185
Cash and cash equivalents at beginning of period	**95,250**	121,184
Cash and cash equivalents at end of period	$ **89,001**	$ 121,369

See accompanying notes to unaudited condensed consolidated financial statements.

HARSCO CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF EQUITY (Unaudited)

	Harsco Corporation Stockholders' Equity						
	Common Stock						
(In thousands, except share and per share amounts)	Issued	Treasury	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Noncontrolling Interests	Total
Balances, January 1, 2012	$ 139,914	$ (744,644)	$ 149,066	$ 1,996,234	$ (364,191)	$ 43,539	$ 1,219,918
Net income (loss)				(16,658)		359	(16,299)
Cash dividends declared:							
Common @ $0.41 per share				(33,058)			(33,058)
Noncontrolling interests						(2,068)	(2,068)
Translation adjustments, net of deferred income taxes of $2,357					(30,708)	(371)	(31,079)
Cash flow hedging instrument adjustments, net of deferred income taxes of $(895)					2,701		2,701
Contributions from noncontrolling interests						8,490	8,490
Pension liability adjustments, net of deferred income taxes of $(1,325)					8,849		8,849
Marketable securities unrealized gains, net of deferred income taxes of $(1)					2		2
Stock options exercised, 38,900 shares	49		661				710
Vesting of restricted stock units and other stock grants, net 48,519 shares	92	(561)	584				115
Amortization of unearned portion of stock-based compensation, net of forfeitures			1,308				1,308
Balances, June 30, 2012	$ 140,055	$ (745,205)	$ 151,619	$ 1,946,518	$ (383,347)	$ 49,949	$ 1,159,589

	Harsco Corporation Stockholders' Equity						
	Common Stock						
(In thousands, except share and per share amounts)	Issued	Treasury	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Noncontrolling Interests	Total
Balances, January 1, 2013	$ 140,080	$ (745,205)	$ 152,645	$ 1,675,490	$ (411,168)	$ 49,782	$ 861,624
Net income				31,043		5,405	36,448
Cash dividends declared:							
Common @ $0.41 per share				(33,110)			(33,110)
Noncontrolling interests						(2,655)	(2,655)
Translation adjustments, net of deferred income taxes of $7,555					(45,745)	(810)	(46,555)
Cash flow hedging instrument adjustments, net of deferred income taxes of $769					536		536
Contributions from noncontrolling interests						4,502	4,502
Purchase of subsidiary shares from noncontrolling interest			(292)			107	(185)
Pension liability adjustments, net of deferred income taxes of $(4,548)					31,223		31,223
Marketable securities unrealized gains, net of deferred income taxes of $(5)					8		8
Stock options exercised, net 20,000 shares	25		362				387
Vesting of restricted stock units and other stock grants, net 60,674 shares	117	(840)	2,059				1,336
Amortization of unearned portion of stock-based compensation, net of forfeitures			2,185				2,185
Balances, June 30, 2013	**$ 140,222**	**$ (746,045)**	**$ 156,959**	**$ 1,673,423**	**$ (425,146)**	**$ 56,331**	**$ 855,744**

See accompanying notes to unaudited condensed consolidated financial statements.

HARSCO CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

1. Basis of Presentation

Harsco Corporation (the "Company") has prepared these unaudited condensed consolidated financial statements based on Securities and Exchange Commission rules that permit reduced disclosure for interim periods. In the opinion of management, all adjustments (all of which are of a normal recurring nature) that are necessary for a fair presentation are reflected in the unaudited condensed consolidated financial statements. The December 31, 2012 Condensed Consolidated Balance Sheet information contained in this Quarterly Report on Form 10-Q was derived from the 2012 audited consolidated financial statements, but does not include all disclosures required by accounting principles generally accepted in the United States of America ("U.S. GAAP") for an annual report. The unaudited condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements, including the notes thereto, included in the Company's Annual Report on Form 10-K for the year ended December 31, 2012.

The Company's management has evaluated all activity of the Company and concluded that subsequent events are properly reflected in the Company's unaudited condensed consolidated financial statements and notes as required by U.S. GAAP.

Operating results and cash flows for the three and six months ended June 30, 2013 are not indicative of the results that may be expected for the year ending December 31, 2013.

During the second quarter of 2013, the Company recorded non-cash out-of-period adjustments that had the net effect of increasing after-tax income by $3.0 million, or $0.04 per diluted share, for the second quarter of 2013, and by $2.6 million million, or $0.03 per diluted share, for the first half of 2013. The adjustments are primarily the result of correcting claims paid information for certain international accrued insurance reserves during the regular, periodic evaluation of these insurance reserves undertaken during the quarter. The Company assessed the individual and aggregate impact of these adjustments on the current year and all prior periods and determined that the cumulative effect of the adjustments was not material to the expected full-year 2013 results and did not result in a material misstatement to any previously issued annual or quarterly financial statements. Consequently, the Company recorded the $3.0 million net adjustment in the second quarter of 2013 and has not revised any previously issued annual financial statements or interim financial data.

2. Recently Adopted and Recently Issued Accounting Standards

The following accounting standards have been adopted in 2013:

On January 1, 2013, the Company adopted Financial Accounting Standards Board ("FASB") issued changes related to offsetting assets and liabilities. The changes require additional disclosure regarding the offsetting of assets and liabilities to enable users of financial statements to understand the effect on financial position. The adoption of these changes did not have a material impact on the Company's consolidated financial statements. The disclosures required by these changes are included in Note 10, "Derivative Instruments, Hedging Activities and Fair Value."

On January 1, 2013, the Company adopted FASB issued changes related to the presentation of reclassification adjustments out of accumulated other comprehensive income. These changes require additional disclosure related to changes in accumulated other comprehensive income by component and significant items reclassified out of accumulated other comprehensive income. Other than the additional disclosure requirements, the adoption of these changes did not have a material impact on the Company's consolidated financial statements. The disclosures required by these changes are included in Note 13, "Components of Accumulated Other Comprehensive Loss."

The following accounting standards have been issued and become effective for the Company at a future date:

In March 2013, the FASB issued changes related to a parent's accounting for the cumulative translation adjustment upon derecognition of certain subsidiaries or groups of assets within a foreign entity or of an investment in a foreign entity. The changes resolve diversity in practice related to these matters. The changes become effective for the Company on January 1, 2014. Management has determined that these changes will not have a material impact on the Company's consolidated financial statements.

In July 2013, the FASB issued changes related to financial statement presentation of an unrecognized tax benefit when a net operating loss carryforward, a similar tax loss, or a tax credit carryforward exists that could be used to offset the liability for an uncertain tax position. The changes resolve diversity in practice related to these matters. The changes become effective for the Company on January 1, 2014. Management has determined that these changes will not have a material impact on the Company's consolidated financial statements.

3. Accounts Receivable and Inventories

Accounts receivable consist of the following:

(In thousands)	June 30 2013	December 31 2012
Trade accounts receivable	**$ 652,013**	$ 617,517
Less: Allowance for doubtful accounts	**(20,058)**	(17,253)
Trade accounts receivable, net	**$ 631,955**	$ 600,264
Other receivables (a)	**$ 41,659**	$ 39,836

(a) Other receivables include insurance claim receivables, employee receivables, tax claim receivables and other miscellaneous receivables not included in Trade accounts receivable, net.

The provision for doubtful accounts related to trade accounts receivable was as follows:

	Three Months Ended June 30		Six Months Ended June 30	
(In thousands)	2013	2012	2013	2012
Provision for doubtful accounts related to trade accounts receivable	**$ 2,621**	$ 3,936	**$ 4,838**	$ 6,863

Inventories consist of the following:

(In thousands)	June 30 2013	December 31 2012
Finished goods	**$ 79,282**	$ 69,904
Work-in-process	**36,834**	28,944
Raw materials and purchased parts	**91,276**	99,058
Stores and supplies	**37,444**	38,606
Inventories	**$ 244,836**	$ 236,512

4. Property, Plant and Equipment

Property, plant and equipment consists of the following:

(In thousands)	June 30 2013	December 31 2012
Land	**$ 25,108**	$ 26,336
Land improvements	**14,569**	14,199
Buildings and improvements	**195,484**	190,078
Machinery and equipment	**2,894,851**	2,950,384
Uncompleted construction	**113,629**	107,633
Gross property, plant and equipment	**3,243,641**	3,288,630
Less: Accumulated depreciation	**(2,010,767)**	(2,022,405)
Property, plant and equipment, net	**$ 1,232,874**	$ 1,266,225

5. Goodwill and Other Intangible Assets

The following table reflects the changes in carrying amounts of goodwill by segment (there is no goodwill associated with the Harsco Infrastructure or Harsco Industrial Segments) for the six months ended June 30, 2013:

(In thousands)	Harsco Metals & Minerals Segment	Harsco Rail Segment	Consolidated Totals
Balance at December 31, 2012	$ 419,888	$ 9,310	$ 429,198
Foreign currency translation	(11,145)	—	(11,145)
Balance at June 30, 2013	**$ 408,743**	**$ 9,310**	**$ 418,053**

The Company tests for goodwill impairment annually or more frequently if indicators of impairment exist or if a decision is made to dispose of a business. The Company performs its annual goodwill impairment test as of October 1 and monitors for triggering events on an ongoing basis. The Company determined that as of June 30, 2013, no interim goodwill impairment testing was necessary. There can be no assurance that the Company's annual goodwill impairment testing will not result in a charge to earnings. Any impairment could result in the write-down of the carrying value of goodwill to its implied fair value.

Intangible assets consist of the following:

	June 30, 2013		December 31, 2012	
(In thousands)	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Customer related	**$ 178,395**	**$ 131,259**	$ 183,862	$ 129,904
Non-compete agreements	**1,328**	**1,299**	1,347	1,310
Patents	**6,782**	**5,551**	6,909	5,503
Technology related	**29,182**	**18,796**	29,588	17,551
Trade names	**18,072**	**12,841**	18,685	11,688
Other	**9,499**	**6,241**	9,947	6,656
Total	**$ 243,258**	**$ 175,987**	$ 250,338	$ 172,612

Amortization expense for intangible assets was as follows:

	Three Months Ended June 30		Six Months Ended June 30	
(In thousands)	2013	2012	2013	2012
Amortization expense for intangible assets	**$ 3,904**	$ 4,099	**$ 7,852**	$ 9,407

The estimated amortization expense for the next five fiscal years based on current intangible assets is as follows:

(In thousands)	2013	2014	2015	2016	2017
Estimated amortization expense (a)	$ 16,500	$ 14,250	$ 9,750	$ 8,000	$ 4,250

(a) These estimated amortization expense amounts do not reflect the potential effect of future foreign currency exchange fluctuations.

6. Employee Benefit Plans

	Three Months Ended June 30			
Defined Benefit Net Periodic Pension Cost	U. S. Plans		International Plans	
(In thousands)	2013	2012	2013	2012
Defined benefit plans:				
Service cost	**$ 642**	$ 471	**$ 900**	$ 862
Interest cost	**2,944**	3,203	**10,762**	11,062
Expected return on plan assets	**(3,913)**	(3,899)	**(11,800)**	(10,690)
Recognized prior service costs	**35**	47	**94**	96
Recognized loss	**1,264**	1,155	**4,149**	3,747
Settlement/curtailment gains	**—**	—	**(289)**	(366)
Defined benefit plans net periodic pension cost	**$ 972**	$ 977	**$ 3,816**	$ 4,711

Defined Benefit Net Periodic Pension Cost (In thousands)	Six Months Ended June 30			
	U. S. Plans		International Plans	
	2013	2012	2013	2012
Defined benefit plans:				
Service cost	**$ 1,283**	$ 943	**$ 1,808**	$ 1,926
Interest cost	**5,884**	6,411	**21,545**	22,441
Expected return on plan assets	**(7,822)**	(7,806)	**(23,619)**	(21,735)
Recognized prior service costs	**72**	95	**184**	194
Recognized loss	**2,526**	2,313	**8,300**	7,479
Amortization of transition liability	**—**	—	**—**	8
Settlement/curtailment gains	**—**	—	**(289)**	(2,061)
Defined benefit plans net periodic pension cost	**$ 1,943**	$ 1,956	**$ 7,929**	$ 8,252

Company Contributions (In thousands)	Three Months Ended June 30		Six Months Ended June 30	
	2013	2012	2013	2012
Defined benefit pension plans:				
United States	**$ 565**	$ 2,049	**$ 1,048**	$ 2,638
International	**3,320**	3,559	**20,956**	22,171
Multiemployer pension plans	**5,699**	4,479	**8,515**	7,774
Defined contribution pension plans	**4,070**	3,485	**8,821**	8,434

The Company currently anticipates contributing an additional $1.7 million and $10.2 million for the U.S. and international defined benefit pension plans, respectively, during the remainder of 2013.

7. Income Taxes

Income tax expense from continuing operations increased primarily due to higher income from continuing operations being generated in taxable jurisdictions for the three and six months ended June 30, 2013 compared with the three and six months ended June 30, 2012. This increase was partially offset by the expiration of statutes of limitations for uncertain tax positions in certain foreign jurisdictions, amended return filings, and retroactive law changes in certain jurisdictions. The effective income tax rate related to continuing operations for the three and six months ended June 30, 2013 was 29.6% and 30.9%, respectively. The effective income tax rate related to continuing operations for the three and six months ended June 30, 2012 was 43.7% and (1,617.4)%, respectively. The effective income tax rate changed between 2012 and 2013 primarily due to decreased losses being generated in jurisdictions where no tax benefit can be recognized.

An income tax benefit from an uncertain tax position may be recognized when it is more-likely-than-not that the position will be sustained upon examination, based on technical merits, including resolutions of any related appeals or litigation processes. The unrecognized income tax benefit at June 30, 2013 was $27.5 million, including interest and penalties. Within the next twelve months, it is reasonably possible that up to $3.8 million of unrecognized income tax benefits will be recognized upon settlement of tax examinations and the expiration of various statutes of limitations.

The Company was contacted by the U.S. Internal Revenue Service to audit the Company's 2010 income tax return. The Internal Revenue Service commenced its audit during the second quarter of 2013.

8. Commitments and Contingencies

Environmental

The Company is involved in a number of environmental remediation investigations and cleanups 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. The Condensed Consolidated Balance Sheets as of June 30, 2013 and December 31, 2012 include accruals in Other current liabilities of $1.4 million and $1.9 million, respectively, for environmental matters. The amounts charged against pre-tax income related to environmental matters totaled $0.3 million and $0.6 million for the three and six months ended June 30, 2013, respectively. The amounts charged against pre-tax income related to environmental matters totaled $0.3 million and $0.5 million for the three and six months ended June 30, 2012, respectively.

The Company evaluates its liability for future environmental remediation costs on a quarterly basis. Although actual costs to be incurred at identified sites in future periods may vary from the estimates (given inherent uncertainties in evaluating environmental exposures), the Company does not expect that any costs that are reasonably possible to be incurred by the Company in connection with environmental matters in excess of the amounts accrued would have a material adverse effect on the Company's financial condition, results of operations or cash flows.

Brazilian Tax Disputes

The Company is involved in a number of tax disputes with federal, state and municipal tax authorities in Brazil. These disputes are at various stages of the legal process, including the administrative review phase and the collection action phase, and include assessments of fixed amounts of principal and penalties, plus interest charges that increase at statutorily determined amounts per month and are assessed on the aggregate amount of the principal and penalties. In addition, the losing party at the collection action or court of appeals phase could be subject to a charge to cover statutorily mandated legal fees, which are generally calculated as a percentage of the total assessed amounts due, inclusive of penalty and interest. A large number of the claims relate to value-added ("ICMS") services and social security ("INSS") tax disputes. The largest proportion of the assessed amounts relate to ICMS claims filed by the State Revenue Authorities from the State of São Paulo, Brazil (the "SPRA"), encompassing the period from January 2002 to May 2005.

In October 2009, the Company received notification of the SPRA's final administrative decision regarding the levying of ICMS in the State of São Paulo in relation to services provided to a customer in the State between January 2004 and May 2005. As of June 30, 2013, the principal amount of the tax assessment from the SPRA with regard to this case was approximately $3 million, with penalty, interest and fees assessed to date increasing such amount by an additional $28 million. Any change in the aggregate amount since the Company's Annual Report on Form 10-K for the year ended December 31, 2012 reflects an increase in assessed interest and statutorily mandated legal fees for the period and includes the effect of foreign currency translation.

Another ICMS tax case involving the SPRA refers to the tax period from January 2002 to December 2003, and is still pending at the administrative phase, where the aggregate amount assessed by the tax authorities in August 2005 was $12 million (the amounts with regard to this claim are valued as of the date of the assessment since it has not yet reached the collection phase), composed of a principal amount of approximately $3 million, with penalty and interest assessed through that date increasing such amount by an additional $9 million. All such amounts include the effect of foreign currency translation.

The Company continues to believe it is not probable that it will incur a loss for these assessments by the SPRA. The Company also continues to believe that sufficient coverage for these claims exists as a result of the Company's customer's indemnification obligations and such customer's pledge of assets in connection with the October 2009 notice, as required by Brazilian procedure.

The Company intends to continue its practice of vigorously defending itself against these tax claims under various alternatives, including judicial appeal. The Company will continue to evaluate its potential liability with regard to these claims on a quarterly basis; however, it is not possible to predict the ultimate outcome of these tax-related disputes in Brazil. No loss provision has been recorded in the Company's consolidated financial statements because the loss contingency is not deemed probable, and the Company does not expect that any costs that are reasonably possible to be incurred by the Company in connection with Brazilian tax disputes would have a material adverse effect on the Company's financial condition, results of operations or cash flows.

Customer Disputes
The Company, through its Harsco Metals & Minerals Segment, provides services to various subsidiaries and affiliates of ArcelorMittal (collectively, "ArcelorMittal") on a number of sites worldwide through long-term service contracts. Currently, ArcelorMittal and the Company are involved in several commercial disputes, a few of which have resulted in legal action. Both the Company and ArcelorMittal are working to resolve these matters. Although results of operations and cash flows for a given period could be adversely affected by a negative outcome in these or other lawsuits, claims and proceedings, management believes that the ultimate outcome of these matters will not have a material adverse effect on the Company's financial condition, results of operations or cash flows.

Other
In the United States, the Company has been named as one of many defendants (approximately 90 or more in most cases) in legal actions alleging personal injury from exposure to airborne asbestos over the past several decades. In their suits, the plaintiffs have named as defendants, among others, many manufacturers, distributors and installers of numerous types of equipment or products that allegedly contained asbestos.

The Company believes that the claims against it are without merit. The Company has never been a producer, manufacturer or processor of asbestos fibers. Any component within a Company product that may have contained asbestos would have been purchased from a supplier. Based on scientific and medical evidence, the Company believes that any asbestos exposure arising from normal use of any Company product never presented any harmful levels of airborne asbestos exposure, and, moreover, the type of asbestos contained in any component that was used in those products was protectively encapsulated in other materials and is not associated with the types of injuries alleged in the pending suits. Finally, in most of the depositions taken of plaintiffs to date in the litigation against the Company, plaintiffs have failed to specifically identify any Company products as the source of their asbestos exposure.

The majority of the asbestos complaints pending against the Company have been filed in New York. Almost all of the New York complaints contain a standard claim for damages of $20 million or $25 million against the approximately 90 defendants, regardless of the individual plaintiff's alleged medical condition, and without specifically identifying any Company product as the source of plaintiff's asbestos exposure.

As of June 30, 2013, there are 17,812 pending asbestos personal injury claims filed against the Company. Of these cases, 17,366 are pending in the New York Supreme Court for New York County in New York State. The other claims, totaling 446, are filed in various counties in a number of state courts, and in certain Federal District Courts (including New York), and those complaints generally assert lesser amounts of damages than the New York State court cases or do not state any amount claimed.

As of June 30, 2013, the Company has obtained dismissal by stipulation, or summary judgment prior to trial, in 27,003 cases.

In view of the persistence of asbestos litigation nationwide, the Company expects to continue to receive additional claims. However, there have been developments during the past several years, both by certain state legislatures and by certain state courts, which could favorably affect the Company's ability to defend these asbestos claims in those jurisdictions. These developments include procedural changes, docketing changes, proof of damage requirements and other changes that require plaintiffs to follow specific procedures in bringing their claims and to show proof of damages before they can proceed with their claim. An example is the action taken by the New York Supreme Court (a trial court), which is responsible for managing all asbestos cases pending within New York County in the State of New York. This Court issued an order in December 2002 that created a Deferred or Inactive Docket for all pending and future asbestos claims filed by plaintiffs who cannot demonstrate that they have a malignant condition or discernible physical impairment, and an Active or In Extremis Docket for plaintiffs who are able to show such medical condition. As a result of this order, the majority of the asbestos cases filed against the Company in New York County have been moved to the Inactive Docket until such time as the plaintiffs can show that they have incurred a physical impairment. As of June 30, 2013, the Company has been listed as a defendant in 326 Active or In Extremis asbestos cases in New York County. The Court's Order has been challenged by some plaintiffs.

Except with regard to the legal costs in a few limited, exceptional cases, the Company's insurance carrier has paid all legal and settlement costs and expenses to date related to the Company's U.S. asbestos cases. The Company has liability insurance coverage under various primary and excess policies that the Company believes will be available, if necessary, to substantially cover any liability that might ultimately be incurred on these claims.

The Company intends to continue its practice of vigorously defending these claims and cases. It is not possible to predict the ultimate outcome of asbestos-related lawsuits, claims and proceedings due to the unpredictable nature of personal injury litigation, and no loss provision has been recorded in the Company's consolidated financial statements because a loss contingency is not deemed probable or estimable. Despite this uncertainty, and although results of operations and cash flows for a given period could be adversely affected by asbestos-related lawsuits, claims and proceedings, the Company does not expect that any costs that are reasonably possible to be incurred by the Company in connection with asbestos litigation would have a material adverse effect on the Company's financial condition, results of operations or cash flows.

The Company is subject to various other claims and legal proceedings 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 established reserves, and, if not so covered, are without merit or are of such kind, or involve such amounts, as would not have a material adverse effect on the financial position, results of operations or cash flows of the Company.

Insurance liabilities are recorded when it is probable that a liability has been incurred for a particular event and the amount of loss associated with the event can be reasonably estimated. Insurance reserves have been estimated based primarily upon actuarial calculations and reflect the undiscounted estimated liabilities for ultimate losses, including claims incurred but not reported. Inherent in these estimates are assumptions that are based on the Company's history of claims and losses, a detailed analysis of existing claims with respect to potential value, and current legal and legislative trends. If actual claims differ from those projected by management, changes (either increases or decreases) to insurance reserves may be required and would be recorded through income in the period the change was determined. When a recognized liability is covered by third-party insurance, the Company records an insurance claim receivable to reflect the covered liability. Insurance claim receivables are included in Other receivables on the Company's Condensed Consolidated Balance Sheets. See Note 1, "Summary of Significant Accounting Policies," to the consolidated financial statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2012 for additional information on Accrued Insurance and Loss Reserves.

9. Reconciliation of Basic and Diluted Shares

	Three Months Ended June 30		Six Months Ended June 30	
(In thousands, except per share amounts)	**2013**	**2012**	**2013**	**2012**
Income (loss) from continuing operations attributable to Harsco Corporation common stockholders	**$ 24,331**	$ 13,033	**$ 31,973**	$ (15,930)
Weighted-average shares outstanding - basic	**80,760**	80,631	**80,733**	80,605
Dilutive effect of stock-based compensation	**244**	251	**234**	—
Weighted-average shares outstanding - diluted	**81,004**	80,882	**80,967**	80,605
Earnings (loss) from continuing operations per common share, attributable to Harsco Corporation common stockholders:				
Basic	**$ 0.30**	$ 0.16	**$ 0.40**	$ (0.20)
Diluted	**$ 0.30**	$ 0.16	**$ 0.39**	$ (0.20)

The following average outstanding stock-based compensation units were not included in the three and six months ended computation of diluted earnings per share because the effect was antidilutive:

	Three Months Ended June 30		Six Months Ended June 30	
(In thousands)	**2013**	**2012**	**2013**	**2012**
Restricted stock units	**—**	—	**—**	101
Stock options	**304**	372	**304**	428
Stock appreciation rights	**190**	318	**95**	300
Other	**—**	—	**—**	178

10. Derivative Instruments, Hedging Activities and Fair Value

Derivative Instruments and Hedging Activities

The Company uses derivative instruments, including foreign currency forward exchange contracts, cross currency interest rate swaps and, at times, commodity contracts, to manage certain foreign currency, interest rate and commodity price exposures. Derivative instruments are viewed as risk management tools by the Company and are not used for trading or speculative purposes.

All derivative instruments are recorded on the Condensed Consolidated Balance Sheets at fair value. Changes in the fair value of derivatives used to hedge foreign currency denominated balance sheet items are reported directly in earnings along with offsetting transaction gains and losses on the items being hedged. Derivatives used to hedge forecasted cash flows associated with foreign currency commitments or forecasted commodity purchases may be accounted for as cash flow hedges, as deemed appropriate and if the criteria for hedge accounting are met. Gains and losses on derivatives designated as cash flow hedges are deferred as a separate component of equity and reclassified to earnings in a manner that matches the timing of the earnings impact of the hedged transactions. Generally, at June 30, 2013, these deferred gains and losses are reclassified to earnings over 10 to 15 years from the balance sheet date. The ineffective portion of all hedges, if any, is recognized currently in earnings.

The fair values of outstanding derivative contracts recorded as assets and liabilities on the Condensed Consolidated Balance Sheets at June 30, 2013 and December 31, 2012 were as follows:

	Asset Derivatives		Liability Derivatives	
(In thousands)	**Balance Sheet Location**	**Fair Value**	**Balance Sheet Location**	**Fair Value**
June 30, 2013				
Derivatives designated as hedging instruments:				
Cross currency interest rate swaps	Other current assets	**$ 266**	Other current liabilities	**$ —**
Cross currency interest rate swaps	Other assets	**41,730**	Other liabilities	**—**
Total derivatives designated as hedging instruments		**$ 41,996**		**$ —**
Derivatives not designated as hedging instruments:				
Foreign currency forward exchange contracts	Other current assets	**$ 2,081**	Other current liabilities	**$ 2,085**

	Asset Derivatives		Liability Derivatives	
(In thousands)	**Balance Sheet Location**	**Fair Value**	**Balance Sheet Location**	**Fair Value**
December 31, 2012				
Derivatives designated as hedging instruments:				
Cross currency interest rate swaps	Other assets	$ 39,058	Other liabilities	$ 14,346
Derivatives not designated as hedging instruments:				
Foreign currency forward exchange contracts	Other current assets	$ 853	Other current liabilities	$ 1,775

All of the Company's derivatives are recorded in the Condensed Consolidated Balance Sheets at gross amounts and not offset. All of the Company's cross currency interest rate swaps and certain foreign currency forward exchange contracts are transacted under International Swaps and Derivatives Association ("ISDA") documentation. Each ISDA master agreement permits the net settlement of amounts owed in the event of default. The Company's derivative assets and liabilities subject to enforceable master netting arrangements result in a $0.9 million net asset at June 30, 2013 and $0.1 million net liability at December 31, 2012.

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The effect of derivative instruments on the Condensed Consolidated Statements of Operations and the Condensed Consolidated Statements of Comprehensive Income for the three and six months ended June 30, 2013 and 2012 was as follows:

Derivatives Designated as Hedging Instruments

(In thousands)	Amount of Gain (Loss) Recognized in Other Comprehensive Income ("OCI") on Derivative - Effective Portion	Location of Gain (Loss) Reclassified from Accumulated OCI into Income - Effective Portion	Amount of Gain (Loss) Reclassified from Accumulated OCI into Income - Effective Portion	Location of Gain (Loss) Recognized in Income on Derivative - Ineffective Portion and Amount Excluded from Effectiveness Testing	Amount of Gain (Loss) Recognized in Income on Derivative - Ineffective Portion and Amount Excluded from Effectiveness Testing
Three Months Ended June 30, 2013:					
Cross currency interest rate swaps	**$ (2,731)**		**$ —**	Cost of services and products sold	**$ (3,583)** (a)
Three Months Ended June 30, 2012:					
Foreign currency forward exchange contracts	$ 179	Cost of services and products sold	$ 222		$ —
Cross currency interest rate swaps	2,440		—	Cost of services and products sold	19,992 (a)
	$ 2,619		$ 222		$ 19,992

(a) These gains (losses) offset foreign currency fluctuation effects on the debt principal.

(In thousands)	Amount of Gain (Loss)Recognized in Other Comprehensive Income ("OCI") on Derivative - Effective Portion	Location of Gain (Loss) Reclassified from Accumulated OCI into Income - Effective Portion	Amount of Gain (Loss) Reclassified from Accumulated OCI into Income - Effective Portion	Location of Gain (Loss) Recognized in Income on Derivative - Ineffective Portion and Amount Excluded from Effectiveness Testing	Amount of Gain (Loss) Recognized in Income on Derivative - Ineffective Portion and Amount Excluded from Effectiveness Testing
Six Months Ended June 30, 2013:					
Cross currency interest rate swaps	**$ (233)**		**$ —**	Cost of services and products sold	**$ 16,870** (a)
Six Months Ended June 30, 2012:					
Foreign currency forward exchange contracts	$ (183)		$ 256		$ —
Cross currency interest rate swaps	3,779		—	Cost of services and products sold	8,745 (a)
	$ 3,596		$ 256		$ 8,745

(a) These gains (losses) offset foreign currency fluctuation effects on the debt principal.

Derivatives Not Designated as Hedging Instruments

(In thousands)	Location of Gain (Loss) Recognized in Income on Derivative	Amount of Gain (Loss) Recognized in Income on Derivative for the Three Months Ended June 30 (a)	
		2013	2012
Foreign currency forward exchange contracts	Cost of services and products sold	**$ (4,108)**	$ 7,199

(a) These gains (losses) offset amounts recognized in cost of services and products sold principally as a result of intercompany or third party foreign currency exposures.

(In thousands)	Location of Gain (Loss) Recognized in Income on Derivative	Amount of Gain (Loss) Recognized in Income on Derivative for the Six Months Ended June 30 (a)	
		2013	2012
Foreign currency forward exchange contracts	Cost of services and products sold	**$ (2,049)**	$ 2,505

(a) These gains (losses) offset amounts recognized in cost of services and products sold principally as a result of intercompany or third party foreign currency exposures.

Foreign Currency Forward Exchange Contracts

The Company conducts business in multiple currencies and, accordingly, is subject to the inherent risks associated with foreign exchange rate movements. The financial position and results of operations of substantially all of the Company's foreign subsidiaries are measured using the local currency as the functional currency. Foreign currency-denominated assets and liabilities are translated into U.S. dollars at the exchange rates existing at the respective balance sheet dates. Income and expense items are translated at the average exchange rates during the respective periods. The aggregate effects of translating the balance sheets of these subsidiaries are deferred and recorded in Accumulated other comprehensive loss, which is a separate component of equity.

The Company uses derivative instruments to hedge cash flows related to foreign currency fluctuations. Foreign currency forward exchange contracts outstanding are part of a worldwide program to minimize foreign currency exchange operating income and balance sheet exposure by offsetting foreign currency exposures of certain future payments between the Company and its various subsidiaries, suppliers or customers. These unsecured contracts are with major financial institutions. The Company may be exposed to credit loss in the event of non-performance by the contract counterparties. The Company evaluates the creditworthiness of the counterparties and does not expect default by them. Foreign currency forward exchange contracts are used to hedge commitments, such as foreign currency debt, firm purchase commitments and foreign currency cash flows for certain export sales transactions.

The following tables summarize, by major currency, the contractual amounts of the Company's foreign currency forward exchange contracts in U.S. dollars at June 30, 2013 and December 31, 2012. The "Buy" amounts represent the U.S. dollar equivalent of commitments to purchase foreign currencies, and the "Sell" amounts represent the U.S. dollar equivalent of commitments to sell foreign currencies. The recognized gains and losses offset amounts recognized in cost of services and products sold principally as a result of intercompany or third party foreign currency exposures.

Contracted Amounts of Foreign Currency Forward Exchange Contracts Outstanding at June 30, 2013:

(In thousands)	Type	U.S. Dollar Equivalent	Maturity	Recognized Gain (Loss)
British pounds sterling	Sell	**$ 27,011**	July 2013	**$ 528**
British pounds sterling	Buy	**5,913**	July 2013	**110**
Euros	Sell	**183,553**	July 2013 through September 2013	**(356)**
Euros	Buy	**143,229**	July 2013 through September 2013	**(320)**
Other currencies	Sell	**3,383**	July 2013	**128**
Other currencies	Buy	**10,260**	July 2013	**(95)**
Total		**$ 373,349**		**$ (5)**

Contracted Amounts of Foreign Currency Forward Exchange Contracts Outstanding at December 31, 2012:

(In thousands)	Type	U.S. Dollar Equivalent	Maturity	Recognized Gain (Loss)
British pounds sterling	Sell	$ —		$ —
British pounds sterling	Buy	6,141	January 2013 through February 2013	58
Euros	Sell	264,234	January 2013 through March 2013	(1,082)
Euros	Buy	116,618	January 2013 through February 2013	187
Other currencies	Sell	2,811	January 2013 through March 2013	(15)
Other currencies	Buy	44,291	January 2013	(71)
Total		$ 434,095		$ (923)

In addition to foreign currency forward exchange contracts, the Company designates certain loans as hedges of net investments in international subsidiaries. The Company recorded pre-tax net losses of $4.9 million and $3.2 million during the three and six months ended June 30, 2013, respectively, and pre-tax net gains of $2.5 million and $6.9 million during the three and six months ended June 30, 2012, respectively, into Accumulated other comprehensive loss.

Cross Currency Interest Rate Swaps
The Company uses cross currency interest rate swaps in conjunction with certain debt issuances in order to secure a fixed local currency interest rate. Under these cross currency interest rate swaps, the Company receives interest based on a fixed or floating U.S. dollar rate and pays interest on a fixed local currency rate based on the contractual amounts in dollars and the local currency, respectively. The cross currency interest rate swaps are recorded on the Condensed Consolidated Balance Sheets at fair value, with changes in value attributed to the effect of the swaps' interest spread recorded in Accumulated other comprehensive loss. Changes in value attributed to the effect of foreign currency fluctuations are recorded in the statements of operations and offset currency fluctuation effects on the debt principal. The following table indicates the contractual amounts of the Company's cross currency interest rate swaps at June 30, 2013:

		Interest Rates	
(In millions)	**Contractual Amount**	**Receive**	**Pay**
Maturing 2018	$ 250.0	Fixed U.S. dollar rate	Fixed euro rate
Maturing 2020	220.0	Fixed U.S. dollar rate	Fixed British pound sterling rate
Maturing 2013 through 2017	10.2	Floating U.S. dollar rate	Fixed rupee rate

Fair Value of Derivative Assets and Liabilities and Other Financial Instruments
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). The Company utilizes market data or assumptions that the Company believes market participants would use in valuing the asset or liability, including assumptions about risk and the risks inherent in the inputs to the valuation technique.

The fair value hierarchy distinguishes between (1) market participant assumptions developed based on market data obtained from independent sources (observable inputs), and (2) an entity's own assumptions about market participant assumptions based on the best information available in the circumstances (unobservable inputs). The fair value hierarchy consists of three broad levels, which give the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described below:

- Level 1—Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.
- Level 2—Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, including quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; inputs other than quoted prices that are observable for the asset or liability (e.g., interest rates); and inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- Level 3—Inputs that are both significant to the fair value measurement and unobservable.

In instances in which multiple levels of inputs are used to measure fair value, hierarchy classification is based on the lowest level input that is significant to the fair value measurement in its entirety. The Company's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the asset or liability.

The following table indicates the fair value hierarchy of the financial instruments of the Company at June 30, 2013 and December 31, 2012:

Level 2 Fair Value Measurements

(In thousands)	**June 30 2013**	**December 31 2012**
Assets		
Foreign currency forward exchange contracts	**$ 2,081**	$ 853
Cross currency interest rate swaps	**41,996**	39,058
Liabilities		
Foreign currency forward exchange contracts	**2,085**	1,775
Cross currency interest rate swaps	**—**	14,346

The Company primarily applies the market approach for recurring fair value measurements and endeavors to utilize the best available information. Accordingly, the Company utilizes valuation techniques that maximize the use of observable inputs, such as forward rates, interest rates, the Company's credit risk and counterparties' credit risks, and which minimize the use of unobservable inputs. The Company is able to classify fair value balances based on the ability to observe those inputs. Commodity derivatives, foreign currency forward exchange contracts and cross currency interest rate swaps are classified as Level 2 fair value based upon pricing models using market-based inputs. Model inputs can be verified, and valuation techniques do not involve significant management judgment.

The carrying amounts of cash and cash equivalents, accounts receivable, accounts payable, accrued liabilities and short-term borrowings approximate fair value due to the short-term maturities of these assets and liabilities. At June 30, 2013 and December 31, 2012, the total fair value of long-term debt, including current maturities, was $1.1 billion and $1.0 billion, respectively, compared with a carrying value of $1.0 billion at both June 30, 2013 and December 31, 2012. Fair values for debt are based on quoted market prices (Level 1) for the same or similar issues, or on the current rates offered to the Company for debt of the same remaining maturities.

11. Review of Operations by Segment

	Three Months Ended June 30		Six Months Ended June 30	
(In thousands)	**2013**	**2012**	**2013**	**2012**
Revenues From Continuing Operations				
Harsco Metals & Minerals	**$ 336,146**	$ 364,923	**$ 673,470**	$ 724,874
Harsco Infrastructure	**251,172**	234,570	**467,231**	472,542
Harsco Rail	**78,646**	79,627	**150,212**	147,675
Harsco Industrial	**93,772**	91,455	**184,218**	177,819
Total revenues from continuing operations	**$ 759,736**	$ 770,575	**$ 1,475,131**	$ 1,522,910
Operating Income (Loss) From Continuing Operations				
Harsco Metals & Minerals	**$ 24,064**	$ 31,001	**$ 43,821**	$ 53,312
Harsco Infrastructure	**(2,228)**	(24,349)	**(14,244)**	(77,891)
Harsco Rail	**16,149**	12,035	**19,491**	21,366
Harsco Industrial	**16,115**	16,955	**32,251**	30,953
Corporate	**(3,253)**	(1,003)	**(4,687)**	(5,788)
Total operating income from continuing operations	**$ 50,847**	$ 34,639	**$ 76,632**	$ 21,952

Reconciliation of Segment Operating Income to Income (Loss) From Continuing Operations Before Income Taxes and Equity Income

	Three Months Ended June 30		Six Months Ended June 30	
(In thousands)	**2013**	**2012**	**2013**	**2012**
Segment operating income	**$ 54,100**	$ 35,642	**$ 81,319**	$ 27,740
General Corporate expense	**(3,253)**	(1,003)	**(4,687)**	(5,788)
Operating income from continuing operations	**50,847**	34,639	**76,632**	21,952
Interest income	**830**	882	**1,236**	1,556
Interest expense	**(12,855)**	(11,608)	**(24,598)**	(24,432)
Income (loss) from continuing operations before income taxes and equity income	**$ 38,822**	$ 23,913	**$ 53,270**	$ (924)

12. Other Expenses

This Condensed Consolidated Statements of Operations classification includes restructuring costs for employee termination benefit costs, product rationalization, and costs to exit activities; former CEO separation costs; net gains on the disposal of non-core assets; and currency translation adjustments recognized in earnings.

	Three Months Ended June 30		Six Months Ended June 30	
(In thousands)	**2013**	**2012**	**2013**	**2012**
Restructuring Program costs (see Note 14)	**$ —**	$ 29,660	**$ —**	$ 65,109
Former CEO separation costs	**—**	—	**—**	4,125
Net gains	**(877)**	(821)	**(4,569)**	(1,222)
Currency translation adjustments recognized in earnings	**—**	(6,754)	**—**	(6,754)
Other (a)	**4,805**	791	**6,955**	1,710
Other expenses	**$ 3,928**	$ 22,876	**$ 2,386**	$ 62,968

(a) Other includes employee termination benefit costs, impaired asset write-downs, and costs to exit activities that are not directly related to the restructuring programs detailed in Note 14, "Restructuring Programs."

13. Components of Accumulated Other Comprehensive Loss

Accumulated other comprehensive loss is included on the Consolidated Statements of Stockholders' Equity. The components of Accumulated other comprehensive loss, net of the effect of income taxes, and activity for the six months ended June 30, 2013 are as follows:

	Components of Accumulated Other Comprehensive Income (Loss) - Net of Tax				
(In thousands)	**Cumulative Foreign Exchange Translation Adjustments**	**Effective Portion of Derivatives Designated as Hedging Instruments**	**Cumulative Unrecognized Actuarial Losses on Pension Obligations**	**Unrealized Loss on Marketable Securities**	**Total**
Balance at December 31, 2012	$ 62,308	$ (8,139)	$ (465,286)	$ (51)	$ (411,168)
Other comprehensive income (loss) before reclassifications	(46,555) (a)	536 (b)	21,255 (a)	8	(24,756)
Amounts reclassified from accumulated other comprehensive loss	—	—	9,968	—	9,968
Total other comprehensive income (loss)	(46,555)	536	31,223	8	(14,788)
Less: Other comprehensive loss attributable to noncontrolling interests	810	—	—	—	810
Other comprehensive income (loss) attributable to Harsco Corporation	(45,745)	536	31,223	8	(13,978)
Balance at June 30, 2013	**$ 16,563**	**$ (7,603)**	**$ (434,063)**	**$ (43)**	**$ (425,146)**

(a) Principally foreign currency fluctuation.
(b) Net change from periodic revaluations.

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Amounts reclassified from accumulated other comprehensive loss for the three months and six months ended June 30, 2013 are as follows:

(In thousands)	Amount Reclassified from Accumulated Other Comprehensive Loss (a) Three Months Ended June 30, 2013	Six Months Ended June 30, 2013		Affected Line Item in the Condensed Consolidated Statements of Operations
Amortization of defined benefit pension items				
Actuarial losses	**$ 3,154**	$ 6,301	(b)	Selling, general and administrative expenses
Actuarial losses	**2,259**	4,525	(b)	Cost of services and products sold
Prior-service costs	**66**	130	(b)	Selling, general and administrative expenses
Prior-service costs	**63**	126	(b)	Cost of services and products sold
Total before tax	**5,542**	**11,082**		
Tax benefit	**(556)**	(1,114)		
Total reclassification of defined benefit pension items, net of tax	**$ 4,986**	**$ 9,968**		

(a) Amounts in parentheses indicate credits to profit/loss.
(b) These accumulated other comprehensive loss components are included in the computation of net periodic pension costs. Please refer to Note 6, "Employee Benefit Plans," for additional details.

14. Restructuring Programs

In recent years, the Company has instituted restructuring programs to balance short-term profitability goals with long-term strategies. A primary objective of these programs has been to establish platforms upon which the affected businesses can grow with reduced fixed investment and generate annual operating expense savings. The restructuring programs have been instituted in response to the continuing impact of global financial and economic uncertainty on the Company’s end markets, particularly in the Company’s Harsco Infrastructure Segment. Restructuring costs incurred in these programs were recorded in the Other (income) expenses line of the Condensed Consolidated Statements of Operations. The timing of associated cash payments is dependent on the type of restructuring cost and can extend over a multi-year period.

2011/2012 Restructuring Program
Under the 2011/2012 Restructuring Program, the Company optimized rental assets and sale inventories by removing non-core assets under an expanded product rationalization and branch structure reduction program undertaken in its Harsco Infrastructure Segment and optimized office structures and reduced global workforce in the Harsco Infrastructure and Harsco Metals & Minerals Segments. Benefits under this program, in the form of reduced costs when compared with 2011, are expected to be approximately $63 million for the full year of 2013. This represents an incremental $8 million in benefits under this program when compared with the benefits realized in 2012. As previously disclosed in the Company's Annual Reports on Form 10-K, the Company incurred approximately $101 million and $69 million in pre-tax charges under this program in calendar years 2011 and 2012, respectively. The restructuring accrual for the 2011/2012 Restructuring Program at June 30, 2013 and the activity for the six months then ended are as follows:

(In thousands)	Accrual December 31 2012	Non-Cash Charges / Other Adjustments	Cash Expenditures	Foreign Currency Translation	Remaining Accrual June 30 2013
Harsco Infrastructure Segment					
Employee termination benefit costs	$ 6,999	$ (220)	$ (4,004)	$ (216)	**$ 2,559**
Cost to exit activities	9,000	(460)	(2,187)	(148)	**6,205**
Total Harsco Infrastructure Segment	15,999	(680)	(6,191)	(364)	**8,764**
Harsco Metals & Minerals Segment					
Employee termination benefit costs	6,494	(473)	(3,465)	(127)	**2,429**
Cost to exit activities	499	—	(133)	(6)	**360**
Total Harsco Metals & Minerals Segment	6,993	(473)	(3,598)	(133)	**2,789**
Harsco Corporate					
Employee termination benefit costs	13	2	(10)	—	**5**
Total	$ 23,005	$ (1,151)	$ (9,799)	$ (497)	**$ 11,558**

Cash expenditures related to the remaining employee termination benefit costs accrual at June 30, 2013 are expected to be paid principally throughout the remainder of 2013 with approximately $6 million of exit activity costs for lease terminations expected to be paid over the remaining life of the leases.

Fourth Quarter 2010 Harsco Infrastructure Program

Under the Fourth Quarter 2010 Harsco Infrastructure Program, the Harsco Infrastructure Segment reduced its branch structure; consolidated and/or closed administrative office locations; reduced its global workforce; and rationalized its product lines. The restructuring accrual for the Fourth Quarter 2010 Harsco Infrastructure Program at June 30, 2013 and the activity for the six months then ended are as follows:

(In thousands)	Accrual December 31 2012	Non-cash Charges / Other Adjustments	Cash Expenditures	Foreign Currency Translation	Remaining Accrual June 30 2013
Harsco Infrastructure Segment					
Cost to exit activities	$ 6,791	$ (22)	$ (273)	$ (3)	**$ 6,493**

Of the remaining accrual at June 30, 2013, $5.9 million relates to payment of multiemployer pension plan withdrawal liabilities and is expected to be paid through 2023 under contractual payment terms with the related plan administrators. The remaining balance primarily relates to costs for lease terminations that are expected to be paid over the remaining life of the leases.

ITEM 2. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with the accompanying unaudited condensed consolidated financial statements as well as the audited consolidated financial statements of Harsco Corporation (the "Company"), including the notes thereto, included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2012, which includes additional information about the Company’s critical accounting policies, contractual obligations, practices and the transactions that support the financial results, and provides a more comprehensive summary of the Company’s outlook, trends and strategies for 2013 and beyond.

Certain amounts included in Item 2 of this Quarterly Report on Form 10-Q are rounded in millions and all percentages are calculated based on actual amounts. As a result, minor differences may exist due to rounding.

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 that, among others, could cause future results to differ materially from the results contemplated by forward-looking statements, including the expectations and assumptions expressed or implied herein. Forward-looking statements contained herein could include, among other things, statements about management's confidence in and strategies for performance; expectations for new and existing products, technologies and opportunities; and expectations regarding growth, sales, cash flows, earnings and Economic Value Added ("EVA®"). Forward-looking statements can be identified by the use of such terms as "may," "could," "expect," "anticipate," "intend," "believe," "likely," "estimate," "plan" or other comparable terms.

Factors that could cause actual results to differ, perhaps materially, from those implied by forward-looking statements 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, interest rates, commodity and fuel costs and capital costs; (3) changes in the performance of equity and bond markets that could affect, among other things, the valuation of the assets in the Company's pension plans and the accounting for pension assets, liabilities and expenses; (4) changes in governmental laws and regulations, including environmental, tax and import tariff standards; (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 many countries in which the Company operates due to political instability, civil disobedience, armed hostilities, public health issues or other calamities; (7) the seasonal nature of the Company's business; (8) the Company's ability to successfully enter into new contracts and complete new acquisitions or joint ventures in the timeframe contemplated, or at all; (9) the integration of the Company's strategic acquisitions; (10) the amount and timing of repurchases of the Company's common stock, if any; (11) the prolonged recovery in global financial and credit markets and economic conditions generally, which could result in the Company's customers curtailing development projects, construction, production and capital expenditures, which, in turn, could reduce the demand for the Company's products and services and, accordingly, the Company's revenues, margins and profitability; (12) the outcome of any disputes with customers; (13) the financial condition of the Company's customers, including the ability of customers (especially those that may be highly leveraged and those with inadequate liquidity) to maintain their credit availability; (14) the Company's ability to successfully implement and receive the expected benefits of cost-reduction and restructuring initiatives, including the achievement of expected cost savings in the expected time frame; (15) the Company's ability to successfully implement its strategic initiatives and portfolio optimization and the impact of such initiatives; (16) risk and uncertainty associated with intangible assets; and (17) other risk factors listed from time to time in the Company's SEC reports. A further discussion of these, along with other potential risk factors, can be found in Part I, Item 1A, “Risk Factors,” of the Company’s Annual Report on Form 10-K for the year ended December 31, 2012. 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 except as may be required by law.

Executive Overview

Revenues by Segment (In millions)	Three Months Ended June 30 2013	2012	Change	%
Harsco Metals & Minerals	**$ 336.1**	$ 364.9	$ (28.8)	(7.9)%
Harsco Infrastructure	**251.2**	234.6	16.6	7.1
Harsco Rail	**78.6**	79.6	(1.0)	(1.2)
Harsco Industrial	**93.8**	91.5	2.3	2.5
Total revenues	**$ 759.7**	$ 770.6	$ (10.8)	(1.4)%

Revenues by Segment (In millions)	Six Months Ended June 30 2013	2012	Change	%
Harsco Metals & Minerals	**$ 673.5**	$ 724.9	$ (51.4)	(7.1)%
Harsco Infrastructure	**467.2**	472.5	(5.3)	(1.1)
Harsco Rail	**150.2**	147.7	2.5	1.7
Harsco Industrial	**184.2**	177.8	6.4	3.6
Total revenues	**$ 1,475.1**	$ 1,522.9	$ (47.8)	(3.1)%

Revenues by Region (In millions)	Three Months Ended June 30 2013	2012	Change	%
Western Europe	**$ 274.6**	$ 268.9	$ 5.7	2.1 %
North America	**292.1**	307.1	(15.0)	(4.9)
Latin America (a)	**81.7**	80.7	1.0	1.2
Asia-Pacific	**47.8**	48.8	(0.9)	(1.9)
Middle East and Africa	**43.3**	40.2	3.1	7.7
Eastern Europe	**20.2**	24.9	(4.7)	(19.0)
Total revenues	**$ 759.7**	$ 770.6	$ (10.8)	(1.4)%

(a) Includes Mexico.

Revenues by Region (In millions)	Six Months Ended June 30 2013	2012	Change	%
Western Europe	**$ 537.2**	$ 547.5	$ (10.3)	(1.9)%
North America	**561.6**	580.1	(18.5)	(3.2)
Latin America (a)	**161.4**	167.8	(6.4)	(3.8)
Asia-Pacific	**91.3**	98.0	(6.7)	(6.8)
Middle East and Africa	**84.7**	77.7	7.0	9.0
Eastern Europe	**38.9**	51.9	(13.0)	(25.1)
Total revenues	**$ 1,475.1**	$ 1,522.9	$ (47.8)	(3.1)%

(a) Includes Mexico.

Revenues for the Company during the second quarter and first half of 2013 were $759.7 million and $1.5 billion, respectively, compared with $770.6 million and $1.5 billion, respectively, in the second quarter and first half of 2012. Foreign currency translation increased revenues by $1.3 million and decreased revenues by $10.9 million, respectively, for the second quarter and first half of 2013 in comparison with the second quarter and first half of 2012.

Operating Income (Loss) by Segment (In millions)	Three Months Ended June 30 2013	2012	Change	%
Harsco Metals & Minerals	**$ 24.1**	$ 31.0	$ (6.9)	(22.4)%
Harsco Infrastructure	**(2.2)**	(24.3)	22.1	90.8
Harsco Rail	**16.1**	12.0	4.1	34.2
Harsco Industrial	**16.1**	17.0	(0.8)	(5.0)
Corporate	**(3.3)**	(1.0)	(2.3)	(224.3)
Total operating income	**$ 50.8**	$ 34.6	$ 16.2	46.7 %

Operating Income (Loss) by Segment (In millions)	Six Months Ended June 30 2013	2012	Change	%
Harsco Metals & Minerals	**$ 43.8**	$ 53.3	$ (9.5)	(17.8)%
Harsco Infrastructure	**(14.2)**	(77.9)	63.6	81.7
Harsco Rail	**19.5**	21.4	(1.9)	(8.8)
Harsco Industrial	**32.3**	31.0	1.3	4.2
Corporate	**(4.7)**	(5.8)	1.1	19.0
Total operating income	**$ 76.6**	$ 22.0	$ 54.7	249.1 %

Operating Margin by Segment	Three Months Ended June 30 2013	2012	Six Months Ended June 30 2013	2012
Harsco Metals & Minerals	**7.2 %**	8.5 %	**6.5 %**	7.4 %
Harsco Infrastructure	**(0.9)**	(10.4)	**(3.0)**	(16.5)
Harsco Rail	**20.5**	15.1	**13.0**	14.5
Harsco Industrial	**17.2**	18.5	**17.5**	17.4
Consolidated operating margin	**6.7 %**	4.5 %	**5.2 %**	1.4 %

Operating income from continuing operations for the second quarter and first half of 2013 was $50.8 million and $76.6 million, respectively, compared with operating income from continuing operations of $34.6 million and $22.0 million, respectively, in the second quarter and first half of 2012. The increases primarily reflect pre-tax restructuring program costs incurred in 2012 that were not repeated in 2013. These costs were $29.7 million and $65.1 million in the second quarter and first half of 2012, respectively, principally in the Harsco Infrastructure Segment. Also contributing to the increase in the three month and six month comparisons was realization of benefits from prior and continuing cost-reduction actions. These improvements were partially offset by decreases resulting from lower volumes in the Harsco Metals & Minerals Segment.

These changes in operating income from continuing operations were the primary drivers of the increase in diluted earnings per share from continuing operations for the second quarter and first half of 2013 of $0.30 and $0.39, respectively, compared with diluted earnings per share from continuing operations of $0.16 for the second quarter of 2012 and a diluted loss per share from continuing operations of $0.20 for the first half of 2012.

Under the 2011/2012 Restructuring Program, which is described in Note 14, "Restructuring Programs," in Part I, Item I, Financial Statements, the Company optimized rental assets and sale inventories by removing non-core assets under an expanded product rationalization and branch structure reduction program in its Harsco Infrastructure Segment. The Company also optimized office structures and reduced the global workforce in the Harsco Infrastructure and Harsco Metals & Minerals Segments. Benefits under this program, in the form of reduced costs when compared with pre-program costs from 2011, are expected to be approximately $63 million for the full year 2013. This represents an incremental $8 million in benefits under the program when compared with the benefits realized in 2012.

The Company continues to have sufficient available liquidity and has been able to obtain all necessary financing. The Company currently expects operational and business needs to be met by cash from operations supplemented with borrowings from time to time due to historical patterns of seasonal cash flow and for the funding of various projects. See Liquidity and Capital Resources below for further discussion on liquidity, capital resources and cash flows.

Harsco Metals & Minerals Segment:

Significant Impacts on Revenues (In millions)	Three Months Ended June 30, 2013	Six Months Ended June 30, 2013
Revenues — 2012	$ 364.9	$ 724.9
Impact of exited underperforming contracts	(11.7)	(21.9)
Net decreased volume / price	(15.8)	(18.8)
Impact of foreign currency translation	(1.3)	(10.7)
Revenues — 2013	**$ 336.1**	**$ 673.5**

Significant Impacts on Operating Income:

- Continuing lower global steel production in the steel mills services business. Overall, steel production by customers under services contracts was down 9% in the second quarter and and 7% in the first half of 2013 compared with the same periods in 2012, including the impact of exited underperforming contracts and an extended production outage at a large customer location in North America.
- Continuing lower demand and pricing for by-product in North America.
- Lower demand in the roofing granules business.
- These impacts were partially offset by overall cost reductions from the 2011/2012 Restructuring Program.
- Foreign currency translation did not significantly impact operating income in the second quarter or first half quarter of 2013 in comparison to 2012.

Harsco Infrastructure Segment:

Significant Impacts on Revenues (In millions)	Three Months Ended June 30, 2013	Six Months Ended June 30, 2013
Revenues — 2012	$ 234.6	$ 472.5
Impact of exited operations	(1.2)	(12.5)
Net increased volume / price	15.1	6.9
Effect of foreign currency translation	2.7	0.3
Revenues — 2013	**$ 251.2**	**$ 467.2**

Significant Effects on Operating Income:

- Operating income was positively affected in 2013 by continued realization of expected cost savings resulting from restructuring initiatives implemented in prior years and the impact of exiting unprofitable countries in 2012.
- Pre-tax restructuring program costs totaling $28.4 million and $64.0 million incurred in the second quarter and first half of 2012, respectively, were not repeated in 2013.
- Improved operating performance for the second quarter and first half of 2013 compared with the same periods of 2012 in North America and the Middle East was offset in certain parts of Europe due to downturns in business conditions.
- Foreign currency translation did not significantly impact the quarterly comparison of 2013 with 2012, but increased operating income by $1.1 million in the first half of 2013 compared with the first half of 2012.

Harsco Rail Segment:

Significant Effects on Revenues (In millions)	Three Months Ended June 30, 2013	Six Months Ended June 30, 2013
Revenues — 2012	$ 79.6	$ 147.7
Net increased (decreased) volume	(0.6)	3.2
Impact of foreign currency translation	(0.4)	(0.7)
Revenues — 2013	**$ 78.6**	**$ 150.2**

Significant Impacts on Operating Income:

- The timing and mix of equipment deliveries favorably affected operating income in the second quarter of 2013 compared with the second quarter of 2012. For the first six months of 2013 compared with the first six months of 2012, operating income was unfavorably affected by the timing of shipments, particularly in China for the large order with the China Railway Corporation (formerly the Ministry of Railways) that was mostly completed during the first quarter of 2013.
- Operating income for the second quarter and first half of 2013 was also positively affected in comparison to 2012 by continued strong parts sales, partially offset by decreased contract grinding services in North America.
- Foreign currency translation did not significantly impact operating income in the second quarter or first half of 2013 in comparison with 2012.

Harsco Industrial Segment:

Significant Effects on Revenues (In millions)	Three Months Ended June 30, 2013		Six Months Ended June 30, 2013	
Revenues — 2012	$	91.5	$	177.8
Net increased volume		2.0		6.1
Effect of foreign currency translation	$	0.3	$	0.3
Revenues — 2013	**$**	**93.8**	**$**	**184.2**

Significant Effects on Operating Income:

- Operating income for the second quarter and first six months of 2013 compared with 2012 was favorably affected by improved demand for industrial grating products and continuing improved demand for air-cooled heat exchangers, offset by lower demand for industrial boilers in the heat transfer products business.

Outlook, Trends and Strategies

In addition to items noted in the Company's Annual Report on Form 10-K for the year ended December 31, 2012, the following significant items, risks, trends and strategies are expected to affect the Company for the remainder of 2013 and beyond:

- Management will continue to be very selective and disciplined in allocating capital, choosing projects with the highest EVA potential and return on capital employed. The Company expects capital expenditures in 2013 to be in line with capital expenditures in 2012.
- The Company had a balance sheet debt to capital ratio of 55.2% at June 30, 2013. The ratio has increased in recent years, primarily due to decreased equity resulting from the $265.0 million goodwill impairment charge recorded for the Harsco Infrastructure Segment in 2012; the restructuring charges incurred in 2012 and 2011; and pension liability adjustments in 2012 and 2011, including the deferred tax valuation allowance recorded related to U.K. pension liabilities in 2011. Although the debt to capital ratio increased slightly in the second quarter of 2013 due to the timing of earnings and cash flows, the Company expects this ratio to gradually improve during the remainder of 2013 and beyond based on improved results of operations and cash flows.
- The Company expects its effective income tax rate to approximate 30% for the full year 2013. This modest increase from historical levels is due to losses from operations in certain jurisdictions where tax benefits will not be able to be recognized, as well as the geographic mix of income. Going forward, there may be some variability in the reported tax rate from quarter-to-quarter depending on the actual geographic mix of earnings.

Harsco Metals & Minerals Segment:

- The Metals & Minerals Segment continues to be impacted by the overall weak economic climate in the global steel industry, particularly in developed markets. The Segment has been impacted by lower prices and lower demand for its recycled by-products, as well as lower steel production by its customers. Total customer steel production has declined year-over-year in recent quarters, including an extended production outage at a large customer location in North America. This decline was 9% in the second quarter of 2013 compared with the second quarter of 2012, but with modest upturn in the second quarter of 2013 compared with the first quarter of 2013. Market forecasts are mixed for the remainder of 2013.
- In addition to renewing its contracts in mature markets, the Company focuses on winning contracts in emerging markets where steel production is increasing and where the customers value the Company's environmental solutions. The Company will continue its focus on ensuring that forecasted profits for contracts meet certain established requirements. Given this strategy, in some cases when opportunities do not meet established criteria, a contract may not be renewed, resulting in exit costs during the period in which such decisions are finalized.
- An example of the execution of the Company's longer term strategy is the 25-year environmental solutions contract for on-site metal recovery in China that was awarded in July 2011 to the Company's venture (named Tisco Harsco Technologies) with Taiyuan Iron & Steel (Group) Co, Ltd. ("TISCO"). This contract will effectively address the environmentally-beneficial processing and metal recovery of TISCO's stainless and carbon steel slag production by-products across a range of potential commercial applications. The Company anticipates first-year revenues of approximately $14 million as operations ramp-up in 2013; and approximately $30 million in subsequent years, ramping up to a projected run rate of approximately $50 million to $60 million per year when fully operational. The Company and TISCO share a 60%-40% relationship in the partnership, respectively, and the Company consolidates the financial statements of the venture.
- Another example of the Company's longer-term strategy is the June 2012 announcement of a new 20-year environmental services contract for the environmentally-beneficial handling and processing of steelmaking by-products with Tangshan

Iron & Steel, the flagship site of China's largest steelmaker, Hebei Iron & Steel (HBIS) Group, the second largest producer of steel in the world. This contract significantly expands the Company's existing resource recovery services at the Tangshan works under a new strategic venture relationship led by the Company that focuses directly on improving the surrounding environment from steelmaking operations.

- One of the Company's large steel mill customers in Europe has filed for receivership. The Company has approximately $10 million of receivables with this customer and believes that these amounts are collectible. Should there be an adverse change in the Company's view on collectability, there could be a charge against income in future periods.

Harsco Infrastructure Segment:

- The Company expects the Harsco Infrastructure Segment to realize a steady year-over-year improvement in operating performance as it globally focuses on driving sales performance and continuing activities to improve efficiencies in yard, asset and project management. This Segment is expected to continue to realize the benefits from the successful implementation of the Fourth Quarter 2010 Harsco Infrastructure Restructuring Program and the 2011/2012 Restructuring Program.
- Uncertainties remain in key end markets, particularly in the challenged economies in Europe and, to a lesser extent, impacts from low commodity prices on activities in locations such as Australia. The Company does not expect overall material improvement in this Segment's end markets in 2013, although some regions are expected to show improvement.

Harsco Rail Segment:

- The short-term outlook for this business is unfavorably impacted by the timing of shipments for its large China Railway Corporation rail grinder orders, which were mostly completed during the first quarter of 2013. Compared with 2012, revenues for this Segment are expected to decline approximately $50 million in 2013 due to the completion of the order. The success in China has been leveraged to secure several new orders in other geographies, as well as with multiple metro systems in China; however, none of the individual orders are as large as the China Railway Corporation order.
- The longer-term outlook for this Segment continues to be favorable. The global demand for railway maintenance-of-way equipment, parts, and services continues to be strong, giving positive indication of further opportunities for this Segment.

Harsco Industrial Segment:

- The Harsco Industrial Segment is expecting another year of consistent performance for revenue and operating income in 2013, and will continue to focus on product innovation and development to drive strategic growth in its businesses.
- Overall, the Segment's markets are stable with demand in the air-cooled heat exchangers business remaining strong. Slight improvement is expected in the industrial boilers market for the heat transfer products business as well as industrial grating.

Results of Operations

	Three Months Ended June 30		Six Months Ended June 30	
(In millions, except per share amounts)	**2013**	**2012**	**2013**	**2012**
Revenues from continuing operations	**$ 759.7**	$ 770.6	**$ 1,475.1**	$ 1,522.9
Cost of services and products sold	**577.2**	584.8	**1,141.4**	1,178.4
Selling, general and administrative expenses	**125.6**	125.6	**250.3**	254.8
Other expenses	**3.9**	22.9	**2.4**	63.0
Operating income from continuing operations	**50.8**	34.6	**76.6**	22.0
Interest expense	**(12.9)**	(11.6)	**(24.6)**	(24.4)
Income tax expense from continuing operations	**(11.5)**	(10.4)	**(16.5)**	(14.9)
Income (loss) from continuing operations	**27.9**	13.6	**37.4**	(15.6)
Diluted earnings (loss) per common share from continuing operations attributable to Harsco Corporation common stockholders	**0.30**	0.16	**0.39**	(0.20)
Effective income tax rate for continuing operations	**29.6%**	43.7%	**30.9%**	(1,617.3)%

Comparative Analysis of Consolidated Results

Revenues

Revenues for the second quarter of 2013 decreased $10.8 million or 1.4% from the second quarter of 2012. Revenues for the first half of 2013 decreased $47.8 million or 3.1% from the first half of 2012. Changes in revenues for the periods presented were attributable to the following significant items:

Change in Revenues — 2013 vs. 2012 (In millions)	Three Months Ended June 30, 2013	Six Months Ended June 30, 2013
Net decreased revenues in the Harsco Metals & Minerals Segment, reflecting lower production by customers and reductions of $11.7 million and $21.9 million, respectively, due to exited underperforming contracts	$ (27.5)	$ (40.7)
Net changes in revenues in the Harsco Rail Segment due principally to the timing and mix of equipment deliveries, as well as increased aftermarket parts sales offset by lower services volume	(0.6)	3.2
Net changes in revenues in the Harsco Infrastructure Segment reflecting increasing activity in rental, sales and erection/dismantling services in the quarterly comparison and increasing rental activity in the six month comparison, offset by decreases of $1.2 million and $12.5 million, respectively, related to exited operations in certain countries in 2012.	13.9	(5.5)
Net increased revenues in the Harsco Industrial Segment, reflecting improving customer demand for industrial grating products and air-cooled heat exchangers, offset by lower demand for industrial boilers in the heat transfer products business.	2.1	6.1
Impact of foreign currency translation	1.3	(10.9)
Total change in revenues — 2013 vs. 2012	$ (10.8)	$ (47.8)

Cost of Services and Products Sold

Cost of services and products sold for the second quarter of 2013 decreased $7.6 million or 1.3% from the second quarter of 2012. Cost of services and products sold for the first half of 2013 decreased $37.0 million or 3.1% from the first half of 2012. Changes in cost of services and products sold for the periods presented were attributable to the following significant items:

Change in Cost of Services and Products Sold — 2013 vs. 2012 (In millions)	Three Months Ended June 30, 2013	Six Months Ended June 30, 2013
Decreased costs due to changes in revenues (exclusive of the effect of foreign currency translation, and including the effect of restructuring program savings and the impact of fluctuations in commodity costs included in selling prices)	$ (9.1)	$ (19.6)
Impact related to exited operations in certain countries in 2012 in the Harsco Infrastructure Segment	(3.1)	(12.1)
Impact of foreign currency translation	0.4	(10.0)
Other	4.2	4.7
Total change in cost of services and products sold — 2013 vs. 2012	$ (7.6)	$ (37.0)

Selling, General and Administrative Expenses

Selling, general and administrative expenses for the second quarter of 2013 were comparable to the second quarter of 2012. Selling, general and administrative expenses for the first half of 2013 decreased $4.5 million or 1.8% from the first half of 2012. Changes in selling, general and administrative expenses for the periods presented were attributable to the following significant items:

Change in Selling, General and Administrative Expenses — 2013 vs. 2012 (In millions)	Three Months Ended June 30, 2013	Six Months Ended June 30, 2013
Decreased compensation expense due to the realization of cost savings benefits from restructuring activities and exited operations in certain countries in 2012 in the Harsco Infrastructure Segment	$ (1.4)	$ (8.6)
Increased advertising due to growth initiatives	1.4	1.6
Increased travel and entertainment related to growth initiatives	1.2	2.1
Increased professional fees	0.2	1.4
Impact of foreign currency translation	—	(2.2)
Other	(1.4)	1.2
Total change in selling, general and administrative expenses — 2013 vs. 2012	$ —	$ (4.5)

Other Expenses

Other expenses includes restructuring costs for employee termination benefit costs, product rationalization, and costs to exit activities; former CEO separation costs; net gains on the disposal of non-core assets; and currency translation adjustments recognized in earnings.

	Three Months Ended June 30		Six Months Ended June 30	
(In thousands)	2013	2012	2013	2012
Restructuring Program costs (see Note 14)	**$ —**	$ 29,660	**$ —**	$ 65,109
Former CEO separation costs	**—**	—	**—**	4,125
Net gains	**(877)**	(821)	**(4,569)**	(1,222)
Currency translation adjustments recognized in earnings	**—**	(6,754)	**—**	(6,754)
Other (a)	**4,805**	791	**6,955**	1,710
Other expenses	**$ 3,928**	$ 22,876	**$ 2,386**	$ 62,968

(a) Other includes employee termination benefit costs, impaired asset write-downs, and costs to exit activities that are not directly related to the restructuring programs detailed in Note 14, "Restructuring Programs," in Part I, Item 1, Financial Statements.

Interest Expense

Interest expense in 2013 increased $1.2 million and $0.2 million from the second quarter and first half of 2012, respectively. The increase in the second quarter of 2013 compared with 2012 reflects expense on higher outstanding credit facility balances in 2013. In comparing the first half of 2013 with 2012, this increase in the second quarter was offset by a decrease in the first quarter of 2013 compared with 2012 due to the financing costs associated with the revolving credit facility that were recognized when this facility was renewed in March 2012.

Income Tax Expense

Income tax expense from continuing operations increased primarily due to higher income from continuing operations being generated in taxable jurisdictions for the three and six months ended June 30, 2013 compared with the three and six months ended June 30, 2012. This increase was partially offset by the expiration of statutes of limitations for uncertain tax positions in certain foreign jurisdictions, amended return filings,and retroactive law changes in certain jurisdictions. The effective income tax rate related to continuing operations for the three and six months ended June 30, 2013 was 29.6% and 30.9%, respectively. The effective income tax rate related to continuing operations for the three and six months ended June 30, 2012 was 43.7% and (1,617.4)%, respectively. The effective income tax rate changed between 2012 and 2013 primarily due to decreased losses being generated in jurisdictions where no tax benefit can be recognized.

Income (Loss) from Continuing Operations
Income from continuing operations of $27.9 million in the second quarter of 2013 was $14.3 million higher than the $13.6 million in the second quarter of 2012. Income from continuing operations of $37.4 million in the first half of 2013 was $52.9 million higher than the $15.6 million loss from continuing operations in the first half of 2012. The increases primarily reflect pre-tax restructuring program costs incurred in 2012 that were not repeated in 2013: $29.7 million and $65.1 million in the second quarter and first half of 2012, respectively, principally in the Harsco Infrastructure Segment. Also contributing to the increase in the three month and six month comparisons was realization of benefits from prior and continuing cost-reduction actions. These improvements were partially offset by decreases resulting from lower volumes in the Harsco Metals & Minerals Segment.

Liquidity and Capital Resources

Overview
The Company continues to have sufficient available liquidity and has been able to obtain all necessary financing. The Company currently expects operational and business needs to be met with cash from operations supplemented with borrowings from time to time due to historical patterns of seasonal cash flow and for the funding of various projects.

The Company continues to implement and perform capital efficiency initiatives to enhance liquidity. These initiatives have included: focused allocation of capital spending to projects where the highest returns can be achieved while redeploying existing capital investments; optimization of worldwide cash positions; reductions in discretionary spending; and frequent evaluation of customer and business-partner credit risk.

During the first half of 2013, the Company's operations provided $56.4 million in operating cash flow, an increase from the $35.7 million provided in the first half of 2012. Approximately $10 million of operating cash was disbursed in the first half of 2013 for restructuring program costs, which are described in Note 14, "Restructuring Programs," in Part I, Item I, Financial Statements, compared with approximately $56 million of operating cash disbursed in the first half of 2012. In the first half of 2013, the Company invested $120.2 million in capital expenditures, mostly for the Harsco Metals & Minerals Segment (approximately 45% of the total capital expenditures were for revenue-growth projects), compared with $107.8 million invested in the first half of 2012. The Company paid $33.1 million in stockholder dividends in the first half of 2013 compared with $33.0 million in the first half of 2012.

The Company's net cash borrowings increased by $80.3 million in the first half of 2013, primarily to fund capital expenditures, principally in the Harsco Metals & Minerals Segment. The Company's debt to total capital ratio increased to 55.2% at June 30, 2013 from 52.9% at December 31, 2012, primarily due to the increased net cash borrowings in the first half of 2013.

The Company plans to sustain its balanced portfolio through its strategy of redeploying discretionary cash for disciplined organic growth and international or market-segment diversification; for potential strategic ventures, alliances and partnerships; for growth in long-term, high-return service contracts for the Harsco Metals & Minerals Segment, principally in targeted growth markets or for customer diversification; and for strategic investments or possible acquisitions in the Harsco Rail Segment and Harsco Industrial Segment. The Company also foresees continuing its long and consistent history of paying dividends to stockholders.

The Company continues its focus on improving working capital efficiency. The Company's Continuous Improvement initiatives are being used to further improve effective and efficient use of working capital, particularly in accounts receivable and inventories.

The Company also generated $14.9 million in cash from asset sales in the first half of 2013. Asset sales are a normal part of the Company's business model, primarily for the Harsco Infrastructure and Harsco Metals & Minerals Segments.

Sources and Uses of Cash
The Company's principal sources of liquidity are cash from operations and borrowings under its various credit agreements, augmented by cash proceeds from asset sales. The primary drivers of the Company's cash flow from operations are the Company's revenues and income. The Company's long-term Harsco Metals & Minerals Segment contracts provide predictable cash flows for the near-term years. Cash returns on capital investments made in prior years, for which limited cash is currently required, are a significant source of cash from operations. Depreciation expense related to these investments is a non-cash charge.

Major uses of operating cash flows and borrowed funds include: capital investments, principally in the Harsco Metals & Minerals Segment; payroll costs and related benefits; dividend payments; pension funding payments; inventory purchases for the Harsco Rail and Harsco Industrial Segments; income tax payments; debt principal and interest payments; insurance premiums and payments of self-insured casualty losses; and machinery, equipment, automobile and facility lease payments. Additionally, in 2012, there were significant payments under restructuring programs as noted above. Cash may also be used for targeted strategic acquisitions as appropriate opportunities arise.

Resources available for cash requirements for operations and growth initiatives
In addition to utilizing cash from operations and cash proceeds from asset sales, the Company has bank credit facilities available throughout the world. Public markets are also accessed through discrete-term note issuance to investors. The Company expects to continue to utilize all these sources to meet its future cash requirements for operations and growth initiatives.

The following table illustrates available credit at June 30, 2013:

	June 30, 2013		
(In millions)	**Facility Limit**	**Outstanding Balance**	**Available Credit**
U.S. commercial paper program	$ 550.0	$ —	$ 550.0
Multi-year revolving credit agreement (a U.S.-based program)	525.0	153.0	372.0
Totals	**$ 1,075.0**	**$ 153.0**	**$ 922.0**

At June 30, 2013 and December 31, 2012, the Company had $153.0 million and $89.5 million, respectively, of commercial paper and credit facility borrowings outstanding. At both June 30, 2013 and December 31, 2012, all such balances were classified as long-term borrowings in the Condensed Consolidated Balance Sheets. Classification of such balances is based on the Company's ability and intent to repay such amounts over the subsequent twelve months, as well as the Company's current intent and ability to borrow for a period longer than a year. To the extent the Company expects to repay any amounts within the subsequent twelve months, the amounts would be classified as short-term borrowings.

At both June 30, 2013 and December 31, 2012, the Company's $150 million 5.125% notes, due September 15, 2013, were classified as Long-term debt on the Condensed Consolidated Balance Sheet based on the Company's current intent and ability to refinance this debt using borrowings under the Company's multi-year revolving credit facility.

Credit Ratings and Outlook
The following table summarizes the Company’s current debt ratings:

Rating Agency	**Long-term Notes**	**U.S.-Based Commercial Paper**	**Watch / Outlook**
Standard & Poor’s (S&P)	BBB-	A-3	Negative Outlook
Moody’s	Ba1	Not Prime	Stable Outlook
Fitch	BBB-	F3	Negative Outlook

In May 2013, Fitch downgraded the Company's long-term ratings to BBB- and reaffirmed its short-term ratings of F3, while maintaining a negative outlook. This and other rating agency downgrades in the first quarter of 2013 resulted in an increase in the Company's short-term borrowing costs and resulted in the Company being unable to consistently issue commercial paper in sufficient amounts to sustain its U.S. commercial paper program. Consequently, subsequent to June 30, 2013, the U.S. commercial paper program was canceled.

Any future downgrades to the Company’s credit ratings may increase borrowing costs to the Company, while an improvement in the Company’s credit ratings may decrease such costs. However, any future downgrades in the Company’s credit ratings will not reduce availability under the Company's multi-year revolving credit agreement.

Working Capital Position
Changes in the Company's working capital are reflected in the following table:

(Dollars in millions)	June 30 2013	December 31 2012	Increase (Decrease)
Current Assets			
Cash and cash equivalents	**$ 89.0**	$ 95.3	$ (6.2)
Trade accounts receivable, net	**632.0**	600.3	31.7
Other receivables	**41.7**	39.8	1.8
Inventories	**244.8**	236.5	8.3
Other current assets	**96.2**	94.6	1.6
Total current assets	**1,103.6**	1,066.4	37.2
Current Liabilities			
Notes payable and current maturities	**16.0**	11.8	4.1
Accounts payable	**231.3**	221.5	9.9
Accrued compensation	**75.9**	94.4	(18.5)
Income taxes payable	**11.5**	10.1	1.4
Other current liabilities	**274.2**	299.8	(25.6)
Total current liabilities	**608.9**	637.6	(28.7)
Working Capital	**$ 494.8**	$ 428.9	$ 65.9
Current Ratio (a)	**1.8**	1.7	

(a) Calculated as Total current assets divided by Total current liabilities

Working capital increased $65.9 million in the first half of 2013 due principally to the following factors:

- Trade accounts receivable, net increased $31.7 million, primarily due to timing of invoicing and collections across all segments;
- Accrued compensation decreased by $18.5 million primarily due to the payment of incentive compensation from 2012; and
- Other current liabilities decreased $25.6 million primarily due to a decrease in customer advances related to the delivery of certain machines offset by the timing of cost accruals for manufactured equipment in the Harsco Rail Segment, and payments of restructuring program expenses in the Harsco Infrastructure and Metals & Minerals Segments that have reduced accrued liability balances since June 30, 2012.

These working capital increases were partially offset by the following:

- Accounts payable increased by $9.9 million due to the timing of payments.

Certainty of Cash Flows
The certainty of the Company's future cash flows is underpinned by the long-term nature of the Company's metals services contracts and overall discretionary cash flows (operating cash flows plus cash from asset sales in excess of the amounts necessary for capital expenditures to maintain current revenue levels) generated by the Company. Historically, the Company has utilized these discretionary cash flows for growth-related capital expenditures, strategic acquisitions, debt repayment and dividend payments.

The types of products and services that the Company provides are not subject to rapid technological change, which increases the stability of related cash flows. Additionally, the Company believes each of its businesses in its balanced portfolio is a leader in the industries and major markets the Company serves. Due to these factors, the Company is confident in its future ability to generate positive cash flows from operations.

Cash Flow Summary
The Company's cash flows from operating, investing and financing activities, as reflected in the Condensed Consolidated Statements of Cash Flows, are summarized in the following table:

	Six Months Ended June 30	
(In millions)	2013	2012
Net cash provided (used) by:		
Operating activities	**$ 56.4**	$ 35.7
Investing activities	**(107.7)**	(69.9)
Financing activities	**49.3**	39.4
Impact of exchange rate changes on cash	**(4.1)**	(5.1)
Net change in cash and cash equivalents	**$ (6.2)**	$ 0.2

Cash Provided by Operating Activities — Net cash provided by operating activities in the first half of 2013 was $56.4 million, an increase of $20.6 million from the first half of 2012. Restructuring cash payments decreased to approximately $10 million in the first half of 2013 compared with approximately $56 million in the first half of 2012. Other factors contributing to the change in net cash provided by operating activities were: net income in the first half of 2013 compared with a net loss in the first half of 2012; and timing of accounts receivable receipts and accounts payable disbursements.

Included in the Cash flows from operating activities section of the Condensed Consolidated Statement of Cash Flows is the caption Other assets and liabilities. For the six months ended June 30, 2013 and 2012 decreases in this line item were $29.0 million and $27.2 million, respectively. The major components of this line item include the net impact of defined benefit pension plan funding, fluctuations in advances from customers and vendor prepayments. A summary of these components for the periods presented is as follows:

	Six Months Ended June 30	
(In millions)	2013	2012
Net cash provided by (used in):		
Change in net defined benefit pension liabilities	**$ (12.8)**	$ (14.0)
Change in advance on contracts from customers	**(9.1)**	(16.5)
Change in prepaid expenses	**(5.4)**	7.9
Other	**(1.7)**	(4.6)
Total	**$ (29.0)**	$ (27.2)

Cash Used by Investing Activities — Net cash used in investing activities in the first half of 2013 was $107.7 million, an increase of $37.8 million from the first half of 2012. The increase was primarily due to approximately $22 million in reduced cash proceeds from sales of assets and an increase of approximately $12 million in capital expenditures.

Cash Provided by Financing Activities — Net cash provided by financing activities in the first half of 2013 was $49.3 million, an increase of $9.8 million from the first half of 2012. The change was primarily due to an increase in year-over-year net cash borrowings.

The following table summarizes the Company's debt and capital positions at June 30, 2013 and December 31, 2012:

(Dollars in millions)	June 30 2013	December 31 2012
Notes payable and current maturities	**$ 16.0**	$ 11.8
Long-term debt	**1,039.3**	957.4
Total debt	**1,055.3**	969.3
Total equity	**855.7**	861.6
Total capital	**$ 1,911.1**	$ 1,830.9
Total debt to total capital (a)	**55.2%**	52.9%

(a) Calculated as Total debt divided by Total capital.

The Company's debt as a percent of total capital increased in the first half of 2013 due principally to increased borrowings under the Company's multi-year revolving credit agreement.

Debt Covenants

The credit agreement governing the Company's multi-year revolving credit facility contains covenants that stipulate a maximum debt to capital ratio of 60%, limit the proportion of subsidiary consolidated indebtedness to a maximum of 10% of consolidated tangible assets and specify a minimum ratio of total consolidated earnings before interest, taxes, depreciation and amortization (“EBITDA”) to consolidated interest charges of 3.0:1. The Company’s 5.75% and 2.70% notes include covenants that require the Company to offer to repurchase the notes at 101% of par in the event of a change of control of the Company or disposition of substantially all of the Company’s assets in combination with a downgrade in the Company’s credit rating to non-investment grade. At June 30, 2013, the Company was in compliance with these covenants with a debt to capital ratio (as defined by the covenants) of 56.2% and a ratio of consolidated EBITDA to consolidated interest charges of 9.1:1. The proportion of subsidiary consolidated indebtedness to consolidated tangible assets approximated 2.8% at June 30, 2013. Based on balances at June 30, 2013, the Company could increase borrowings by approximately $186 million and still be in compliance with its debt covenants. Alternatively, keeping all other factors constant, the Company’s equity could decrease by approximately $124 million and the Company would still be within its debt covenants. The Company expects to continue to be in compliance with these debt covenants for at least the next twelve months.

Cash and Value-Based Management

The Company has various cash management systems throughout the world that centralize cash in various bank accounts where it is economically justifiable and legally permissible to do so. These centralized cash balances are then redeployed to other operations to reduce short-term borrowings and to finance working capital needs or capital expenditures. Due to the transitory nature of cash balances, they are normally invested in bank deposits that can be withdrawn at will or in very liquid short-term bank time deposits and government obligations. The Company’s policy is to use the largest banks in the various countries in which the Company operates. The Company monitors the creditworthiness of its banks, and, when appropriate, adjusts its banking operations to reduce or eliminate exposure to less credit worthy banks.

At June 30, 2013, the Company's consolidated cash and cash equivalents included approximately $86 million held by non-U.S. subsidiaries. At June 30, 2013, less than 10% of the Company's consolidated cash and cash equivalents had regulatory restrictions that would preclude the transfer of funds with and among subsidiaries. The cash and cash equivalents held by non-U.S. subsidiaries also included approximately $31 million held in consolidated strategic ventures. The strategic venture agreements may require strategic venture partner approval to transfer funds with and among subsidiaries. While the Company's remaining non-U.S. cash and cash equivalents can be transferred with and among subsidiaries, the majority of these non-U.S. cash balances will be used to support the on-going working capital needs and continued growth of the Company's non-U.S. operations.

The Company plans to continue its strategy of targeted, prudent investing for strategic purposes for the foreseeable future and to make more efficient use of existing investments. The long-term goal of this strategy is to create stockholder value by improving the Company’s EVA. Under this program, the Company evaluates strategic investments based upon the investment’s economic profit. EVA equals after-tax operating profits less a charge for the use of the capital employed to create those profits. Therefore, value is created when a project or initiative produces a return above the risk-adjusted local country cost of capital. In the first half of 2013, EVA was lower than the first half of 2012.

The Company currently expects to continue paying dividends to stockholders. In July 2013, the Company declared its 254th consecutive quarterly cash dividends, payable in November 2013.

The Company’s financial position and debt capacity should enable it to meet current and future requirements. As additional resources are needed, the Company should be able to obtain funds readily and at competitive costs. The Company intends to continue investing in high-return, organic growth projects and prudent, strategic alliances and ventures; reduce debt; and pay cash dividends as a means of enhancing stockholder value.

Recently Adopted and Recently Issued Accounting Standards

Information on recently adopted and recently issued accounting standards is included in Note 2, “Recently Adopted and Recently Issued Accounting Standards,” in Part I, Item 1, Financial Statements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market risks have not changed significantly from those disclosed in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2012.

ITEM 4. CONTROLS AND PROCEDURES

Based on the evaluation required by Securities Exchange Act Rules 13a-15(b) and 15d-15(b), the Company’s management, including the Chief Executive Officer and Chief Financial Officer, conducted an evaluation of the effectiveness of disclosure controls and procedures, as defined in Securities Exchange Act Rules 15a-15(e) and 15d-15(e), as of June 30, 2013. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the disclosure controls and procedures were effective as of June 30, 2013. There have been no changes in internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, internal control over financial reporting during the second quarter of 2013.

PART II — OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

Information on legal proceedings is included in Note 8, “Commitments and Contingencies,” in Part I, Item 1, Financial Statements.

ITEM 1A. RISK FACTORS

The Company's risk factors as of June 30, 2013 have not changed materially from those described in Part 1, Item 1A, “Risk Factors,” of the Company’s Annual Report on Form 10-K for the year ended December 31, 2012.

ITEM 6. EXHIBITS

See the Exhibit Index following the signature page to this Quarterly Report on Form 10-Q for a list of exhibits filed or furnished with this report, which Exhibit Index is incorporated herein by reference.

SIGNATURES

Pursuant to the requirements 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
		(Registrant)
DATE	August 8, 2013	/s/ F. NICHOLAS GRASBERGER, III
		F. Nicholas Grasberger, III *Senior Vice President and Chief Financial Officer* (Principal Financial Officer)
DATE	August 8, 2013	/s/ BARRY E. MALAMUD
		Barry E. Malamud *Vice President and Corporate Controller* (Principal Accounting Officer)

EXHIBIT INDEX

Exhibit Number	Description
3.1	Restated Certificate of Incorporation.
10.1	Harsco Corporation 2013 Equity and Incentive Compensation Plan (incorporated by reference to the Company's Current Report on Form 8-K dated April 26, 2013, Commission File No. 001-03970).
10.2	Harsco Corporation Form of Restricted Stock Units Agreement (effective for grants on and after May 10, 2013).
10.3	Harsco Corporation Form of Stock Appreciation Rights Agreement (effective for grants on and after May 10, 2013).
31.1	Certification Pursuant to Rule 13a-14(a) or 15d-14(a), as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (Chief Executive Officer).
31.2	Certification Pursuant to Rule 13a-14(a) or 15d-14(a), as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (Chief Financial Officer).
32	Certifications Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (Chief Executive Officer and Chief Financial Officer).
101	The following financial statements from Harsco Corporation’s Quarterly Report on Form 10-Q for the quarter ended June 30, 2013, filed with the Securities and Exchange Commission on August 8, 2013, formatted in XBRL (Extensible Business Reporting Language): (i) the Condensed Consolidated Balance Sheets; (ii) the Condensed Consolidated Statements of Operations; (iii) the Condensed Consolidated Statements of Comprehensive Income (Loss); (iv) the Condensed Consolidated Statements of Cash Flows; (v) the Condensed Consolidated Statements of Equity; and (vi) the Notes to Condensed Consolidated Financial Statements.

Exhibit 3.1

RESTATED CERTIFICATE OF INCORPORATION

OF

HARSCO CORPORATION

Harsco Corporation, a corporation organized and existing under the laws of the State of Delaware, hereby certifies as follows:

1. The name of the Corporation is Harsco Corporation. The date of filing of its original Certificate of Incorporation with the Secretary of State was February 28, 1956.

2. This Restated Certificate of Incorporation was duly adopted by the Board of Directors in accordance with Section 245 of the General Corporation Law of the State of Delaware.

3. This Restated Certificate of Incorporation only restates and integrates and does not further amend the provisions of this Corporation's Restated Certificate of Incorporation as heretofore amended and supplemented, and there is no discrepancy between those provisions and the provisions of this Restated Certificate of Incorporation.

4. The text of the Restated Certificate of Incorporation, as amended or supplemented heretofore, is hereby restated without further amendments to read as herein set forth in full:

FIRST: The name of the Corporation is HARSCO CORPORATION.

SECOND: The location of its registered office in the State of Delaware is 1209 Orange Street, in the City of Wilmington, County of New Castle. The name of the registered agent therein and in charge thereof is The Corporation Trust Company, 1209 Orange Street, Wilmington, New Castle County, Delaware.

THIRD: The objects and purposes for which and for any of which this Corporation is formed are to do any or all of the things herein set forth to the same extent as natural persons might or could do, viz:

1. To manufacture, purchase, lease or otherwise acquire, to hold, own, mortgage, pledge, sell, assign and transfer or otherwise dispose of, to invest, trade, design, install, fabricate, prefabricate, import, export, package, ship, grant licenses with respect of, deal in and with, as principal agent, factor or otherwise, at wholesale, retail, on commission or otherwise, products, articles and any or all things capable of fabrication or prefabrication; in general, but without limitation, to engage in the fabricating or prefabricating business in all its varied branches.

2. To manufacture, purchase, lease or otherwise acquire, to hold, own, mortgage, pledge, sell, assign and transfer or otherwise dispose of, to invest, trade, import, export, deal in and deal with goods, wares and merchandise and real and personal property of every class and description and in particular, lands, properties, easements, buildings, business concerns and undertakings, concessions, produce, and any interest in real or personal property, and any claims against such property or against any person or corporation, and to carry on any business concern, or undertaking so acquired.

3. To purchase, receive, hold and own bonds, mortgages, debentures, notes, shares of capital stock and other securities, obligations, contracts and evidences of indebtedness of any company, corporation or association, or of any government, state, municipality or body politic; to receive, collect and dispose of interest, dividends, and income upon, of and from any of the bonds, mortgages, debentures, notes, shares of capital stock, securities, obligations, contracts, evidences of indebtedness and other property held or owned by it, and to exercise in respect of all such bonds, mortgages, debentures, notes, shares of capital stock, securities, obligations, contracts, evidences of indebtedness and other property, any and all the rights, powers and privileges of individual ownership thereof, including the right to vote thereon.

4. To acquire the good will, rights and property, and to undertake the whole or any part of the assets and liabilities of any person, firm, association or corporation, and to pay for the same in cash, stock or bonds of this Corporation or otherwise.

5. To acquire, hold, use, sell, assign, lease, grant licenses in respect of, mortgage or otherwise dispose of letters patent of the United States or any foreign country, patents, patent rights, licenses and privileges, inventions, improvements and processes, trademarks and trade names and copyrights relating to or useful in connection with any business of this Corporation.

6. To buy, sell, process, transport, truck and otherwise deal in all kinds of by-products of iron, steel and other metal industries or either of them or in which iron, steel and other metals form a substantial part, and to engage in a general extracting business in iron, steel and other metals.

7. To engage in the manufacture and sale of castings, die castings, dies, tools, jigs and fixtures; die casting, polishing and other machinery; and manufactured products of all kinds.

8. To enter into, make, perform and carry out contracts of every kind for any lawful purpose, without limit as to amount, with any person, firm, association or corporation.

9. To draw, make, accept, endorse, discount, execute and issue promissory notes, bills of exchange, warrants and other negotiable or transferable instruments.

10. To borrow money, issue bonds, debentures or obligations of this Corporation from time to time, for any of the objects or purposes of the corporation, and to secure the same by mortgage, pledge, deed of trust or otherwise.

11. To purchase, hold and reissue the shares of its capital stock; provided that this Corporation shall not use its funds or property for the purchase of its own shares of capital stock when such use would cause any impairment of the capital of the Corporation; and provided further that shares of its own capital stock belonging to the Corporation shall not be voted upon directly or indirectly.

12. To have one or more offices, to carry on all or any of its operations and business and without restriction or limit as to amount, to purchase or otherwise acquire, to hold, own, mortgage, sell, convey or otherwise dispose of real and personal property of every class and description in any of the States, Districts, Territories or Colonies of the United States and in any and all foreign countries, subject to the laws of such States, Districts, Territories, Colonies or Countries.

13. In general, to carry on the foregoing or any other business in connection with the foregoing, either as principal, agent, factor or otherwise, at wholesale, retail, on commission or otherwise, whether manufacturing or otherwise, and to have and to exercise all the powers conferred by the laws of Delaware upon corporations formed under the act hereinafter referred to.

14. The foregoing clauses shall be construed as objects and powers and it is hereby expressly provided that the foregoing enumeration of specific powers shall not be held to limit or restrict in any manner the powers of this Corporation.

FOURTH: The total number of shares of all classes of stock which this Corporation shall have authority to issue is 154,000,000 shares, of which 4,000,000 shares are to be Preferred Stock of the par value of $1.25 per share and 150,000,000 shares are to be Common Stock of the par value of $1.25 per share.

The amount of capital with which this Corporation will commence business is $1,250.

A statement of such of the designations and powers, preferences and rights, and the qualifications, limitations or restrictions thereof, in respect of the different classes of stock of this Corporation, the fixing of which by this Certificate of Incorporation is desired, and the express grant of authority desired to be granted to the Board of Directors to fix by resolution or resolutions any thereof that may be desired but which are not fixed by this Certificate of Incorporation, are as follows:

Division A. Preferred Stock

1. Issuable in Series - Shares of the Preferred Stock may be divided into and issued in series from time to time as herein provided. Each such series shall be designated so as to distinguish the shares thereof from the shares of all other series and shall have such voting powers, full or limited or without voting powers, designations, preferences and relative, participating, optional or other special rights, and qualifications, limitations or restrictions thereof, as shall be stated and expressed herein or in the resolution or resolutions providing for the issue of such stock adopted by the Board of Directors pursuant to the authority expressly vested in it by the provisions of this Certificate of Incorporation.

2. Authority of Board of Directors to Create Series - The Board of Directors of this Corporation is hereby expressly granted authority at any time or from time to time, by resolution or resolutions, to create one or more series of the Preferred Stock, to fix the authorized number of shares of any series (which number of shares may vary as between series and be changed from time to time by like action), and to fix terms of such series to the full extent now or hereafter permitted by the laws of the State of Delaware, including but not limited to, the following:

   (a) the designation of such series, which may be by distinguishing number, letter or title;

   (b) the rate or rates at which shares of such series shall be entitled to receive dividends, the periods in respect of which dividends are payable, the conditions upon, and times of payment of, such dividends, the relationship and preference, if any, of such dividends to dividends payable on any other class or classes or any other series of stock, whether such dividends shall be cumulative and, if cumulative, the date or dates from which such dividends shall accumulate, and the other terms and conditions applicable to dividends upon shares of such series;

   (c) the rights of the holders of the shares of such series in case this Corporation be liquidated, dissolved or wound up (which may vary depending upon the time, manner, or voluntary or involuntary nature or other circumstances of such liquidation, dissolution or winding up) and the relationship and preference, if any, of such rights to rights of holders of shares of stock of any other class or classes or any other series of stock;

   (d) the right, if any, to redeem shares of such series at the option of this Corporation, including any limitation of such right, and the amount or amounts to be payable in respect of the shares of such series in case of such redemption (which may vary depending on the time, manner or other circumstances of such redemption), and the manner, effect and other terms and conditions of any such redemption thereof;

   (e) the obligation, if any, of this Corporation to purchase, redeem or retire shares of such series and/or to maintain a fund for such purpose, and the amount or amounts to be payable from time to time for such purpose or into such fund, or the number of shares to be purchased, redeemed or retired, the per share purchase price or prices and the other terms and conditions of any such obligation or obligations;

(f) the voting rights, if any, full, special or limited, to be given the shares of such series, including without limiting the generality of the foregoing, the right, if any, as a series or in conjunction with other series or classes, to elect one or more members of the Board of Directors either generally or at certain times or under certain circumstances, and restrictions, if any, on particular corporate acts without a specified vote or consent of holders of such shares (such as, among others, restrictions on modifying the terms of such series or of the Preferred Stock, restricting the permissible terms of other series or the permissible variations between series of Preferred Stock, authorizing or issuing additional shares of Preferred Stock, creating debit or creating any class of stock ranking prior to or on a parity with the Preferred Stock or any series thereof as to dividends or assets);

(g) the right, if any, to exchange or convert the shares of such series into shares of any other series of the Preferred Stock or into shares of any other class of stock of this Corporation, and the rate or basis, time, manner, terms and conditions of exchange or conversion or the method by which the same shall be determined; and

(h) the other special rights, if any, and the qualifications, limitations or restrictions thereof, of the shares of such series.

The Board of Directors shall fix the terms of each such series by resolution or resolutions adopted at any time prior to the issuance of the shares thereof, and the terms of each such series may, subject only to restrictions, if any, imposed by applicable law, vary from the terms of other series to the extent determined by the Board of Directors from time to time and provided in the resolution or resolutions fixing the terms of the respective series of the Preferred Stock.

The Board of Directors is also hereby expressly granted authority, at any time or from time to time, by resolution or resolutions, within the then total authorized number of shares of the Preferred Stock of all series, to increase the authorized number of shares of any series or of any Preferred Stock which is not part of a then existing series and to establish or re-establish any authorized or unissued shares of Preferred Stock as shares of any series or as Preferred Stock which is not part of any then existing series.

Attached hereto as Exhibit A and incorporated herein by reference is the Amended Certificate of Designation, Preferences and Rights of Series A Junior Participating Cumulative Preferred Stock authorized by the Board of Directors effective September 28, 1997 pursuant to the authority conferred by this Article FOURTH.

Division B. Common Stock

3. Dividends - Out of the assets of this Corporation available for dividends, remaining after full satisfaction of the applicable preferential rights, if any, of holders of outstanding shares of Preferred Stock, in accordance with the provisions of any certificate or certificates setting forth the resolutions fixing the terms of series of the Preferred Stock and after making such provision, if any, as the Board of Directors may, in its discretion, deem necessary for working capital and reserves or for compliance with any other terms of any series of the Preferred Stock, then, and not otherwise, dividends may be declared and paid upon the Common Stock, to the exclusion of the Preferred Stock.

4. Purchases - Subject to any applicable provisions of any certificate or certificates setting forth the resolutions fixing the terms of any series of the Preferred Stock, this Corporation may at any time or from time to time purchase shares of its Common Stock in any manner now or hereafter permitted by law, publicly or privately, or pursuant to any agreement.

5. Distribution of Assets - In the event that this Corporation shall be liquidated, dissolved or wound up, after satisfaction of the applicable preferential rights, if any, of holders of outstanding shares of Preferred Stock in accordance with any certificate or certificates setting forth the terms of any series of the Preferred Stock, the holders of the Common Stock shall be entitle to receive, pro rata and to the exclusion of the Preferred Stock, all of the remaining assets of this Corporation available for distribution to its stockholders.

6. Voting Rights - Except as provided in any certificate or certificates setting forth the resolutions fixing the terms of series of the Preferred Stock, or as otherwise required by law, the holders of the Common Stock shall possess full and exclusive voting power for the election of directors and for all other purposes.

Division C. General

7. Issuance of Shares - All authorized shares of stock of this Corporation shall be available for issuance and may be issued in accordance with the provisions of this Certificate of Incorporation, as from time to time amended, and the statutes in such case made and provided, for such consideration permitted by law (not less than the par or stated value thereof) as may be fixed from time to time by the Board of Directors. Without limiting in any way the generality of the foregoing, shares of any class of stock of this Corporation or of any series of any class may be issued in exchange for and upon surrender of outstanding shares of any other class or series upon such basis as the Board of Directors may at any time or from time to time determine and all shares so issued shall be and be taken to be full-paid and non-assessable and not liable to any further call, subject to the provisions of paragraph 8 below.

8. Exchange or Conversion of Shares - If any shares of stock of this Corporation are at any time issued in exchange for or upon conversion of outstanding shares of another class or series, the capital of this Corporation in respect of the shares surrendered for exchange or conversion immediately prior to such issue, or deemed by the Board of Directors to be applicable to said shares, shall thereupon and in each case, without effecting a reduction of the capital of this Corporation, be and be deemed to be allocated to the shares so issued or, if shares of more than one series or class of stock be so issued, to be allocated between the shares of the series or classes so issued as may be determined by the Board of Directors; provided that, if any shares so issued be shares with par value, the amount to be allocated to them shall be at least equal to the aggregate par value of such shares and, if the shares so issued be shares with a par value and also shares without par value, the amount to be allocated to them in the aggregate shall exceed the aggregate par value of said shares with par value. Nothing herein shall prevent the taking of any action at any time or from time to time with respect to the capital of this Corporation, however such capital shall then be allocated, or whether to increase or decrease the same with respect to any class or classes, or otherwise, in any manner or to any extent now or hereafter permitted by law.

9. Fractional Shares - Fractions of shares resulting from any exchange or conversion of outstanding shares of stock of this Corporation may, in the discretion of the Board of Directors, be disregarded in whole or part, to be provided for in cash or be represented by scrip certificates containing such terms and conditions (including without limitation and if deemed advisable non-voting and non-dividend bearing provisions and authority for the sale of fractions of shares represented by such scrip certificates for account of the holders thereof) as the Board of Directors may fix and determine.

FIFTH: The names and places of residence of each of the original incorporators are as follows:

Gardner Small	277 Avenue C New York, NY
Rolf F. Wisness	470 76th Street Brooklyn, NY
Herbert A. Power	77-17 64th Street Glendale, L.I., NY

SIXTH: This Corporation is to have perpetual existence.

SEVENTH: The private property of the stockholders shall not be subject to the payment of corporate debts to any extent whatever.

EIGHTH: No holder of any stock of this Corporation shall be entitled as of right to purchase or subscribe for any part of any stock of the Corporation authorized herein or of any additional stock of any class to be issued by reason of any increase of the authorized capital stock of the Corporation, or of any bonds, certificates of indebtedness, debentures or other securities convertible into stock of the Corporation, but any stock authorized herein or any such additional authorized issue of any stock or of securities convertible into stock may be issued and disposed of by the Board of Directors to such persons, firms, corporations or associations, and upon such terms and conditions as the Board of Directors may in their discretion determine, without offering any thereof on the same term or on any terms to the stockholders then of record or to any class of stockholder.

NINTH: In furtherance and not in limitation of the powers conferred by statute, the Board of Directors is expressly authorized:

(a) The make, alter, amend and rescind the by-laws of this Corporation; to fix the amount to be reserved as working capital; to authorize and cause to be executed mortgages and liens upon the real and personal property of this Corporation.

(b) From time to time to determine whether and to what extent and at what times and places and under what conditions and regulations the accounts and books of this Corporation, other than the stock ledger, or any of them, shall be open to the inspection of the stockholder, and no stockholder shall have any right of inspecting any account or book or document of this Corporation except as conferred by statute, or authorized by the directors, or by a resolution of the stockholders.

(c) If the by-laws so provide, to designate two or more of their number to constitute an executive committee, which committee shall for the time being, as provided in said resolution or in the by-laws of this Corporation, have and exercise any or all of the powers of the Board of Directors in the management of the business and affairs of this Corporation, and have power to authorize the seal of this Corporation to be affixed to all papers which may require it.

TENTH: This Corporation may in its by-laws confer powers additional to the foregoing upon the directors, in addition to the powers and authorities expressly conferred upon them by the statute.

ELEVENTH: Both stockholders and directors shall have power, if the by-laws so provide, to hold their meetings either within or without the State of Delaware; and the Corporation may have one or more offices in addition to the principal office in Delaware, and keep its books (subject to the provision of the statutes) outside of the State of Delaware at such places as may be from time to time designated by the Board.

TWELFTH: No contact or other transaction between the Corporation and any other firm or corporation shall be affected or invalidated by the fact that any one or more of the directors or officers of the Corporation is or are interested in or is a member, director, officer or stockholder or are members, directors, officers or stockholders of, such other firm or corporation, and any director or directors, officer of officers, individually or jointly, may be a party or parties to or may be interested in any contract or transaction of the Corporation or in which the Corporation is interested; and no contract, act or transaction of the Corporation with any person, firm, corporation or association shall be affected or invalidated by the fact that any director or directors, or officer or officers of the Corporation is a party or are parties to or interested in such contract, act or transaction or in any way connected with such person, firm, corporation or association, and each and every person, who may become a director or officer of the Corporation is hereby relieved, as far as is legally permissable, from any disability which might otherwise prevent him from contracting with the Corporation for the benefit of himself, or of any firm, corporation or association in which he may in any way be interested.

THIRTEENTH:

(a) The Corporation shall have power to indemnify any and all of its directors or officers or former directors or officers or any person who may have served at its request as a director or officer of another entity against all expenses incurred by them in connection with the defense of any action, suit or proceeding in which they, or any of them, are a party, are made parties, or threatened to be made parties by reason of being or having been such directors or officers.

(b) A director of the Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (1) for any breach of the director’s duty of loyalty to the Corporation or its stockholders, (2) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (3) under Section 174 of the Delaware General Corporation Law, or (4) for any transaction from which the director derived any improper personal benefit.

FOURTEENTH:

(A) Business Combinations with Substantial Stockholders.

1. Ninety Percent Required Vote. Except as provided in Subparagraph (2) hereof, the affirmative vote of at least 90% of the vote which all holders of Common Stock of this Corporation, voting as a single class, are entitled to cast thereon with respect to such Common Stock and, in addition, the affirmative vote of the number or proportion of shares of any class or series of any class of shares of this Corporation, if any, as shall at the time be required by the express terms of any such class or series, shall be required to approve any of the following transactions (“Business Combinations”) involving a Substantial Stockholder (hereinafter defined):

(a) any merger or consolidation of this Corporation or any subsidiary thereof with or into (i) any Substantial Stockholder or (ii) any other corporation which after such merger or consolidation would be an Affiliate (hereinafter defined) of a Substantial Stockholder, or

(b) any sales, lease, exchange, mortgage, pledge, transfer or other disposition (in one transaction or a series of related transactions) to or with any Substantial Stockholder of any substantial part (hereinafter defined) of the assets of this Corporation of any subsidiary thereof, or

(c) the issuance or transfer by this Corporation or by any subsidiary thereof (in one transaction or series of related transactions) of any equity securities, or rights with respect to equity securities, of this Corporation or any subsidiary thereof to any Substantial Stockholder in exchange for cash, securities or other property (or a combination thereof) having an aggregate fair market value of $5,000,000 or more, except in the course of a public offering when such securities are issued to a Substantial Stockholder who is an underwriter in such offering primarily for resale, or

(d) the adoption of any plan or proposal for the liquidation or dissolution of this Corporation if, as of the record date for the determination of Stockholders entitled to notice thereof and to vote thereon, any person shall be a Substantial Stockholder, or

(e) any reclassification of securities (including any reverse stock split) or recapitalization of this Corporation, or any reorganization, merger or consolidation of this Corporation with any of its subsidiaries or any similar transaction (whether or not with or into or otherwise involving a Substantial Stockholder) which has the effect, directly or indirectly, of increasing the proportionate share of the outstanding securities of any class of equity securities of this Corporation or any subsidiary which is directly or indirectly beneficially owned (as hereinafter defined) by any Substantial Stockholder.

2. Exceptions to Ninety Percent Required Vote. Subparagraph (A)(1) of this Article Fourteenth shall not apply to a Business Combination if either (a) the Business Combination is approved by a vote of three-quarters of the Continuing Directors, or (b) the Substantial Stockholder shall have complied with the provisions of Subparagraph (A)(3) of this Article Fourteenth and all other holders of Common Stock of this Corporation shall have been given a reasonable opportunity immediately before the consummation of the Business Combination to receive in the Business Combination, or the right to receive as a result of or in the Business Combination, cash, cash and other consideration, or other consideration, the per share fair market value of which will not, at the time the Business Combination is effected, together with any cash, be less than the greatest of (i) the highest price per share (including brokerage commissions, soliciting dealers' fees and all other expenses) paid by the Substantial Stockholder in acquiring any of its shares of Common Stock of this Corporation; (ii) the per share book value of this

Corporation’s Common Stock at the time the Business Combination is effected determined by such independent appraisal firm or other experts as the Board of Directors deem appropriate; (iii) the highest sale or bid price per share for the Common Stock during the 24 months immediately preceding the time the Business Combination is effected; and (iv) an amount which bears the same or a greater percentage relationship to the market price of this Corporation’s Common Stock immediately prior to the announcement of the Business Combination as the highest per share price paid in (i) above bore to the market price of this Corporation’s Common Stock immediately prior to the commencement of acquisition of this Corporation’s Common Stock by such Substantial Stockholder.

3. Restrictions on Corporate Action. Without the approval of three-quarters of the Continuing Directors, a Substantial Stockholder, after the time it became such, seeking to comply with clause (b) of Subparagraph (A)(2) of this Article Fourteenth, shall not have (i) made any material change in this Corporation’s business or capital structure, (ii) received the benefit directly or indirectly (except proportionately as a Stockholder) of any loan, advances, guarantees, pledges or other financial assistance provided by this Corporation, (iii) made, caused or brought about, directly or indirectly, any change in this Corporation’s Certificate of Incorporation or By-laws or in the membership of this Corporation’s Board of Directors or any committee thereof, or (iv) acquired any newly issued or treasury shares of this Corporation’s capital stock directly or indirectly from this Corporation (except upon conversion of convertible securities or as a result of a pro rata share dividend or share split).

4. Certain Definitions. The following terms when used herein shall have the meanings set forth below:

(a) The term “Substantial Stockholder” shall mean any person, corporation or other entity, together with any other entity with which it or its Affiliate or Associate (hereinafter defined) has any agreement, arrangement or understanding for the purpose of acquiring, holding, voting or disposing of capital stock of the Corporation or which is its Affiliate or Associate, which immediately prior to any Business Combination has “beneficial ownership” (hereinafter defined) of more than 10% of the outstanding shares of Common Stock of this Corporation. For the purpose of this Article Fourteenth, the outstanding shares of Common Stock shall include all shares deemed owned under the definition herein of beneficial ownership, but shall not include any other shares which may be issuable either immediately or at some future date pursuant to any agreement, or upon exercise of conversion rights, warrants or options, or otherwise.

(b) The term “Affiliate” and “Associate” shall have the meanings ascribed thereto in Rule 12b-2 promulgated under the Securities Exchange Act of 1934 in effect on January 1, 1984.

(c) The term “beneficial ownership” shall have the meaning ascribed thereto in Rule 13d-3 promulgated under the Securities Exchange Act of 1934 in effect on January 1, 1984. Without limitation, any shares of Common Stock of this Corporation which any Substantial Stockholder has the right to acquire either immediately or at some future date pursuant to any agreement, or upon exercise of conversion rights, warrants or options or otherwise, shall be deemed beneficially owned by a person in determining whether such person is a Substantial Stockholder.

(d) The term “substantial part” shall mean assets having a book value in excess of. 10% of the book value of the total consolidated assets of this Corporation at the end of its most recent fiscal year ending prior to the time the determination is made, all determined in accordance with generally accepted accounting principles.

(e) The term “Continuing Director” shall mean a person who was a member of the Board of Directors of this Corporation immediately prior to the date as of which the Substantial Stockholder in question became a Substantial Stockholder, or, following such date, a person designated (before his initial election or appointment as a director) as a Continuing Director by a majority of the Whole Board, but only if a majority of the Whole Board shall not then consist of Continuing Directors, by a majority of the then Continuing Directors.

(f) The term “Whole Board” shall mean the total number of directors which this Corporation would have if there were no vacancies.

5. Findings. A majority of the Whole Board shall have the power to determine, but only if a majority of the Whole Board shall then consist of Continuing Directors, or, if a majority of the Whole Board shall not then consist of Continuing Directors, a majority of the then Continuing Directors shall have the power to determine, for the purposes of this Article Fourteenth, on the basis of information known to them, (i) the number of shares of common stock of this Corporation beneficially owned by any person, (ii) whether a person is an Affiliate or an Associate of another, and (iii) any other factual matter relating to the applicability or effect of this Article Fourteenth.

6. Conclusive Determination. Any determinations made by the Board of Directors, or by the Continuing Directors, as the case may be, pursuant to this Article Fourteenth in good faith and on the basis of such information and assistance as was then reasonably available for such purpose shall be conclusive and binding upon this Corporation and its stockholders, including any Substantial Stockholder.

7. Fiduciary Duty. Nothing contained in this Article Fourteenth shall be construed to relieve any Substantial Stockholder from any fiduciary obligation imposed by law.

8. Severability. In the event that any paragraph (or portion thereof) of this Article Fourteenth shall be found to be invalid, prohibited or unenforceable for any reason, the remaining provisions, or portion thereof, of this Article Fourteenth shall be deemed to remain in full force and effect, and shall be construed as if such invalid, prohibited or unenforceable provision had been stricken herefrom or otherwise rendered inapplicable, it being the intent of this Corporation and its stockholders that each such remaining provision (or portion thereof) of this Article Fourteenth remain, to the fullest extent permitted by law, applicable and enforceable as to all stockholders, including Substantial Stockholder, notwithstanding any such findings.

9. Amendments. This Paragraph (A) of this Article Fourteenth shall not be amended, modified or repealed in any manner, directly or indirectly, except by (i) the approval of 90% of the vote which all holders of Common Stock, voting as a single class, are entitled to cast thereon with respect to such Common Stock and, in addition, the affirmative vote of any other class of shares of this Corporation, if any as shall at the time be required by the express terms of any such class or series, or (ii) the approval of three-quarters of the Continuing Directors and the stockholder approval otherwise required by statute or by-law for such amendment.

(B) By-law and Preferred Stock Provisions.

The provisions of Paragraph (A) of this Article Fourteenth shall be subject to the express terms of any class or series of any class of preferred stock of this Corporation. The By-laws of this Corporation shall not contain any provisions inconsistent with this Article Fourteenth.

FIFTEENTH:

(c) Number, Election and Term of Directors. The number of the Directors of the Corporation shall be fixed from time to time by or pursuant to the Bylaws of the Corporation. The Directors shall be elected by a plurality of the votes of the shares present in person or represented by proxy at each annual meeting of stockholders, except as provided in Paragraph (c) of this Article FIFTEENTH, and each Director shall hold office until the next annual meeting of stockholders and until such Director's successor is elected and qualified, except as required by law.

(d) Stockholder Nomination of Director Candidates. Advance notice of nominations for the election of Directors, other than by the Board of Directors or a committee thereof, shall be given in the manner provided in the By-laws.

(e) Newly Created Directorships and Vacancies. Newly created directorships resulting from any increase in the number of Directors or any vacancy on the Board of Directors resulting from death, resignation, disqualification, removal or other cause shall be filled solely by the affirmative vote of a majority of the remaining Directors then in office, even though less than a quorum of the Board of Directors, or by a sole remaining Director. Any director elected in accordance with the preceding sentence shall hold office until the next annual meeting of the stockholders and until such Director's successor is elected and qualified, except as required by law. No decrease in the number of Directors constituting the Board of Directors shall shorten the term of any incumbent Director.

(f) Removal of Directors. Any Director or the entire Board of Directors may be removed, with or without cause, as provided herein. At any annual meeting of stockholders of the Corporation or at any special meeting of stockholders of the Corporation, the notice of which shall state that the removal of a Director or Directors is among the purposes of the meeting, the affirmative vote of at least eighty percent of the vote which all holders of Common Stock of this Corporation, voting together as a single class, are entitled to cast thereon with respect to such Common Stock, may remove such Director or Directors with or without cause.

(g) Stockholder Action. Any action required or permitted to be taken by the stockholders of the Corporation must be effected at a duly called annual or special meeting of such holders and may not be effected by any consent in writing by such holders. Except as otherwise required by law, special meetings of stockholders of the Corporation may be called only by the Board of Directors pursuant to a resolution approved by a majority of the entire Board of Directors or by the Chairman of the Board or by the President.

(h) By-laws Amendments. Notwithstanding anything contained in this Restated Certificate of Incorporation to the contrary, Sections 1, 2 and 3 of Article II and Sections 2, 3 and 4 of Article III of the By-laws shall not be altered, amended or repealed and no provision inconsistent therewith shall be adopted without the approval of eighty percent of the vote which all holders of Common Stock, voting as a single class, are entitled to cast thereon with respect to such Common Stock.

(i) Amendments. This Article Fifteenth shall not be amended, modified or repealed in any manner, directly or indirectly, except by the approval of eighty percent of the vote which all holders of Common Stock, voting as a single class, are entitled to cast thereon with respect to such Common Stock.

(j) Preferred Stock Provisions. The provisions of this Article Fifteenth shall be subject to the express terms of any class or series of any class of preferred stock of this Corporation.

SIXTEENTH:

(a) Prevention of Greenmail. Any purchase or other acquisition, directly or indirectly, in one or more transactions, by the Corporation or any Subsidiary (as hereinafter defined) of the Corporation of any share of Common Stock of this Corporation known by the Corporation to be beneficially owned by any Substantial Stockholder (as hereinafter defined) who has beneficially owned such security or right for less than two years prior to the date of such purchase shall, except as hereinafter expressly provided, require the affirmative vote of at least eighty percent of the vote of all of the shares of Common Stock of this Corporation, voting as a single class, are entitled to cast thereon with respect to the such Common Stock. Such affirmative vote shall be required notwithstanding the fact that no vote may be required, or that a lesser percentage may be specified, by law or any agreement with any national securities exchange, or otherwise, but no such affirmative vote shall be required with respect to any purchase or other acquisition by the Corporation or any of its Subsidiaries of Common Stock purchased at or below Fair Market Value (as hereinafter defined) or made as part of a tender or exchange offer made on the same terms to all holders of such securities and complying with the applicable requirements of the Securities Exchange Act of 1934 (the "Exchange Act") and the rules and regulations thereunder or in a Public Transaction (as hereinafter defined).

(b) Certain Definitions. The following terms when used herein shall have the meanings set forth below:

(1) The terms "Affiliate" and "Associate" shall have the meanings ascribed thereto in Rule 12b-2 promulgated under the Securities Exchange Act of 1934 in effect on January 1, 1986.

(2) A person shall be a "beneficial owner" of any shares of Common Stock of this Corporation:

(A) which such person or any of its Affiliates or Associates beneficially owns, directly or indirectly; or

(B) which such person or any of its Affiliates or Associates has (i) the right to acquire (whether such right is exercisable immediately or only after the passage of time), pursuant to any agreement, arrangement or understanding or upon the exercise of conversion rights, exchange rights, warrants or options, or otherwise, or (ii) any right to vote pursuant to any agreement, arrangement or understanding; or

(C) which is beneficially owned, directly or indirectly, by any other person with which such person or any of its Affiliates or Associates has any agreement, arrangement or understanding for the purpose of acquiring, holding, voting or disposing of any security of any class of the Corporation or any of its Subsidiaries.

(D) For the purposes of determining whether a person is a Substantial Stockholder, the relevant class of securities outstanding shall be deemed to include all such securities of which such person is deemed to be the "beneficial owner" through application of this subparagraph (2), but shall not include any other securities of such class which may be issuable pursuant to any agreement, arrangement or understanding, or upon exercise of conversion rights, warrants or options or otherwise, but are not yet issued.

(3) "Fair Market Value" means, for any share of Common Stock of this Corporation, the average of the closing sale prices during the ninety-day period immediately preceding the repurchase of such Common Stock on the Composite Tape for New York Stock Exchange-Listed Stocks, or, if such Common Stock is not quoted on the Composite Tape, on the New York Stock Exchange, or, if such Common Stock, is not listed on such Exchange, on the principal United States securities exchange registered under the Exchange Act on which such Common Stock, is listed, or if such Common Stock is not listed on any such exchange, the average of the closing bid quotations with respect to a share of such Common Stock, during the ninety-day period immediately preceding the date in question on the National Association of Securities Dealers, Inc. Automated Quotations system or any system then in use, or if no such quotations are available, the Fair Market Value on the date in question of a share of such Common Stock, as determined by the Board of Directors in good faith.

(4) A "person" shall mean any individual, firm, corporation or other entity (including a "group" within the meaning of Section 13(d) of the Exchange Act).

(5) A "Public Transaction" shall mean any (i) purchase of shares offered pursuant to an effective registration statement under the Securities Act of 1933 or (ii) open market purchases of shares if, in either such case, the price and other terms of sale are not negotiated by the purchaser and seller of the beneficial interest in the shares.

(6) The term "Subsidiary" shall mean any corporation at least a majority of the outstanding securities of which having ordinary voting power to elect a majority of the board of directors of such corporation (whether or not any other class of securities has or might have voting power by reason of the happening of a contingency) is at the time owned or controlled directly or

indirectly by the Corporation or one or more Subsidiaries or by the Corporation and one or more Subsidiaries.

(7) "Substantial Stockholder" shall mean any person (other than (i) the Corporation, (ii) any of its Subsidiaries, (iii) any benefit plan or trust of or for the benefit of the Corporation or any of its Subsidiaries, or (iv) any trustee, agent or other representative of any of the foregoing) who or which:

(A) is the beneficial owner, directly or indirectly of more than five percent of the outstanding shares of Common Stock of this Corporation; or

(B) is an Affiliate of the Corporation and at any time within the two-year period immediately prior to the date in question was the beneficial owner, directly or indirectly, of more than five percent of the outstanding shares of Common Stock of this Corporation; or

(C) is an assignee of or has otherwise succeeded to any shares of any class of the outstanding shares of Common Stock of this Corporation which were at any time within the two-year period immediately prior to the date in question beneficially owned by a Substantial Stockholder, unless such assignment or succession shall have occurred pursuant to any Public Transaction or a series of transactions including a Public Transaction.

(8) The term "Whole Board" shall mean a total number of Directors this Corporation would have if there were no vacancies.

(c) Findings. A majority of the Whole Board shall have the power to determine, but only if a majority of the Whole Board shall then consist of Continuing Directors, or, if a majority of the Whole Board shall not then consist of Continuing Directors, a majority of Continuing Directors shall have the power to determine, for the purposes of this Article Sixteenth, on the basis of information known to them, (i) the number of shares of Common Stock of this Corporation beneficially owned by any person, (ii) whether a person is an Affiliate or an Associate of another, (iii) whether a transaction is a Public Transaction, (iv) the Fair Market Value of any shares of Common Stock and (v) any other factual matter relating to the applicability or effect of this Article Sixteenth.

(d) Amendments. This Article Sixteenth shall not be amended, modified or repealed in any manner, directly or indirectly, except by the approval of eighty percent of the vote which all holders of Common Stock, voting as a single class, are entitled to cast thereon with respect to such Common Stock.

SEVENTEENTH: The Board of Directors, when evaluating any (a) tender offer or invitation for tenders, or proposal or offer to make a tender offer or request or invitation for tenders, by another party, for or of any equity security of the Corporation, or (b) proposal or offer by another party to (1) merge or consolidate the Corporation or any Subsidiary of the Corporation with another corporation, (2) purchase or otherwise acquire all or a substantial portion of the properties or assets of such other party, or (3) liquidate, dissolve, reclassify the securities of, recapitalize or reorganize the Corporation, shall in connection with the exercise of its judgment in determining what is in the best interests of the Corporation and its stockholders, give due consideration to (i) all factors which the Board of Directors deems relevant, including, without limitation, the social, legal and economic effects on the employees, customers, suppliers and other constituents of the Corporation and its subsidiaries and on the communities in which the Corporation and its subsidiaries and their employees, customers, suppliers, and other constituents operate or are located and (ii) not only the consideration being offered in relation to the current market price for the Corporation’s outstanding shares of capital stock, but also in relation to the then current value of the Corporation in a freely negotiated transaction and in relation to the Board of Directors’ estimate of the future value of the Corporation (including the unrealized value of its properties and assets) as an independent going concern.

EIGHTEENTH: Whenever a compromise or arrangement is proposed between this Corporation and its creditors or any class of them and/or between this Corporation and its stockholders or any class of them, any court of equitable jurisdiction within the State of Delaware may, on the application in a summary way of this Corporation or of any creditor or stockholder thereof or on the application of any Receiver or Receivers appointed for this Corporation under the provisions of Section 291 of Title 8 of the Delaware Code, or on the application of trustees in dissolution or of any Receiver or Receivers appointed for this Corporation under the provisions of Section 279 of Title 8 of the Delaware Code, order a meeting of the creditors or class of creditors, and/or of the stockholders or class of stockholders of this Corporation, as the case may be, to be summoned in such manner as the said Court directs. If a majority in number representing three-fourth in value of the creditors, or class of creditors, and/or of the stockholder or class of stockholders of this Corporation, as the case may be, agree to any compromise or arrangement, and to any reorganization of this Corporation as consequence of such compromise or arrangement, the said compromise or arrangement and the said reorganization shall, if sanctioned by the Court to which the said application has been made be binding on all the creditors or class of creditors, and/or on all the stockholders or class of stockholders of this Corporation, as the case may be, and also on this Corporation.

NINETEENTH: This Corporation reserves the right to amend, alter, change or repeal any provision contained in this Certificate of Incorporation, in the manner now or hereafter prescribed by statute, and all rights conferred on stockholders herein are granted subject to this reservation.

IN WITNESS WHEREOF, said Harsco Corporation has caused this Restated Certificate of Incorporation to be signed by its President and Chief Executive Officer, Patrick K. Decker, and attested by A. Verona Dorch, its Vice President, General Counsel and Corporate Secretary, this 30th day of July, 2013.

HARSCO CORPORATION

ATTEST:

By: /s/ A. Verona Dorch
A. Verona Dorch
Vice President, General Counsel and
Corporate Secretary

By: /s/ Patrick K. Decker
Patrick K. Decker
President and Chief Executive Officer

AMENDED CERTIFICATE OF DESIGNATION, PREFERENCES AND RIGHTS OF SERIES A JUNIOR PARTICIPATING CUMULATIVE PREFERRED STOCK ($1.25 PAR VALUE)

of

Harsco Corporation

Pursuant to Section 151 of the General Corporation Law of the State of Delaware

We, Derek C. Hathaway, Chairman of the Board, and Paul C. Coppock, Secretary, of Harsco Corporation, a corporation organized and existing under the General Corporation Law of the State of Delaware, in accordance with the provisions of Section 103 thereof, DO HEREBY CERTIFY:

That pursuant to the authority conferred upon the Board of Directors by the Restated Certificate of Incorporation of the said Corporation, the said Board of Directors on September 29, 1987, adopted a resolution creating a series of 400,000 shares of Cumulative Preferred Stock designated as Series A Junior Participating Cumulative Preferred Stock with the preferences and rights as provided in the Certificate of Designation adopted by the Board; and on June 24, 1997, the said Board of Directors adopted a resolution amending the Certificate of Designation as follows:

RESOLVED, that pursuant to the authority vested in the Board of Directors of this Corporation in accordance with the provisions of its Restated Certificate of Incorporation, the Certificate of Designation adopted by the Board of Directors on September 29, 1987, is hereby amended effective September 28, 1997 as follows:

Section 1. Designation and Amount. The shares of such series shall be designated as “Series A Junior Participating Cumulative Preferred Stock” and the number of shares constituting such series shall be 750,000.

Section 2. Dividends and Distributions.

(A) Subject to the prior and superior rights of the holders of any shares of any series of Preferred Stock ranking prior and superior to the shares of Series A Junior Participating Cumulative Preferred Stock with respect to dividends or distributions, the holders of shares of Series A Junior Participating Cumulative Preferred Stock shall be entitled to receive, when, as and if declared by the Board of Directors out of funds legally available for the purpose, quarterly dividends payable in cash on the fifteenth day of February, May, August and November in each year (each such date being referred to herein as a “Quarterly Dividend Payment Date”), commencing on the first Quarterly Dividend Payment Date after the first issuance of a share or fraction of a share of Series A Junior Participating Cumulative Preferred Stock, in an amount per share (rounded to the nearest cent) equal to the greater of (a) $5.00 or (b) subject to the provision for adjustment hereinafter set forth, 100 times the aggregate per share amount of all cash dividends, and 100 times the aggregate per share amount (payable in kind) of all non-cash dividends or other distributions other than a dividend payable in shares of Common Stock or a subdivision of the outstanding shares of Common Stock (by reclassification or otherwise), declared on the Common Stock, par value $1.25 per share, of the Corporation (the "Common Stock") since the immediately preceding Quarterly Dividend Payment Date, or, with respect to the first Quarterly Dividend Payment Date, since the first issuance of any share or fraction of a share of Series A Junior Participating Cumulative Preferred Stock. In the event the Corporation shall at any time after September 28,1997 (the "Rights Declaration Date") (i) declare any dividend on Common Stock payable in shares of Common Stock, (ii) subdivide the outstanding Common Stock, or (iii) combine the outstanding Common Stock into a small number of shares, then in each such case the amount to which holders of shares of Series A Junior Participating Cumulative Preferred Stock were entitled immediately prior to such event under clause (b) of the preceding sentence shall be adjusted by multiplying such amount by a fraction the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

(B) The corporation shall declare a dividend or distribution on the Series A Junior Participating Cumulative Preferred Stock as provided in paragraph (A) above immediately after it declares a dividend or distribution on the Common Stock (other than a dividend payable in shares of Common Stock); provided that, in the event no dividend or distribution shall have been declared on the Common Stock during the period between any Quarterly Dividend Payment Date and the next subsequent Quarterly Dividend Payment Date, a dividend of $5.00 per share on the Series A Junior Participating Cumulative Preferred Stock shell nevertheless be payable on such subsequent Quarterly Dividend Payment Date.

(C) Dividends shall begin to accrue and be cumulative on outstanding shares of Series A Junior Participating cumulative Preferred Stock from the Quarterly Dividend Payment Date next preceding the date of issue of such shares of Series A Junior Participating Cumulative Preferred Stock, unless the date of issue of such shares is prior to the record date for the first Quarterly Dividend Payment Date, in which case dividends on such shares shall begin to accrue from the date of issue of such shares, or unless the date of issue is a Quarterly Dividend Payment Date or is a date after the record date for determination of holders of shares of Series A Junior Participating Cumulative Preferred Stock entitled to receive a quarterly dividend and before such Quarterly Dividend Payment Date, in either of which events such dividends shall begin to accrue and be cumulative from such Quarterly Dividend Payment Date. Accrued but unpaid dividends shall not bear interest. Dividends paid on the shares of Series A Junior Participating Cumulative Preferred Stock in an amount less than the total amount of such dividends at the time accrued and payable on such shares shall be allocated pro rata on a share-by-share basis among all such shares at the time outstanding. The Board of Directors may fix a record date for the determination of holders of shares of Series A Junior Participating Cumulative Preferred Stock entitled to receive payment of a dividend or distribution declared thereon, which record date shall be no more than 45 days prior to the date fixed for the payment thereof.

Section 3. Voting Rights. In addition to the voting rights set forth in Article FOURTH of the Restated Certificate of Incorporation or otherwise required by law, the holders of shares of Series A Junior Participating Cumulative Preferred Stock shall have the following voting rights:

(A) Subject to the provision for adjustment hereinafter set forth, each share of Series A Junior Participating Cumulative Preferred Stock shall entitle the holder thereof to 100 votes on all matters submitted to a vote of the stockholders of the Corporation. In the event the Corporation shall at any time after the Rights Declaration Date (i) declare any dividend on Common Stock payable in shares of Common Stock, (ii) subdivide the outstanding Common Stock, or (iii) combine the outstanding Common Stock into a smaller number of shares, then in each such case the number of votes per share to which holders of shares of Series A Junior Participating Cumulative Preferred Stock were entitled immediately prior to such event shall be adjusted by multiplying such number by a fraction the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

(B) Except as otherwise provided herein or by law, the holders of shares of Series A Junior Participating Cumulative Preferred Stock and the holders of shares of Common Stock shall vote together as one class on all matters submitted to a vote of stockholders of the Corporation.

(C) (1) If at any time dividends on any Series A Junior Participating Cumulative Preferred Stock shall be in arrears in an amount equal to six (6) quarterly dividends thereon, the occurrence of such contingency shall mark the beginning of a period (herein called a “default period”) which shall extend until such time when all accrued and unpaid dividends for all previous quarterly dividend periods and for the current quarterly dividend period on all shares of Series A Junior Participating Cumulative Preferred Stock then outstanding shall have been declared and paid or set apart for payment. During each default period, all holders of Cumulative Preferred Stock (including holders of the Series A Junior Participating Cumulative Preferred Stock) with dividends in arrears in an amount equal to six (6) quarterly dividends thereon, voting as a class, irrespective of series, shall have the right to elect two (2) Directors.

(i) During any default period, such voting right of the holders of Series A Junior Participating Cumulative Preferred Stock may be exercised initially at a special meeting called pursuant to subparagraph (iii) of this Section 3(C) or at any annual meeting of stockholders, and thereafter at annual meetings of Stockholders, provided that neither such voting right nor the right of the holders of any other series of Cumulative Preferred Stock, if any to increase, in certain cases, the authorized number of Directors shall be exercised unless the holders of ten percent (10%) in number of shares of Cumulative Preferred Stock outstanding shall be present in person or by proxy. The absence of a quorum of the holders of Common Stock shall not affect the exercise by the holders of Cumulative Preferred Stock of such voting right. At any meeting at which the holders of Cumulative Preferred Stock shall exercise such voting right initially during an existing default period, they shall have the right, voting as a class, to elect Directors to fill such vacancies, if any, in the Board of Directors as may then exist up to two (2) Directors or, if such right is exercised at an annual meeting, to elect two (2) Directors. If the number which may be so elected at any special meeting does not amount to the required number, the holders of the Cumulative Preferred Stock shall have the right to make such increase in the number of Directors as shall be necessary to permit the election by them of the required number. After the holders of the Cumulative Preferred Stock shall have exercised their right to elect Directors in any default period and during the continuance of such period, the number of Directors shall not be increased or decreased except by vote of the holders of Cumulative Preferred Stock as herein provided or pursuant to the rights of any equity securities ranking senior to or pari passu with the Series A Junior Participating Cumulative Preferred Stock.

(ii) Unless the holders of Cumulative Preferred Stock shall, during an existing default period, have previously exercised their right to elect Directors, the Board of Directors may order, or any stockholder or stockholders owning in the aggregate not less than ten percent (10%) of the total number of shares of Cumulative Preferred Stock outstanding, irrespective of series, may request, the calling of a special meeting of the holders of Cumulative Preferred Stock, which meeting shall thereupon be called by the President, a Vice-President or the Secretary of the Corporation. Notice of such meeting and of any annual meeting at which holders of Cumulative Preferred Stock are entitled to vote pursuant to this paragraph (C)(iii) shall be given to each holder of record of Cumulative Preferred Stock by mailing a copy of such notice to him at his last address as the same appears on the books of the Corporation. Such meeting shall be called for a time not earlier than 20 days and not later than 60 days after such order or request or in default of the calling of such meeting within 60 days after such order or request, such meeting may be called on similar notice by any stockholder or stockholders owning in the aggregate not less than ten percent (10%) of the total number of shares of Cumulative Preferred Stock outstanding. Notwithstanding the provisions of this paragraph (C)(iii), no such special meeting shall be called during the period within 60 days immediately preceding the date fixed for the next annual meeting of the stockholders.

(iii) In any default period, the holders of Common Stock, and other classes of stock of the Corporation if applicable, shall continue to be entitled to elect the whole number of Directors until the holders of Cumulative Preferred Stock shall have exercised their right to elect two (2) Directors voting as a class, after the exercise of which right (x) the Directors so elected by the holders of Cumulative Preferred Stock shall continue in office until their successors shall have been elected by such holders or until the expiration of the default period, and (y) any vacancy in the Board of Directors may (except as provided in paragraph (C)(ii) of this Section

(3) be filled by vote of a majority of the remaining Directors theretofore elected by the holders of the class of stock which elected the Director whose office shall have become vacant.

References in this paragraph (C) to Directors elected by the holders of a particular class of stock shall include Directors elected by such Directors to fill vacancies as provided in clause (y) of the foregoing sentence.

(iv) Immediately upon the expiration of a default period, (x) the right of the holders of Cumulative Preferred Stock as a class to elect Directors shall cease, (y) the term of any Directors elected by the holders of Cumulative Preferred Stock as a class shall terminate, and (z) the number of Directors shall be such number as may be provided for in the certificate of incorporation or by laws irrespective of any increase made pursuant to the provisions of paragraph (C)(ii) of this Section 3 (such number being subject, however, to change thereafter in any manner provided by law or in the certificate of incorporation or by-laws). Any vacancies in the Board of Directors effected by the provisions of clauses (y) and (z) in the preceding sentence may be filled by a majority of the remaining Directors.

(D) Except as set forth herein, holders of Series A Junior Participating Cumulative Preferred Stock shall have no special voting rights and their consent shall not be required (except to the extent they are entitled to vote with holders of Common Stock as set forth herein) for taking any corporate action.

Section 4. Reacquired Shares. Any shares of Series A Junior Participating Cumulative Preferred Stock purchased or otherwise acquired by the Corporation in any manner whatsoever shall be retired and cancelled promptly after the acquisition thereof. All such shares shall upon their cancellation become authorized but unissued shares of Cumulative Preferred Stock and may be reissued as part of a new series of Cumulative Preferred Stock to be created by resolution or resolutions of the Board of Directors, subject to the conditions and restrictions on issuance set forth herein.

Section 5. Liquidation, Dissolution or Winding Up.

(A) Upon any voluntary liquidation, dissolution or winding up of the Corporation, no distribution shall be made to the holders of shares of stock ranking (either as to dividends or upon liquidation, dissolution or winding up) junior to the Series A Junior Participating Cumulative Preferred Stock unless, prior thereto, the holders of shares of Series A Junior Participating Cumulative Preferred Stock shall have received $150 per share, plus an amount equal to accrued and unpaid dividends and distributions thereon, whether or not declared, to the date of such payment (the “Series A Liquidation Preference”). Following the payment of the full amount of the Series A Liquidation Preference, no additional distributions shall be made to the holders of shares of Series A Junior Participating Cumulative Preferred Stock unless, prior thereto, the holders of shares of Common Stock shall have received an amount per share (the “Common Adjustment”) equal to the quotient obtained by dividing (i) the Series A Liquidation Preference by (ii) 100 (as appropriately adjusted as set forth in subparagraph C below to reflect such events as stock splits, stock dividends and recapitalizations with respect to the Common Stock) (such number in clause (ii), the “Adjustment Number”). Following the payment of the full amount of the Series A Liquidation Preference and the Common Adjustment in respect of all outstanding shares of Series A Junior Participating Cumulative Preferred Stock and Common Stock, respectively, holders of Series A Junior Participating Cumulative Preferred Stock and holders of shares of Common Stock shall receive their ratable and proportionate share of the remaining assets to be distributed in the ratio of the Adjustment Number to 1 with respect to such Cumulative Preferred Stock and Common Stock, on a per share basis, respectively.

(B) In the event however, that there are not sufficient assets available to permit payment in full of the Series A Liquidation Preference and the liquidation preferences of all other series of Cumulative Preferred Stock, if any, which rank on a parity with the Series A Junior Participating Cumulative Preferred Stock, then such remaining assets shall be distributed ratably to the holders of such parity shares in proportion to their respective liquidation preferences. In the event, however, that there are not sufficient assets available to permit payment in full of the Common Adjustment, then such remaining assets shall be distributed ratably to the holders of Common Stock.

(C) In the event the Corporation shall at any time after the Rights Declaration Date (i) declare any dividend on Common Stock payable in shares of Common Stock, (ii) subdivide the outstanding Common Stock, or (iii) combine the outstanding Common Stock into a smaller number of shares, then in each such case the Adjustment Number in effect immediately prior to such event shall be adjusted by multiplying such Adjustment Number by a fraction the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

Section 6. Consolidation, Merger, etc. In case the Corporation shall enter into any consolidation, merger, combination or other transaction in which the shares of Common Stock are exchanged for or changed into other stock or securities, cash and/or any other property, then in any such case the shares of Series A Junior Participating Cumulative Preferred Stock shall at the same time be similarly exchanged or changed in an amount per share (subject to the provision for adjustment hereinafter set forth) equal to 100 times the aggregate amount of stock, securities, cash and/or any other property (payable in kind), as the case may be, into which or for which each share of Common Stock is changed or exchanged. In the event the Corporation shall at any time after the Rights Declaration Date (i) declare any dividend on Common Stock payable in shares of Common Stock, (ii) subdivide the outstanding Common Stock, or (iii) combine the outstanding Common Stock into a smaller number of shares, then in each such case the amount set forth in the preceding sentence with respect to the exchange or change of shares of Series A Junior Participating Cumulative Preferred Stock shall be adjusted by multiplying such amount by a fraction the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

Section 7. No Redemption. The shares of Series A Junior Participating Cumulative Preferred Stock shall not be redeemable.

Section 8. Ranking. The Series A Junior Participating Cumulative Preferred Stock shall rank junior to all other series of the Corporation's preferred stock as to the payment of dividends and the distribution of assets.

Section 9. Amendment. The Restated Certificate of Incorporation of the Corporation shall not be further amended in any manner which would materially alter or change the powers, preferences or special rights of the Series A Junior Participating Cumulative Preferred Stock so as to affect them adversely without the affirmative vote of the holders of a majority or more of the outstanding shares of Series A Junior Participating Cumulative Preferred Stock, voting separately as a class.

Section 10. Fractional Shares. Series A Junior Participating Cumulative Preferred Stock may be issued in fractions of a share which shall entitle the holder, in proportion to such holder's fractional shares, to exercise voting rights, receive dividends, participate in distributions and to have the benefit of all other rights of holders of Series A Junior Participating Cumulative Preferred Stock.

IN WITNESS WHEREOF, we have executed and subscribed this Certificate and do affirm the foregoing as true under the penalties of perjury this 23rd day of September, 1997.

/s/Derek C. Hathaway

Derek C. Hathaway

Chairman of the Board

Attest:

/s/ Paul C. Coppock
Paul C. Coppock
Secretary

<u>Exhibit 10.2</u>

HARSCO CORPORATION

<u>RESTRICTED STOCK UNITS AGREEMENT</u>
(FORM)

This RESTRICTED STOCK UNITS AGREEMENT (this "***Agreement***") is made as of _________, ___, 20__, by and between Harsco Corporation, a Delaware corporation, and _________________ (the "***Grantee***").

1. **<u>Certain Definitions</u>**. Capitalized terms used, but not otherwise defined, in this Agreement will have the meanings given to such terms in the Company's 2013 Equity and Incentive Compensation Plan (the "***Plan***").

2. **<u>Grant of RSUs</u>**. Subject to and upon the terms, conditions and restrictions set forth in this Agreement and in the Plan, pursuant to authorization under a resolution of the Committee that was duly adopted on _________, ___, 20__, the Company has granted to the Grantee as of _________, ___, 20__ (the "***Date of Grant***"), __________ Restricted Stock Units ("***RSUs***"). Each RSU shall represent the right of the Grantee to receive one share of Common Stock subject to and upon the terms and conditions of this Agreement.

3. **<u>Restrictions on Transfer of RSUs</u>**. Subject to **<u>Section 15</u>** of the Plan, neither the RSUs granted hereby nor any interest therein or in the Common Stock related thereto shall be transferable prior to payment to the Grantee pursuant to **<u>Section 5</u>** hereof other than by will or pursuant to the laws of descent and distribution.

4. **<u>Vesting of RSUs</u>**.

(a) The RSUs covered by this Agreement shall become nonforfeitable and payable to the Grantee pursuant to **<u>Section 5</u>** hereof on the third anniversary of the Date of Grant (the "***Vesting Date***"), conditioned upon the Grantee's continuous employment with the Company or a Subsidiary through the Vesting Date. Any RSUs that do not so become nonforfeitable will be forfeited, including, except as provided in **<u>Section 4(b)</u>** or **<u>Section 4(d)</u>** below, if the Grantee ceases to be continuously employed by the Company or a Subsidiary prior to the Vesting Date. For purposes of this Agreement, "continuously employed" means the absence of any interruption or termination of the Grantee's employment with the Company or with a Subsidiary of the Company. Continuous employment shall not be considered interrupted or terminated in the case of sick leave, military leave or any other leave of absence approved by the Company or in the case of transfers between locations of the Company and its Subsidiaries.

(b) Notwithstanding **<u>Section 4(a)</u>** above, all of the RSUs shall become nonforfeitable and payable to the Grantee pursuant to **<u>Section 5</u>** hereof upon the occurrence of any of the following events (each, a "***Vesting Event***") at a time when the RSUs have not been forfeited (to the extent the RSUs have not previously become nonforfeitable):

(i) the Grantee’s death or becoming Disabled while the Grantee is continuously employed by the Company or any of its Subsidiaries; or

(ii) the Grantee’s retirement at age 62 or older while continuously employed by the Company or any of its Subsidiaries.

(c) For purposes of this **Section 4**, the Grantee shall be considered “Disabled” if the Grantee is: (i) unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve months, or (ii) by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve months, receiving income replacement benefits for a period of not less than three months under an accident and health plan covering employees of the Company.

(d) (i) Notwithstanding **Section 4(a)** above, if at any time before the Vesting Date or forfeiture of the RSUs, and while the Grantee is continuously employed by the Company or a Subsidiary, a Change in Control occurs, then the RSUs will become nonforfeitable and payable to the Grantee in accordance with **Section 5** hereof, except to the extent that a Replacement Award is provided to the Grantee in accordance with **Section 4(d)(ii)** to continue, replace or assume the RSUs covered by this Agreement (the “***Replaced Award***”).

(i) For purposes of this Agreement, a “Replacement Award” means an award (A) of the same type (e.g., time-based restricted stock units) as the Replaced Award, (B) that has a value at least equal to the value of the Replaced Award, (C) that relates to publicly traded equity securities of the Company or its successor in the Change in Control or another entity that is affiliated with the Company or its successor following the Change in Control or is payable solely in cash, (D) if the Grantee holding the Replaced Award is subject to U.S. federal income tax under the Code, the tax consequences of which to such Grantee under the Code are not less favorable to such Grantee than the tax consequences of the Replaced Award, and (E) the other terms and conditions of which are not less favorable to the Grantee holding the Replaced Award than the terms and conditions of the Replaced Award (including the provisions that would apply in the event of a subsequent Change in Control). A Replacement Award may be granted only to the extent it does not result in the Replaced Award or Replacement Award failing to comply with or be exempt from Section 409A of the Code. Without limiting the generality of the foregoing, the Replacement Award may take the form of a continuation of the Replaced Award if the requirements of the two preceding sentences are satisfied. The determination of whether the conditions of this **Section 4(d)**

<u>(ii)</u> are satisfied will be made by the Committee, as constituted immediately before the Change in Control, in its sole discretion.

(ii) If, upon receiving a Replacement Award, the Grantee's employment with the Company or a Subsidiary (or any of their successors) (as applicable, the "***Successor***") is subsequently terminated by the Grantee for Good Reason or by the Successor without Cause within a period of two years after the Change in Control, 100% of the Replacement Award will become nonforfeitable and payable with respect to the time-based restricted stock units covered by such Replacement Award.

(iii) A termination by the Grantee for "Good Reason" means Grantee's termination of his or her employment with the Successor as a result of the occurrence of any of the following: (A) a change in the Grantee's principal location of employment that is greater than 50 miles from such location as of the date of this Agreement without the Grantee's consent; provided, however, that the Grantee hereby acknowledges that the Grantee may be required to engage in travel in connection with the performance of the Grantee's duties and that such travel shall not constitute a change in the Grantee's principal location of employment for purposes hereof; (B) a material diminution in the Grantee's base compensation; (C) a change in the Grantee's position with the Successor without the Grantee's consent such that there is a material diminution in the Grantee's authority, duties or responsibilities; or (D) any other action or inaction that constitutes a material breach by the Successor of the agreement, if any, under which the Grantee provides services to the Successor or its subsidiaries. Notwithstanding the foregoing, the Grantee's termination of the Grantee's employment with the Successor as a result of the occurrence of any of the foregoing shall not constitute a termination for "Good Reason" unless (X) the Grantee gives the Successor written notice of such occurrence within 90 days of such occurrence and such occurrence is not cured by the Successor within 30 days of the date on which such written notice is received by the Successor and (Y) the Grantee actually terminates his or her employment with the Successor prior to the 365th day following such occurrence.

(iv) A termination by the Successor without "Cause" means the Successor's termination of the Grantee's employment with the Successor under circumstances that do not involve or relate to the occurrence of any of the following: (A) an act or acts of personal dishonesty taken by the Grantee and intended to result in substantial personal enrichment of the Grantee at the expense of the Company; (B) repeated failure by the Grantee to devote reasonable attention and time during normal business hours to the business and affairs of the Company or to use the Grantee's reasonable best efforts to perform faithfully and efficiently the responsibilities assigned to the

Grantee (provided that such failure is demonstrated to be willful and deliberate on the Grantee's part and is not remedied in a reasonable period of time after receipt of written notice from the Company); or (C) the conviction of the Grantee of a felony.

5. **Form and Time of Payment of RSUs**.

(a) Payment for the RSUs, after and to the extent they have become nonforfeitable, shall be made in the form of shares of Common Stock. Except as provided in **Section 5(b)** or **5(c)**, payment shall be made within 10 days following the date that the RSUs become nonforfeitable pursuant to **Section 4** hereof.

(b) If the RSUs become nonforfeitable (i) by reason of the occurrence of a Change in Control as described in **Section 4(d)**, and if the Change in Control does not constitute a "change in control" for purposes of Section 409A(a)(2)(A)(v) of the Code, or (ii) by reason of a termination of the Grantee's employment as a result of the Grantee's retirement, and if such termination does not constitute a "separation from service" for purposes of Section 409A(a)(2)(A)(i) of the Code, then, subject to **Section 5(c)**, payment for the RSUs will be made upon the earliest of (v) the Grantee's "separation from service" with the Company and its Subsidiaries (determined in accordance with Section 409A(a)(2)(A)(i) of the Code), (w) the Vesting Date, (x) the Grantee's death, (y) the occurrence of a Change in Control that constitutes a "change in control" for purposes of Section 409A(a)(2)(A)(v) of the Code, or (z) the Grantee's becoming Disabled.

(c) If the RSUs become payable on the Grantee's "separation from service" with the Company and its Subsidiaries within the meaning of Section 409A(a)(2)(A)(i) of the Code (including by reason of the Grantee's retirement as described in **Section 4(b)(ii)**, due to the termination of the Grantee's employment under the conditions specified in **Section 4(d)(iii)** or under the circumstances described in **Section 5(b)**) and the Grantee is a "specified employee" as determined pursuant to procedures adopted by the Company in compliance with Section 409A of the Code, then payment for the RSUs shall be made on the earlier of the first day of the seventh month after the date of the Grantee's "separation from service" with the Company and its Subsidiaries within the meaning of Section 409A(a)(2)(A)(i) of the Code or the Grantee's death.

(d) Except to the extent provided by Section 409A of the Code and permitted by the Committee, no Common Stock may be issued to the Grantee at a time earlier than otherwise expressly provided in this Agreement.

(e) The Company's obligations to the Grantee with respect to the RSUs will be satisfied in full upon the issuance of Common Stock corresponding to such RSUs.

6. **<u>Dividend, Voting, and Other Rights</u>**.

(a) The Grantee shall have no rights of ownership in the Common Stock underlying the RSUs, no right to dividends or dividend equivalents and no right to vote the Common Stock underlying the RSUs until the date on which the shares of Common Stock underlying the RSUs are issued or transferred to the Grantee pursuant to **<u>Section 5</u>** above.

(b) The obligations of the Company under this Agreement will be merely that of an unfunded and unsecured promise of the Company to deliver shares of Common Stock in the future, and the rights of the Grantee will be no greater than that of an unsecured general creditor. No assets of the Company will be held or set aside as security for the obligations of the Company under this Agreement.

7. **Adjustments**. The number of shares of Common Stock issuable for each RSU is subject to adjustment as provided in Section 11 of the Plan.

8. **Withholding Taxes**. To the extent that the Company is required to withhold federal, state, local or foreign taxes in connection with the delivery to the Grantee of Common Stock or any other payment to the Grantee or any other payment or vesting event under this Agreement, and the amounts available to the Company for such withholding are insufficient, it shall be a condition to the obligation of the Company to make any such delivery or payment that the Grantee make arrangements satisfactory to the Company for payment of the balance of such taxes required to be withheld. The Grantee may elect that all or any part of such withholding requirement be satisfied by retention by the Company of a portion of the Common Stock to be delivered to the Grantee or by delivering to the Company other shares of Common Stock held by the Grantee. If such election is made, the shares so retained shall be credited against such withholding requirement at the Market Value per Share of such Common Stock on the date of such delivery. In no event will the Market Value per Share of the Common Stock to be withheld and/or delivered pursuant to this **Section 8** to satisfy applicable withholding taxes exceed the minimum amount of taxes required to be withheld.

9. **Compliance With Law**. The Company shall make reasonable efforts to comply with all applicable federal and state securities laws; provided, however, notwithstanding any other provision of the Plan and this Agreement, the Company shall not be obligated to issue any Common Stock pursuant to this Agreement if the issuance thereof would result in a violation of any such law.

10. **Compliance With Section 409A of the Code**. To the extent applicable, it is intended that this Agreement and the Plan comply with the provisions of Section 409A of the Code. This Agreement and the Plan shall be administered in a manner consistent with this intent, and any provision that would cause this Agreement or the Plan to fail to satisfy Section 409A of the Code shall have no force or effect until amended to comply with Section 409A of the Code (which amendment may be retroactive to the extent permitted by Section 409A of the Code and may be made by the Company without the consent of the Grantee).

11. **Interpretation**. Any reference in this Agreement to Section 409A of the Code will also include any proposed, temporary or final regulations, or any other guidance, promulgated with respect to such Section by the U.S. Department of the Treasury or the Internal Revenue Service. Except as expressly provided in this Agreement, capitalized terms used herein will have the meaning ascribed to such terms in the Plan.

12. **No Employment Rights**. The grant of the RSUs under this Agreement to the Grantee is a voluntary, discretionary award being made on a one-time basis and it does not constitute a commitment to make any future awards. The grant of the RSUs and any payments made hereunder will not be considered salary or other compensation for purposes of any severance pay or similar allowance, except as otherwise required by law. Nothing contained in this Agreement shall confer upon the Grantee any right to be employed or remain employed by the Company or any of its Subsidiaries, nor limit or affect in any manner the right of the

Company or any of its Subsidiaries to terminate the employment or adjust the compensation of the Grantee.

13. **Relation to Other Benefits**. Any economic or other benefit to the Grantee under this Agreement or the Plan shall not be taken into account in determining any benefits to which the Grantee may be entitled under any profit-sharing, retirement or other benefit or compensation plan maintained by the Company or any of its Subsidiaries and shall not affect the amount of any life insurance coverage available to any beneficiary under any life insurance plan covering employees of the Company or any of its Subsidiaries.

14. **Amendments**. Any amendment to the Plan shall be deemed to be an amendment to this Agreement to the extent that the amendment is applicable hereto; provided, however, that (a) no amendment shall adversely affect the rights of the Grantee under this Agreement without the Grantee's written consent, and (b) the Grantee's consent shall not be required to an amendment that is deemed necessary by the Company to ensure compliance with Section 409A of the Code.

15. **Severability**. In the event that one or more of the provisions of this Agreement shall be invalidated for any reason by a court of competent jurisdiction, any provision so invalidated shall be deemed to be separable from the other provisions hereof, and the remaining provisions hereof shall continue to be valid and fully enforceable.

16. **Relation to Plan**. This Agreement is subject to the terms and conditions of the Plan. In the event of any inconsistency between the provisions of this Agreement and the Plan, the Plan shall govern. The Committee acting pursuant to the Plan, as constituted from time to time, shall, except as expressly provided otherwise herein or in the Plan, have the right to determine any questions which arise in connection with this Agreement. In addition, the RSUs shall be subject to the terms and conditions of the Company's clawback policy in effect on the Date of Grant as if such RSUs were "Incentive-Based Compensation" (as such term is defined in such clawback policy).

17. **Successors and Assigns**. Without limiting **Section 3** hereof, the provisions of this Agreement shall inure to the benefit of, and be binding upon, the successors, administrators, heirs, legal representatives and assigns of the Grantee, and the successors and assigns of the Company.

18. **Acknowledgement**. The Grantee acknowledges that the Grantee (a) has received a copy of the Plan, (b) has had an opportunity to review the terms of this Agreement and the Plan, (c) understands the terms and conditions of this Agreement and the Plan and (d) agrees to such terms and conditions.

19. **Counterparts**. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same agreement.

[signature page follows]

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed on its behalf by its duly authorized officer and the Grantee has executed this Agreement, effective as of the day and year first above written.

HARSCO CORPORATION

By: ______________________
Name:
Title:

The undersigned hereby acknowledges receipt of an executed version of this Agreement and accepts the award of RSUs granted hereunder on the terms and conditions set forth herein and in the Plan.

GRANTEE

By: ______________________
Name:

HARSCO CORPORATION

STOCK APPRECIATION RIGHTS AGREEMENT
(FORM)

This STOCK APPRECIATION RIGHTS AGREEMENT (this "***Agreement***") is made as of _________, ___, 20__, by and between Harsco Corporation, a Delaware corporation and _________________ (the "***Grantee***").

1. **Certain Definitions**. Capitalized terms used, but not otherwise defined, in this Agreement will have the meanings given to such terms in the Company's 2013 Equity and Incentive Compensation Plan (the "***Plan***"). In addition, for purposes of this Agreement, "Base Price" means $__________, which was the Market Value per Share of the Common Stock on _________, ___, 20__ (the "***Date of Grant***").

2. **Grant of SARs**. Subject to and upon the terms, conditions and restrictions set forth in this Agreement and in the Plan, pursuant to authorization under a resolution of the Committee that was duly adopted on _________, ___, 20__, the Company has granted to the Grantee as of the Date of Grant, __________ Free-Standing Appreciation Rights ("***SARs***"). The SARs represent the right of the Grantee to receive shares of Common Stock in an amount equal to 100% of the Spread on the date on which the SARs are exercised.

3. **Vesting of SARs**.

(a) Subject to the terms and conditions of this Agreement and the Plan, the SARs covered by this Agreement shall become exercisable as described in this Section. One-fifth of the SARs shall become exercisable on the first anniversary of the Date of Grant if the Grantee remains in the continuous employ of the Company or one of its Subsidiaries from the Date of Grant through such first anniversary. An additional one-fifth of the SARs shall become exercisable on each subsequent anniversary of the Date of Grant, through the fifth anniversary of the Date of Grant, when 100% of the SARs shall have become exercisable, if the Grantee remains in the continuous employ of the Company or one of its Subsidiaries from the Date of Grant through each such anniversary. For purposes of this Agreement, "continuous employ" means the absence of any interruption or termination of the Grantee's employment with the Company or with a Subsidiary of the Company. Continuous employment shall not be considered interrupted or terminated in the case of sick leave, military leave or any other leave of absence approved by the Company or in the case of transfers between locations of the Company and its Subsidiaries.

(b) Notwithstanding **Section 3(a)** above, the SARs granted hereby shall become immediately exercisable in full if at any time during the continuous employment of the Grantee with the Company or a Subsidiary of the Company and prior to the termination of the SARs any of the following events occur:

(i) the Grantee's death or becoming Disabled while the Grantee is continuously employed by the Company or any of its Subsidiaries; or

(ii) the Grantee's retirement at age 62 or older while continuously employed by the Company or any of its Subsidiaries.

(c) For purposes of this **Section 3**, the Grantee shall be considered "Disabled" if the Grantee is: (i) unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve months, or (ii) by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve months, receiving income replacement benefits for a period of not less than three months under an accident and health plan covering employees of the Company.

(d) (i) Notwithstanding **Section 3(a)** above, if at any time before the fifth anniversary of the Date of Grant or the termination of the SARs, and while the Grantee is continuously employed by the Company or a Subsidiary, a Change in Control occurs, then the SARs will become fully exercisable, except to the extent that a Replacement Award is provided to the Grantee in accordance with **Section 3(d)(ii)** to continue, replace or assume the SARs covered by this Agreement (the "***Replaced Award***").

(i) For purposes of this Agreement, a "Replacement Award" means an award (A) of the same type (*e.g.*, time-based stock appreciation rights) as the Replaced Award, (B) that has a value at least equal to the value of the Replaced Award, (C) that relates to publicly traded equity securities of the Company or its successor in the Change in Control or another entity that is affiliated with the Company or its successor following the Change in Control or is payable solely in cash, (D) if the Grantee holding the Replaced Award is subject to U.S. federal income tax under the Code, the tax consequences of which to such Grantee under the Code are not less favorable to such Grantee than the tax consequences of the Replaced Award, and (E) the other terms and conditions of which are not less favorable to the Grantee holding the Replaced Award than the terms and conditions of the Replaced Award (including the provisions that would apply in the event of a subsequent Change in Control). A Replacement Award may be granted only to the extent it does not result in the Replaced Award or Replacement Award failing to comply with or be exempt from Section 409A of the Code. Without limiting the generality of the foregoing, the Replacement Award may take the form of a continuation of the Replaced Award if the requirements of the two preceding sentences are satisfied. The determination of whether the conditions of this **Section 3(d)(ii)** are satisfied will be made by the Committee, as constituted immediately before the Change in Control, in its sole discretion.

(ii) If, upon receiving a Replacement Award, the Grantee’s employment with the Company or a Subsidiary (or any of their successors) (as applicable, the “***Successor***”) is subsequently terminated by the Grantee for Good Reason or by the Successor without Cause within a period of two years after the Change in Control, 100% of the Replacement Award will become exercisable with respect to the time-based stock appreciation rights covered by such Replacement Award.

(iii) A termination by the Grantee for “Good Reason” means Grantee’s termination of his or her employment with the Successor as a result of the occurrence of any of the following: (A) a change in the Grantee’s principal location of employment that is greater than 50 miles from such location as of the date of this Agreement without the Grantee’s consent; provided, however, that the Grantee hereby acknowledges that the Grantee may be required to engage in travel in connection with the performance of the Grantee’s duties and that such travel shall not constitute a change in the Grantee’s principal location of employment for purposes hereof; (B) a material diminution in the Grantee’s base compensation; (C) a change in the Grantee’s position with the Successor without the Grantee’s consent such that there is a material diminution in the Grantee’s authority, duties or responsibilities; or (D) any other action or inaction that constitutes a material breach by the Successor of the agreement, if any, under which the Grantee provides services to the Successor or its subsidiaries. Notwithstanding the foregoing, the Grantee’s termination of the Grantee’s employment with the Successor as a result of the occurrence of any of the foregoing shall not constitute a termination for “Good Reason” unless (X) the Grantee gives the Successor written notice of such occurrence within 90 days of such occurrence and such occurrence is not cured by the Successor within 30 days of the date on which such written notice is received by the Successor and (Y) the Grantee actually terminates his or her employment with the Successor prior to the 365th day following such occurrence.

(iv) A termination by the Successor without “Cause” means the Successor’s termination of the Grantee’s employment with the Successor under circumstances that do not involve or relate to the occurrence of any of the following: (A) an act or acts of personal dishonesty taken by the Grantee and intended to result in substantial personal enrichment of the Grantee at the expense of the Company; (B) repeated failure by the Grantee to devote reasonable attention and time during normal business hours to the business and affairs of the Company or to use the Grantee’s reasonable best efforts to perform faithfully and efficiently the responsibilities assigned to the Grantee (provided that such failure is demonstrated to be willful and deliberate on the Grantee’s part and is not remedied in a reasonable period of time after receipt of written notice from the Company); or (C) the conviction of the Grantee of a felony.

4. **Exercise of SARs**.

(a) To the extent exercisable as provided in **Section 3** of this Agreement, the SARs may be exercised in whole or in part by delivery to the Company of a notice in form and substance satisfactory to the Company specifying the number of SARs to be exercised and the date of exercise.

(b) Upon exercise, the Company will issue to the Grantee, with respect to the number of SARs that are exercised, the number of shares of Common Stock that equals the Market Value per Share of Common Stock on the date of exercise divided into the Spread, rounded down to the nearest whole share.

5. **Termination of SARs**. Both exercisable and nonexercisable SARs shall terminate, as provided below, upon the earliest to occur of the following:

(a) 90 days after the Grantee ceases to be an employee of the Company or a Subsidiary, unless the Grantee ceases to be such employee in a manner described in clause (b), (c), (d) or (e) of this Section;

(b) One year after the Grantee's becoming Disabled, if the Grantee becomes Disabled while continuously employed by the Company or a Subsidiary;

(c) One year after the death of the Grantee, if the Grantee dies while continuously employed by the Company or a Subsidiary or within the period specified in clause (b) above or clause (d) below if applicable to the Grantee;

(d) One year after the Grantee retires from continuous employment with the Company or a Subsidiary if the Grantee is at the time of such retirement at least age 62;

(e) One year after the Grantee ceases to be an employee of the Successor under the conditions specified in **Section 3(d)(iii)** of this Agreement; and

(f) Ten years from the Date of Grant.

6. **Transferability**. Subject to **Section 15** of the Plan, no SAR or any interest therein shall be transferable prior to exercise pursuant to **Section 4** hereof other than by will or pursuant to the laws of descent and distribution and may be exercised during the Grantee's lifetime only by the Grantee or, in the event of the Grantee's legal incapacity to do so, by the Grantee's guardian or legal representative acting on behalf of the Grantee in a fiduciary capacity under state law or court supervision.

7. **Compliance with Law**. The SARs shall not be exercisable if such exercise would involve a violation of any applicable federal or state securities law, and the Company hereby agrees to make reasonable efforts to comply with any applicable federal and state securities laws.

8. **Adjustments**. The SARs shall be subject to adjustment in accordance with Section 11 of the Plan.

9. **Withholding**. To the extent that the Company is required to withhold federal, state, local or foreign taxes in connection with the exercise of the SARs, and the amounts available to the Company for such withholding are insufficient, it shall be a condition to such exercise that the Grantee make arrangements satisfactory to the Company for payment of the balance of such taxes required to be withheld. The Grantee may elect that all or any part of such withholding requirement be satisfied by retention by the Company of a portion of the Common Stock to be delivered to the Grantee or by delivering to the Company other shares of Common Stock held by the Grantee. If such election is made, the shares so retained shall be credited against such withholding requirement at the Market Value per Share of such Common Stock on the date of such exercise. In no event shall the Market Value per Share of the Common Stock to be withheld and/or delivered pursuant to this **Section 9** to satisfy applicable withholding taxes exceed the minimum amount of taxes required to be withheld.

10. **No Employment Rights**. The grant of the SARs under this Agreement to the Grantee is a voluntary, discretionary award being made on a one-time basis and it does not constitute a commitment to make any future awards. The grant of the SARs and any payments made hereunder will not be considered salary or other compensation for purposes of any severance pay or similar allowance, except as otherwise required by law. Nothing in this Agreement will give the Grantee any right to continue employment with the Company or any Subsidiary, as the case may be, or interfere in any way with the right of the Company or a Subsidiary to terminate the employment of the Grantee at any time.

11. **Relation to Other Benefits**. Any economic or other benefit to the Grantee under this Agreement or the Plan shall not be taken into account in determining any benefits to which the Grantee may be entitled under any profit-sharing, retirement or other benefit or compensation plan maintained by the Company or a Subsidiary and shall not affect the amount of any life insurance coverage available to any beneficiary under any life insurance plan covering employees of the Company or a Subsidiary.

12. **Amendments**. Any amendment to the Plan shall be deemed to be an amendment to this Agreement to the extent that the amendment is applicable hereto; provided, however, that

(a) no amendment shall adversely affect the rights of the Grantee under this Agreement without the Grantee's written consent, and (b) the Grantee's consent shall not be required to an amendment that is deemed necessary by the Company to ensure compliance with Section 409A of the Code.

13. **Severability**. In the event that one or more of the provisions of this Agreement shall be invalidated for any reason by a court of competent jurisdiction, any provision so invalidated shall be deemed to be separable from the other provisions hereof, and the remaining provisions hereof shall continue to be valid and fully enforceable.

14. **Relation to Plan**. This Agreement is subject to the terms and conditions of the Plan. In the event of any inconsistency between the provisions of this Agreement and the Plan, the Plan shall govern. The Committee acting pursuant to the Plan, as constituted from time to time, shall, except as expressly provided otherwise herein or in the Plan, have the right to determine any questions which arise in connection with this Agreement. In addition, the SARs shall be subject to the terms and conditions of the Company's clawback policy in effect on the Date of Grant as if such SARs were "Incentive-Based Compensation" (as such term is defined in such clawback policy).

15. **Successors and Assigns**. Without limiting **Section 6** hereof, the provisions of this Agreement shall inure to the benefit of, and be binding upon, the successors, administrators, heirs, legal representatives and assigns of the Grantee, and the successors and assigns of the Company.

16. **Acknowledgement**. The Grantee acknowledges that the Grantee (a) has received a copy of the Plan, (b) has had an opportunity to review the terms of this Agreement and the Plan, (c) understands the terms and conditions of this Agreement and the Plan and (d) agrees to such terms and conditions.

17. **Counterparts**. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same Agreement.

[signature page follows]

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed on its behalf by its duly authorized officer and the Grantee has executed this Agreement, effective as of the day and year first above written.

HARSCO CORPORATION

By: ______________________
Name:
Title:

The undersigned hereby acknowledges receipt of an executed version of this Agreement and accepts the award of SARs granted hereunder on the terms and conditions set forth herein and in the Plan.

GRANTEE

By: ______________________
Name:

Exhibit 31.1

HARSCO CORPORATION
CERTIFICATION PURSUANT TO RULE 13a-14(a) OR 15d-14(a)
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Patrick K. Decker, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Harsco Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

August 8, 2013

/s/ Patrick K. Decker

Patrick K. Decker
Chief Executive Officer

Exhibit 31.2

HARSCO CORPORATION
CERTIFICATION PURSUANT TO RULE 13a-14(a) OR 15d-14(a)
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, F. Nicholas Grasberger, III, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Harsco Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

August 8, 2013

/s/ F. Nicholas Grasberger, III

F. Nicholas Grasberger, III
Chief Financial Officer

Exhibit 32

HARSCO CORPORATION
CERTIFICATIONS PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Harsco Corporation (the "Company") on Form 10-K for the period ending June 30, 2013, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), we certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of our knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

August 8, 2013

/s/ PATRICK K. DECKER

Patrick K. Decker
Chief Executive Officer

/s/ F. NICHOLAS GRASBERGER, III

F. Nicholas Grasberger, III Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to Harsco Corporation and will be retained by Harsco Corporation and furnished to the Securities and Exchange Commission or its staff upon request.