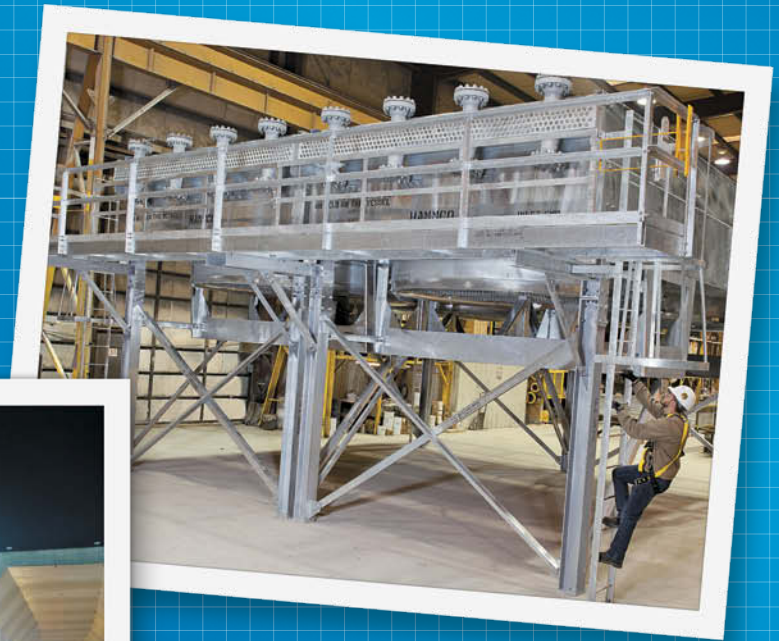


Blueprint for Success

2014

Summary Annual Report

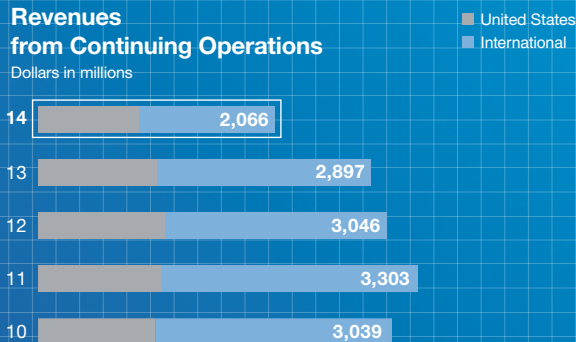


Financial Summary

Dollars in thousands, except per share amounts	2014	2013	2012	2011	2010
Total revenues from continuing operations	\$2,065,738	\$2,896,520	\$3,046,018	\$3,302,740	\$3,038,678
Operating income (loss) from continuing operations	63,471	(134,799)	(174,790)	87,649	78,431
Income (loss) from continuing operations attributable to Harsco Corporation stockholders	(24,902)	(226,449)	(253,693)	(9,447)	10,885
Current ratio	1.2:1	1.4:1	1.7:1	1.5:1	1.5:1
Return on average equity	(4.4) %	(29.1) %	(21.7) %	(0.6) %	0.7 %
Return on average assets	2.7 %	(4.6) %	(5.2) %	2.6 %	2.3 %
Diluted earnings (loss) per share from continuing operations	\$ (0.31)	\$ (2.80) *	\$ (3.15) **	\$ (0.12) ***	\$ 0.13 ****
Book value per share	4.44	7.52	10.69	15.16	18.23
Cash dividends declared per share	0.82	0.82	0.82	0.82	0.82
Diluted average shares outstanding (in thousands)	80,884	80,755	80,632	80,736	80,761
Number of employees	12,200	12,300	18,500	19,650	19,300

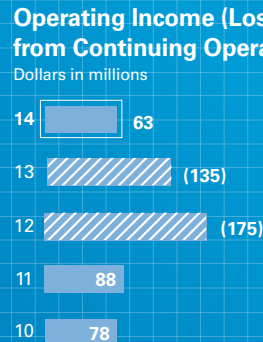
Revenues from Continuing Operations

Dollars in millions



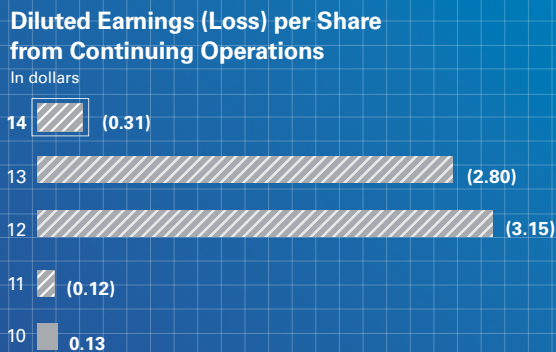
Operating Income (Loss) from Continuing Operations

Dollars in millions



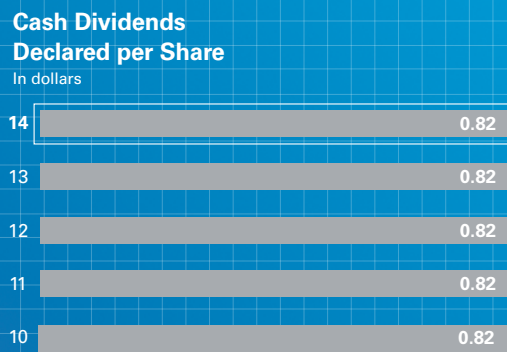
Diluted Earnings (Loss) per Share from Continuing Operations

In dollars



Cash Dividends Declared per Share

In dollars



* After loss on disposal of Harsco Infrastructure segment and other special items of \$3.63 per share in 2013.

** After restructuring and non-cash goodwill impairment charges of \$4.35 per share in 2012.

*** After fourth quarter restructuring charges of \$1.50 per share in 2011.

**** After fourth quarter restructuring charges of \$0.77 per share in 2010.

F. Nicholas Grasberger, III*President and Chief Executive Officer*

Fellow Shareholders:

Nearly two years ago, I joined Harsco's leadership team to help a venerable industrial manufacturing and services company rebuild its way to sustainable success. Our mission is simple and straightforward: to deliver above-market improvements in income, cash flow and return on invested capital (ROIC) and create renewed value for our shareholders.

Now, seven months into my tenure as Harsco's CEO, I'm seeing clear signs that Harsco's resurgence is underway.

The Harsco Blueprint

We balanced disciplined, pragmatic thinking with decisive action throughout 2014. First, we completed the sale and merger of our Infrastructure division and retained a minority ownership position in the combined business. The value of this investment grew during the year, and we anticipate continued growth ahead. When we eventually exit our position in a few years, we expect to generate significant cash proceeds to invest in further growth opportunities.

Second, we constructed and began to execute the detailed plan to boost the financial and operational performance of our Metals & Minerals business. Our Project Orion improvement plan focuses on a more disciplined, analytical process to allocate capital; a new organizational structure aligned around operational and functional excellence; and cost reduction. The result should be improved contract outcomes leading to higher profit margins and returns on capital. As evidence, we have now turned around approximately 30 percent of the locations previously identified as underperforming into contracts that are better able to generate acceptable returns. We also are exiting a small number of sites where we did not see acceptable solutions. By early 2016, we expect to address all of the contracts that have previously

been identified as underperforming. In addition, we have refined and reinforced our global operating standards—The Harsco Way of Working—consistently throughout all Metals & Minerals sites. Drawn from the demonstrated success of our highest-performing locations, they bring uniform best practices to such site-level activities as safety, operations, maintenance and general management. For example, by streamlining operations and managing our maintenance and equipment more efficiently, we expect to realize approximately \$35-\$40 million in annualized benefits.

Harsco's two manufacturing businesses, Harsco Rail and Harsco Industrial, continue to win market share through product innovation, quality, reliability and an acute customer focus. Harsco Rail is emerging as a truly international business with a long runway for growth. Major new wins in Europe supporting the Swiss railway system speak to this group's growing footprint and its capacity to build strong local relationships. Its Intelligent Solutions group is forming technology partnerships that respond directly to critical railway needs, such as keeping trackside employees safer with a new collision avoidance system. Harsco Rail is also leading the way with innovative equipment solutions for higher output and greater precision that help customers complete track maintenance faster and more efficiently.

Harsco Industrial derives much of its revenue from the natural gas industry. This has been a solid growth platform over the past several years, and the recent dip in energy prices does not alter our strategic priorities or weaken our confidence in the long-term potential of this segment. In 2014 we successfully integrated our Hammco acquisition and gained an established position in the process cooler segment of the energy and petrochemical markets. We also moved forward on a new, consolidated manufacturing

facility for air coolers that will begin operating in mid-2015. It will reduce costs, integrate Lean manufacturing concepts and expand capacity to support the natural gas market. Our IKG business is working to expand its traditional metal grating products focus with complementary offerings, while our Patterson-Kelley unit introduced its new SONIC® stainless steel boiler and patented NURO™ touchpad controls system to very encouraging customer response.

Focused Leadership

Building and executing a new blueprint takes a highly competitive mindset—and a strong will to win. In filling key positions, I look for proven leaders who share a passion for success and a commitment to our values. In 2014 we further strengthened our senior executive team by welcoming a new chief financial officer, a new group president of Harsco Metals & Minerals, and a new chief human resources officer. Our team members have diverse backgrounds, but have each held leadership positions in highly successful organizations that expect excellence, encourage innovation and inspire personal achievement. I'm excited to see us working toward the same goals, with shared enthusiasm for transforming Harsco into a better company.

Harsco is enormously fortunate to be led by a strong Board of Directors whose keen insights and wisdom also bring tremendous value to our transformation. In particular, I want to thank David Everitt for serving as Interim CEO into the second half of 2014. His exceptional leadership experience and pragmatic advice have made a lasting mark on our planning and execution. After his assignment as Interim CEO, Dave was elected chairman of Harsco's board, where his direct familiarity with the Harsco transformation objectives will be invaluable. We have also added two new members to the Harsco board, Elaine La Roche and Phil Widman. Both bring to our board outstanding global leadership credentials. Elaine is a seasoned senior financial services executive now serving as a senior advisor to the China International Capital Corporation US. Phil recently retired as senior vice president and CFO of Terex, a leading global manufacturer for the construction, mining and infrastructure sectors. In addition, we acknowledge

with the greatest respect and appreciation two long-standing board colleagues, Dr. Bob Wilburn and Andrew Sordoni, who retired from the board in 2014.

Initial signs of success. Looking back on 2014, I'm generally pleased—but not nearly satisfied—with the improved results I saw across a number of key metrics.

Return on invested capital. ROIC provides shareholders with a powerful tool for making investment decisions by measuring how effectively Harsco deploys shareholder capital. By improving capital allocation and boosting efficiency, we increased Harsco's overall ROIC by approximately 60 basis points, from 6 percent to 6.6 percent. With ROIC-accretive investments in our growth businesses, we anticipate another meaningful jump in 2015 on the way to 10 to 12 percent over time.

Top-line revenue growth. Harsco is executing a plan to scale our Rail and Industrial businesses and return Harsco Metals & Minerals to sustainable growth. In 2014 revenue increased to \$2.07 billion, up approximately 3 percent over 2013, excluding the former Infrastructure segment.

Capital spending. In 2014 Harsco recorded \$208 million in maintenance and growth capital expenditures. We continued to invest in growth platforms while applying greater discipline to managing capital commitments in Harsco Metals & Minerals.

Free cash flow. Strong working capital performance in Rail helped increase our free cash flow to \$52 million from \$20 million last year. We sustained our dividend for the 258th consecutive quarter, rewarding shareholders with steady, predictable returns and a better than 4 percent yield on their Harsco investment. By staying the course, Harsco can continue to generate attractive dividends while using our underlying cash flow to invest in growth areas that deliver high potential returns.

“ By staying the course, Harsco can continue to generate attractive dividends while using our underlying cash flow to invest in growth areas that deliver high potential returns. ”

Debt/leverage. Maintaining reasonable leverage positions will enable Harsco to take advantage of fragmented industries and make smart, synergistic acquisitions when they are available. In 2014, we continued to maintain a prudent leverage position and will continue to evaluate potential acquisitions as they become available.

Adjusted operating income. Lower corporate costs along with gains in Industrial and Rail resulted in \$153 million in adjusted operating income, compared with \$152 million in 2013.

Earnings per share. Harsco is committed to creating long-term shareholder value by using its capital efficiently to generate income. In 2014, higher tax rates and an adjustment for our Brand Energy joint venture contributed to adjusted EPS of \$0.72, compared with prior-year adjusted EPS of \$0.87. We have repurchased more than 700,000 shares of stock on a selective basis to take advantage of the current market valuation and reaffirm our confidence in Harsco shares.

Last but by no means least, I am also pleased to report a full year without an employee casualty, and our best-ever results in injury reduction, two indicators of our fundamental commitment to employee safety.

New Sources of Value

As global competition increases, customers are seeking lower-cost solutions that also address growing environmental concerns. Harsco is expanding its products and services to meet these changing needs. Harsco Metals & Minerals is emphasizing value-added resource recovery services, especially in markets like China and India. These services include recovering valuable metal from slag, turning residual waste into useful aggregate and using mineral byproducts for agricultural applications. Harsco Rail is engineering growth by building a robust and profitable aftermarket parts and services business to help major railroads extend equipment life cycles. It is also introducing new technology and services that make rail transportation even more cost

competitive and environmentally attractive. And in Harsco Industrial, our Air-X-Changers and Hammco units are helping natural gas companies bring clean fuel to markets around the world, while our ultra-efficient PK boiler and hot water systems are helping commercial buildings reduce energy consumption.

These and other solutions provide a meaningful opportunity for Harsco to better express our own core values and environmental stewardship. Harsco is delivering real benefit as an emerging environmental solutions company focused on resource recovery, environmental services and sustainability.

2015 Outlook

I believe Harsco now has the people and plan in place to drive sustainable success. Each of our portfolio businesses showed considerable progress in 2014. Our challenge for 2015 is to accelerate this momentum and ultimately translate our operational initiatives into improved financial performance. We will drive our Project Orion improvement plan in Metals & Minerals, engineer growth in our Rail and Industrial segments, and further sharpen the focus of our corporate functions to better support our businesses.

I want to sincerely thank our more than 12,000 employee colleagues for creating value every day at our more than 170 Harsco operating locations in approximately 35 countries worldwide. By delivering on our commitments and producing tangible results, we will reward our investors for continuing to support our direction and sharing our confidence.



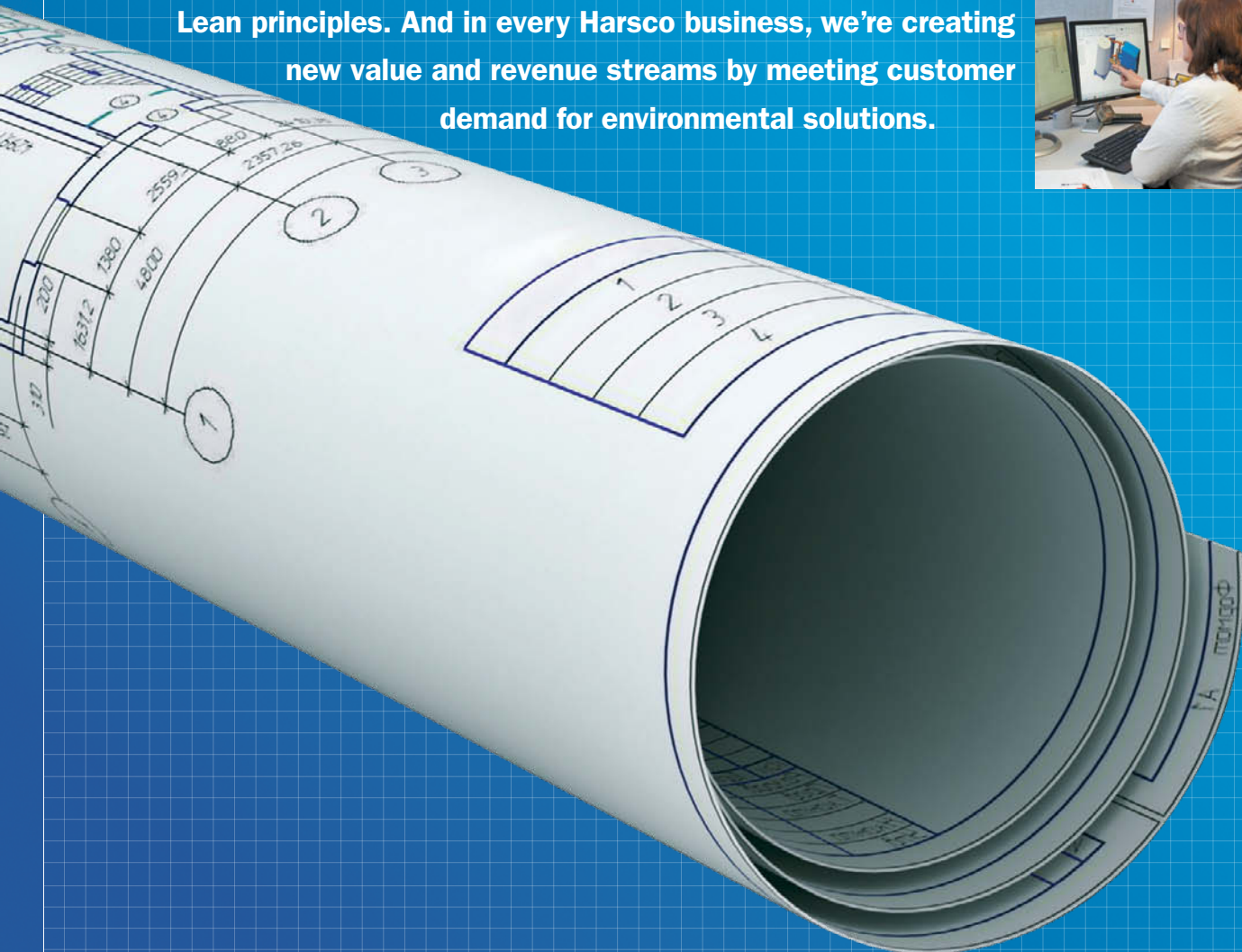
F. Nicholas Grasberger, III

President and Chief Executive Officer

March 2, 2015

Blueprint for Success

Harsco is following a detailed blueprint for long-term success. Across our global enterprise, we're creating a sustainable future as an ROIC-focused organization that wins through customer-focused innovation, disciplined execution and a re-ignited passion for success. We're adopting new operating standards that bring enhanced consistency to our worldwide sites. We're forging new supplier relationships that support global expansion. We're strengthening manufacturing processes based on Lean principles. And in every Harsco business, we're creating new value and revenue streams by meeting customer demand for environmental solutions.



Building Best-in-Class Performance Standards

Division-wide adoption of consistent operating standards in all functions and disciplines is helping Harsco Metals & Minerals improve its performance and better satisfy its customers.

In the global steel industry, customers evaluate supplier performance based on variables like employee safety, service quality, reliability, productivity, and environmental responsibility.



As part of its turnaround process, Harsco Metals & Minerals is implementing common operating practices throughout the world, known as “The Harsco Way,” that are helping us achieve the

highest levels of safety and customer satisfaction while improving business performance.

Harsco Metals & Minerals serves customers across 170 global sites, and we’re striving to bring greater consistency to the way we operate and the services we deliver. We’ve clearly defined performance standards, established worldwide best practices for achieving them, and introduced new analytics to measure success. One of our latest tools is Bloodhound™, our proprietary online system for maximizing the metal yield of our metal recovery plants. More than a technological innovation, Bloodhound™ also aligns with our commitment to continuous improvement. It gives our customers detailed, up-to-the-minute telemetrics on the rate and flow of recovered metal content.



These new practices are creating a win-win for customers, and for Harsco. Customers benefit from greater predictability of Harsco’s performance and cost, consistent excellence in operations, and high levels of service and responsiveness. Harsco is improving operating performance by collecting more site-level data and using it to improve safety and environmental impact. This data also empowers managers to make local operating decisions based on a clear picture of costs relative to their operating budgets and financial returns.



Developing a New Innovation Engine

Product innovation is creating competitive advantage for Harsco Industrial Patterson-Kelley—and is changing the face of commercial boiler systems.

At the Patterson-Kelley division, a new concept-to-commercialization engine has helped jump-start new product offerings and drive steady growth.

Patterson-Kelley listened carefully as commercial boiler customers throughout North America expressed a strategic need to boost efficiency and expand product offerings. We entered the stainless steel boiler market in late 2013 with our patented SONIC® product, and favorable response pushed sales far beyond first-year goals. We are now developing more sizes of SONIC®, and pre-orders for these models are growing even before production begins. We also introduced the space-friendly MACH 'n' Roll™ domestic hot water heating system, one of the most compact units of its type in the commercial boiler marketplace.

At the end of 2014, we completed work on a new NURO™ touchpad control platform that covers all aspects of a boiler’s operations. With two patents pending, NURO™ is a true differentiator that is earning rave reviews—and is driving increased demand for all of our products. The controller is available on the SONIC® boiler platforms now and will soon be integrated into our entire boiler product line.

Together, these products demonstrate how a commitment to pacesetting engineering, continuous improvement and customer focus can keep a 135-year-old division at the forefront of change.



Building Total Life Cycle Support

New relationships are positioning Harsco Rail to support new global contracts—and to grow our long-term value to customers.

When customers around the world negotiate large rail equipment contracts, they pay close attention to how original equipment manufacturers will support their equipment throughout the product life cycle. Public and private railroads around the world are responding favorably to our customer-focused service model. We're driving leading-edge innovation directly in response to customer needs, both now and into the future.

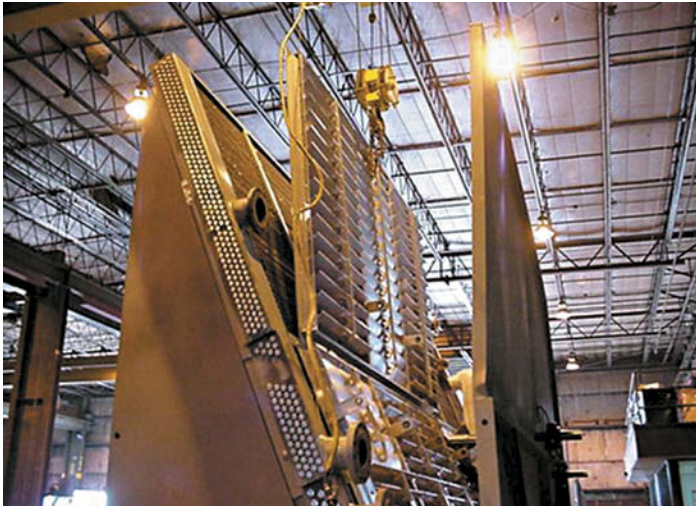
Harsco's customer-first philosophy figured prominently in two recent, long-term contracts signed with SBB, the national railway company of Switzerland, each valued at more than \$100 million. Harsco will produce specialized utility track vehicles and catenary maintenance units, both to the highest European specifications. Harsco Rail contracted to purchase a meaningful portion of the content from Swiss suppliers, and also will utilize components and advanced technology from other proven European railway suppliers. And by meeting customer objectives for locally sourced and supported content, we're helping boost local economies while building reliable supply lines throughout the product life cycle.



Mapping an Efficient Manufacturing Layout

Moving five individual manufacturing plants under one roof will add capacity and accelerate the production cycle, so Harsco Industrial AXC can help energy producers meet growing demand for natural gas.

At Harsco Industrial AXC, Lean analysis revealed that our Air-X-Changers engineered coolers traveled dozens of miles between plants during the manufacturing process. That meant extra transportation expense, a longer production cycle and higher fixed costs driven by the use of multiple facilities.



To create greater capacity and efficiency, we're consolidating five plants into one—a massive former auto glass manufacturing facility in Tulsa, Oklahoma, that increases total floor space by more than 50 percent.

By designing the plant layout from the ground up, we're using insights from our Lean initiatives to optimize production workflow. The end result will be a facility that enables us to better serve the natural gas industry with increased capacity, higher productivity and improved on-time delivery. It adds to a tightly managed business that has consistently delivered solid incremental savings from Lean operating principles.



Engineering a Sustainable Future

Harsco is building an effective environmental blueprint that delivers innovative, sustainable solutions to our customers and our communities.

Harsco shares with our customers a deep commitment to sustainable actions that protect and sustain personal safety and preserve the environment for future generations.

In Mexico, employees at the Harsco Industrial IKG plant established aggressive goals to reduce waste and consumption of energy and water—and decrease the plant's carbon footprint. They trained employees of Harsco and other local companies how to enact environmentally sustainable processes and practices. They also developed a program to teach local school children to become more conscious of the environment and to use natural resources responsibly. The plant has already achieved tangible energy reductions totaling several thousands of dollars per month.

Our Metals & Minerals teams are engaging with customers worldwide to address a wide range of site-specific environmental needs. Harsco is regarded as an industry leader for converting production materials once thought of as waste into new, useable products such as agricultural fertilizers, abrasive blasting agents and roadway materials.

We're also demonstrating our commitment by reducing the environmental impact on our communities. In 2014, Harsco Rail implemented two new projects. One reduced electrical consumption at a major manufacturing plant facility by nearly 20,000 kWh through more efficient lighting, while a second significantly reduced landfilled waste by reusing packaging materials.

With baseline metrics now in place, we're establishing regular assessments of our environmental, health, and safety performance at facilities worldwide. The data will help us—and our customers—document the impact our sustainable practices are having on operational performance.

2014 Harsco At a Glance

Harsco's diversified industrial businesses serve major markets that are fundamental to global economic growth—steel, railways and energy

We operate in approximately 35 countries at more than 170 locations, and we employ more than 12,000 people

PROFILE

HARSCO INDUSTRIAL

Highly engineered OEM to energy markets

harscoaxc.com
harscoikg.com
harscopk.com



- Diversified business group with premium quality products and 100-year brand heritages
- Air-cooled heat exchangers
- Industrial metal grating products
- High-efficiency boilers and water heaters

PROFILE

HARSCO RAIL

Customized provider of railway track maintenance equipment and services

harscorail.com



- Original Equipment Manufacturer for railway track maintenance and new track construction
- US market leader with expanding footholds in Asia, Europe and India
- Major product categories include track surfacing, grinding and utility vehicles

PROFILE

HARSCO METALS & MINERALS

Global leader in mill services to the steel and metals industries

harsco-m.com



- Premier provider of material processing and environmental services for industrial by-products
 - Onsite mill services
 - Resource recovery and recycling
 - Applied product technologies for sustainable solutions
- Deep operational expertise across a broad service and product range
- 170 customer sites in approximately 35 countries

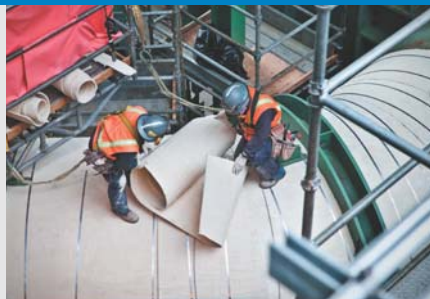
PROFILE

BRAND ENERGY & INFRASTRUCTURE SERVICES

Joint Venture

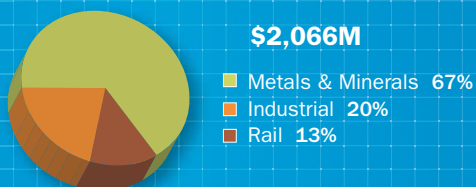
With the sale of its Infrastructure business in November 2013, Harsco holds an approximate 29% equity interest in Brand Energy & Infrastructure Services, a premier provider of integrated specialty services to the global energy, industrial and infrastructure markets

beis.com

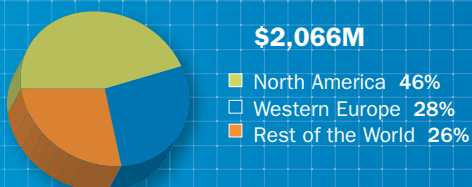


- Brand's extensive portfolio of specialized industrial service offerings includes work access, coatings, insulation, refractory, formwork and shoring, cathodic protection, specialty mechanical services, and other related crafts
- More than 50 years of unmatched experience and reputation

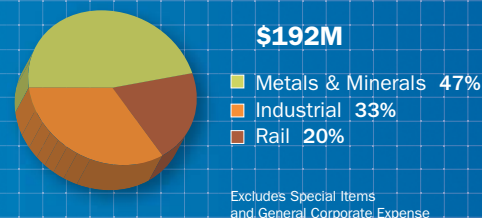
2014 Consolidated Revenues



2014 Global Revenue Sources



2014 Adjusted Segment Operating Income



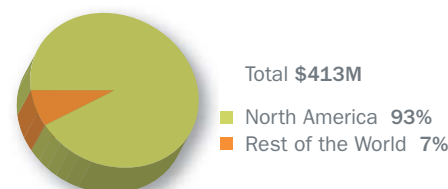
MARKETS

- Broad, attractive end-markets
- Growth in natural gas and petrochemical production
- Industrial capacity expansion
- Improvement in the US construction sector

STRATEGIC DIRECTION

- Product innovation supports growth and expansion to new customers
- Investing in mid-2015 plant consolidation for air coolers – answers growing market demand for shorter lead times
- Strong North America market base and expanding international presence

REVENUES BY GEOGRAPHY



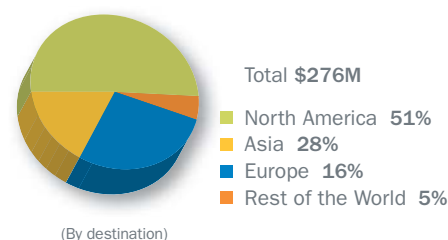
MARKETS

- National railway operators, metro transit systems and short lines

STRATEGIC DIRECTION

- Scalable business in a large, fragmented market
- Sizable pipeline of bidding opportunities in attractive global markets
- Large aftermarket opportunity supported by strong installed equipment base

REVENUES BY GEOGRAPHY



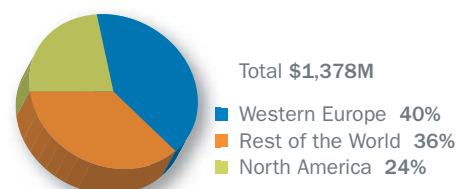
MARKETS

- Contracted services to major steel and metals production plants
- Preferred environmental solutions partner to the industry's heightened environmental requirements
- Growing portfolio of Applied Products—abrasives, fertilizers, road base and commercial aggregate

STRATEGIC DIRECTION

- Flexible operating structure scalable to business needs
- Deploying Harsco Way standards for consistent reliability and efficiency – and increased customer satisfaction
- Improving overall returns through disciplined execution
- Highly confident in improved contract outcomes

REVENUES BY GEOGRAPHY



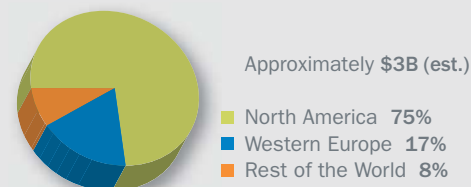
MARKETS

- Operates in five key market segments:
 - Upstream/Midstream
 - Downstream
 - Power Generation
 - Industrial
 - Infrastructure

STRATEGIC DIRECTION

- Harsco received cash proceeds of approximately \$300 million from Joint Venture formation
- Continued expectation for business growth and income contribution
- Opportunity for substantial exit proceeds in the future

REVENUES BY GEOGRAPHY



Management's Report on Internal Control Over Financial Reporting

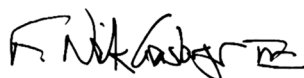
Management of Harsco Corporation, together with its consolidated subsidiaries (the "Company"), is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Securities Exchange Act Rule 13a-15(f) or 15d-15(e). The Company's internal control over financial reporting is a process designed under the supervision of the Company's principal executive and principal financial officers to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Company's consolidated financial statements for external reporting purposes in accordance with accounting principles generally accepted in the United States of America.

The Company's internal control over financial reporting includes policies and procedures that:

- Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect transactions and dispositions of assets of the Company;
- Provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and the directors of the Company; and
- Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the Company's consolidated financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

Management has assessed the effectiveness of its internal control over financial reporting at December 31, 2014 based on the framework established in *Internal Control—Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on this assessment, management has determined that the Company's internal control over financial reporting was effective at December 31, 2014.



F. Nicholas Grasberger, III

President and Chief Executive Officer

March 2, 2015



Peter F. Minan

Chief Financial Officer

March 2, 2015

Report of Independent Registered Public Accounting Firm

To The Stockholders of Harsco Corporation:

We have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Harsco Corporation and its subsidiaries as of December 31, 2014 and 2013, and the related consolidated statements of operations, changes in equity, cash flows and comprehensive income (loss) for each of the three years in the period ended December 31, 2014 (not presented herein) appearing in Harsco's annual report on Form 10-K for the year ended December 31, 2014; and in our report dated, March 2, 2015, we expressed an unqualified opinion on those consolidated financial statements.

In our opinion, the information set forth in the accompanying condensed consolidated financial statements is fairly stated, in all material respects, in relation to the consolidated financial statements from which it has been derived.



PricewaterhouseCoopers LLP

March 2, 2015

Condensed Consolidated Balance Sheets

<i>(In thousands, except share amounts)</i>	December 31, 2014	December 31, 2013
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 62,843	\$ 93,605
Trade accounts receivable, net	325,104	353,181
Other receivables	28,145	46,470
Inventories	177,265	155,689
Assets held-for-sale	1,355	113,968
Other current assets	87,110	75,842
Total current assets	681,822	838,755
Investments	288,505	298,856
Property, plant and equipment, net	663,244	711,346
Goodwill	416,155	431,265
Intangible assets, net	58,524	53,261
Other assets	155,551	108,265
Total assets	\$2,263,801	\$2,441,748
LIABILITIES		
Current liabilities:		
Short-term borrowings	\$ 16,748	\$ 7,489
Current maturities of long-term debt	25,188	20,257
Accounts payable	146,506	181,410
Accrued compensation	53,780	53,113
Income taxes payable	1,985	7,199
Dividends payable	16,535	16,536
Insurance liabilities	12,415	10,523
Advances on contracts	117,398	24,053
Liabilities of assets held-for-sale	-	109,176
Due to unconsolidated affiliate	8,142	24,954
Unit adjustment liability	22,320	22,320
Other current liabilities	144,543	129,739
Total current liabilities	565,560	606,769
Long-term debt	829,709	783,158
Deferred income taxes	6,379	8,217
Insurance liabilities	35,470	41,879
Retirement plan liabilities	350,889	241,049
Due to unconsolidated affiliate	20,169	27,292
Unit adjustment liability	71,442	84,023
Other liabilities	25,849	42,526
Total liabilities	1,905,467	1,834,913
COMMITMENTS AND CONTINGENCIES		
HARSCO CORPORATION STOCKHOLDERS' EQUITY		
Preferred stock, Series A junior participating cumulative preferred stock	-	-
Common stock, par value \$1.25 (issued 112,357,348 and 112,198,693 shares at December 31, 2014 and 2013, respectively)	140,444	140,248
Additional paid-in capital	165,666	159,025
Accumulated other comprehensive loss	(532,491)	(370,615)
Retained earnings	1,290,208	1,381,321
Treasury stock, at cost (31,697,498 and 31,519,768 shares at December 31, 2014 and 2013, respectively)	(749,815)	(746,237)
Total Harsco Corporation stockholders' equity	314,012	563,742
Noncontrolling interests	44,322	43,093
Total equity	358,334	606,835
Total liabilities and equity	\$2,263,801	\$2,441,748

The complete financial statements for Harsco Corporation as of December 31, 2014 may be found in the Company's Form 10-K for the year ended December 31, 2014, as filed with the Securities and Exchange Commission on March 2, 2015.

Condensed Consolidated Statements of Operations

(In thousands, except per share amounts)

Years ended December 31	2014	2013	2012
Revenues from continuing operations:			
Service revenues	\$1,365,696	\$2,229,966	\$2,340,996
Product revenues	700,042	666,554	705,022
Total revenues	2,065,738	2,896,520	3,046,018
Costs and expenses from continuing operations:			
Cost of services sold	1,151,842	1,766,730	1,861,732
Cost of products sold	494,944	467,485	487,784
Selling, general and administrative expenses	285,252	481,052	503,339
Research and development expenses	6,348	9,570	9,139
Goodwill impairment charge	—	—	265,038
Loss on disposal of Harsco Infrastructure Segment and transaction costs	6,057	291,372	—
Other expenses	57,824	15,110	93,776
Total costs and expenses	2,002,267	3,031,319	3,220,808
Operating income (loss) from continuing operation	63,471	(134,799)	(174,790)
Interest income	1,702	2,087	3,676
Interest expense	(47,111)	(49,654)	(47,381)
Change in fair value to unit adjustment liability	(9,740)	(966)	—
Income (loss) from continuing operations before income taxes and equity income (loss)	8,322	(183,332)	(218,495)
Income tax expense	(27,171)	(34,912)	(35,251)
Equity in income (loss) of unconsolidated entities, net	(1,558)	1,548	564
Loss from continuing operations	(20,407)	(216,696)	(253,182)
Discontinued operations:			
Income (loss) on disposal of discontinued business	176	(2,398)	(1,843)
Income tax (expense) benefit related to discontinued business	(66)	906	924
Income (loss) from discontinued operations	110	(1,492)	(919)
Net loss	(20,297)	(218,188)	(254,101)
Less: Net income attributable to noncontrolling interests	(4,495)	(9,753)	(511)
Net loss attributable to Harsco Corporation	\$ (24,792)	\$ (227,941)	\$ (254,612)
Amounts attributable to Harsco Corporation common stockholders:			
Loss from continuing operations, net of tax	\$ (24,902)	\$ (226,449)	\$ (253,693)
Income (loss) from discontinued operations, net of tax	110	(1,492)	(919)
Net loss attributable to Harsco Corporation common stockholders	\$ (24,792)	\$ (227,941)	\$ (254,612)
Weighted-average shares of common stock outstanding	80,884	80,755	80,632
Basic loss per share attributable to Harsco Corporation common stockholders:			
Continuing operations	\$ (0.31)	\$ (2.80)	\$ (3.15)
Discontinued operations	—	(0.02)	(0.01)
Basic loss per share attributable to Harsco Corporation common stockholders	\$ (0.31)	\$ (2.82)	\$ (3.16)
Diluted weighted-average shares of common stock outstanding	80,884	80,755	80,632
Diluted loss per share attributable to Harsco Corporation common stockholders:			
Continuing operations	\$ (0.31)	\$ (2.80)	\$ (3.15)
Discontinued operations	—	(0.02)	(0.01)
Diluted loss per share attributable to Harsco Corporation common stockholders	\$ (0.31)	\$ (2.82)	\$ (3.16)

The complete financial statements for Harsco Corporation as of December 31, 2014 may be found in the Company's Form 10-K for the year ended December 31, 2014, as filed with the Securities and Exchange Commission on March 2, 2015.

Condensed Consolidated Statements of Cash Flows

(In thousands)

Years ended December 31

	2014	2013	2012
Cash flows from operating activities:			
Net loss	\$ (20,297)	\$(218,188)	\$(254,101)
Adjustments to reconcile net loss to net cash provided by operating activities:			
Depreciation	164,588	221,266	251,905
Amortization	11,738	15,775	20,212
Change in fair value to the unit adjustment liability	9,740	966	–
Deferred income tax expense (benefit)	7,551	(18,427)	(10,708)
Equity in (income) loss of unconsolidated entities, net	1,558	(1,548)	(564)
Dividends from unconsolidated entities	–	37	308
Harsco 2011/2012 Restructuring Program non-cash adjustment	–	–	31,443
Goodwill impairment charge	–	–	265,038
Loss on disposal of the Harsco Infrastructure Segment	3,865	271,296	–
Other, net	39,376	2,735	(27,098)
Changes in assets and liabilities, net of acquisitions and dispositions of businesses:			
Accounts receivable	7,026	(34,504)	22,016
Inventories	(19,991)	18,510	2,365
Accounts payable	(28,901)	14,319	(37,649)
Accrued interest payable	70	(1,836)	(319)
Accrued compensation	5,699	(9,860)	517
Advances on contracts	92,769	(21,365)	(63,923)
Harsco Infrastructure Segment 2010 Restructuring Program accrual	–	(6,788)	(5,211)
Harsco 2011/2012 Restructuring Program accrual	(2,672)	(17,705)	(7,883)
Other assets and liabilities	(46,273)	(26,428)	12,531
Net cash provided by operating activities	225,846	188,255	198,879
Cash flows from investing activities:			
Purchases of property, plant and equipment	(207,978)	(246,147)	(265,023)
Proceeds from the Infrastructure Transaction	15,699	303,039	–
Proceeds from sales of assets	14,976	18,984	49,779
Purchase of businesses, net of cash acquired*	(26,336)	(2,849)	(740)
Payment of unit adjustment liability	(22,320)	(2,123)	–
Other investing activities, net	(2,721)	(8,219)	(3,284)
Net cash provided (used) by investing activities	(228,680)	62,685	(219,268)
Cash flows from financing activities:			
Short-term borrowings, net	8,851	(1,901)	(43,464)
Current maturities and long-term debt:			
Additions	177,499	316,804	285,850
Reductions	(131,007)	(498,600)	(184,372)
Cash dividends paid on common stock	(66,322)	(66,211)	(66,068)
Dividends paid to noncontrolling interests	(2,186)	(3,381)	(2,605)
Purchase of noncontrolling interests	–	(166)	–
Contributions from noncontrolling interests	–	4,825	8,097
Common stock issued – options	–	371	725
Common stock acquired for treasury	(941)	–	–
Deferred pension underfunding payment to unconsolidated affiliate	(7,688)	–	–
Other financing activities, net	–	(405)	(2,709)
Net cash used by financing activities	(21,794)	(248,664)	(4,546)
Effect of exchange rate changes on cash	(6,134)	(3,921)	(999)
Net decrease in cash and cash equivalents	(30,762)	(1,645)	(25,934)
Cash and cash equivalents at beginning of period	93,605	95,250	121,184
Cash and cash equivalents at end of period	\$ 62,843	\$ 93,605	\$ 95,250
*Purchase of businesses, net of cash acquired			
Working capital	\$ (1,107)	\$ –	\$ –
Property, plant and equipment	(330)	(2,437)	–
Goodwill	(6,839)	–	–
Intangible assets	(17,575)	–	–
Other noncurrent assets and liabilities, net	(485)	(412)	(740)
Net cash used to acquire businesses	\$ (26,336)	\$ (2,849)	\$ (740)

The complete financial statements for Harsco Corporation as of December 31, 2014 may be found in the Company's Form 10-K for the year ended December 31, 2014, as filed with the Securities and Exchange Commission on March 2, 2015.

Condensed Consolidated Statements of Changes in Equity

(In thousands, except share and per share amounts)	Common Stock		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss) ^(a)	Noncontrolling Interests	Total
	Issued	Treasury					
Balances, January 1, 2012	\$139,914	\$(744,644)	\$149,066	\$1,996,234	\$(364,191)	\$43,539	\$1,219,918
Net income (loss)				(254,612)		511	(254,101)
Cash dividends declared:							
Common @ \$0.82 per share				(66,132)			(66,132)
Noncontrolling interests						(2,605)	(2,605)
Total other comprehensive income (loss), net of deferred income taxes of \$2,700					(46,977)	439	(46,538)
Contributions from noncontrolling interests						8,602	8,602
Sale of investment in consolidated subsidiary						(704)	(704)
Stock options exercised, 38,900 shares	49		661				710
Vesting of restricted stock units and other stock grants, net 68,558 shares	117	(561)	959				515
Amortization of unearned stock-based compensation, net of forfeitures			1,959				1,959
Balances, December 31, 2012	\$140,080	\$(745,205)	\$152,645	\$1,675,490	\$(411,168)	\$49,782	\$ 861,624
Net income (loss)				(227,941)		9,753	(218,188)
Cash dividends declared:							
Common @ \$0.82 per share				(66,228)			(66,228)
Noncontrolling interests						(4,764)	(4,764)
Total other comprehensive income, net of deferred income taxes of \$(18,447)					40,553	302	40,855
Contributions from noncontrolling interests						4,825	4,825
Purchase of subsidiary shares from noncontrolling interest			(292)			107	(185)
Noncontrolling interests transferred in the Infrastructure Transaction			1,003			(16,912)	(15,909)
Stock options exercised, net 20,000 shares	25		375				400
Vesting of restricted stock units and other stock grants, net 74,297 shares	143	(1,032)	2,074				1,185
Amortization of unearned stock-based compensation, net of forfeitures			3,220				3,220
Balances, December 31, 2013	\$140,248	\$(746,237)	\$159,025	\$1,381,321	\$(370,615)	\$43,093	\$ 606,835
Net income (loss)				(24,792)		4,495	(20,297)
Cash dividends declared:							
Common @ \$0.82 per share				(66,321)			(66,321)
Noncontrolling interests						(2,319)	(2,319)
Total other comprehensive loss, net of deferred income taxes of \$20,264					(161,876)	(1,602)	(163,478)
Contributions from noncontrolling interests						1,560	1,560
Noncontrolling interests transferred in the Infrastructure Transaction						(905)	(905)
Vesting of restricted stock units and other stock grants, net 130,925 shares	196	(714)	2,069				1,551
Treasury shares repurchased, 150,000 shares		(2,864)					(2,864)
Amortization of unearned stock-based compensation, net of forfeitures			4,572				4,572
Balances, December 31, 2014	\$140,444	\$(749,815)	\$165,666	\$1,290,208	\$(532,491)	\$44,322	\$ 358,334

(a) 2013 includes changes due to the Infrastructure transaction consummated November 26, 2013.

The complete financial statements for Harsco Corporation as of December 31, 2014 may be found in the Company's Form 10-K for the year ended December 31, 2014, as filed with the Securities and Exchange Commission on March 2, 2015.

Five-Year Statistical Summary

<i>(In thousands, except per share, employee information and percentages)</i>	2014	2013 ^(a)	2012	2011	2010
Statement of operations information					
Revenues from continuing operations	\$2,065,738	\$2,896,520	\$3,046,018	\$3,302,740	\$3,038,678
Amounts attributable to Harsco Corporation common stockholders					
Income (loss) from continuing operations	(24,902)	(226,449)	(253,693)	(9,447)	10,885
Income (loss) from discontinued operations	110	(1,492)	(919)	(2,063)	(4,131)
Net income (loss)	(24,792)	(227,941)	(254,612)	(11,510)	6,754
Financial position and cash flow information					
Working capital	\$ 116,262	\$ 231,986	\$ 428,868	\$ 377,163	\$ 387,082
Total assets	2,263,801	2,441,748	2,975,969	3,338,877	3,469,220
Long-term debt	829,709	783,158	957,428	853,800	849,724
Total debt	871,645	810,904	969,266	908,772	884,932
Depreciation and amortization	176,326	237,041	272,117	310,441	315,239
Capital expenditures	(207,978)	(246,147)	(265,023)	(313,101)	(192,348)
Cash provided by operating activities	225,846	188,255	198,879	298,776	401,427
Cash provided (used) by investing activities	(228,680)	62,685	(219,268)	(255,822)	(202,023)
Cash used by financing activities	(21,794)	(248,664)	(4,546)	(39,554)	(171,521)
Ratios					
Return on average equity ^(b)	(4.4)%	(29.1)%	(21.7)%	(0.6)%	0.7%
Current ratio ^(c)	1.2:1	1.4:1	1.7:1	1.5:1	1.5:1
Per share information attributable to Harsco Corporation common stockholders					
Basic - Income (loss) from continuing operations	\$ (0.31)	\$ (2.80)	\$ (3.15)	\$ (0.12)	\$ 0.14
- Loss from discontinued operations	-	(0.02)	(0.01)	(0.03)	(0.05)
- Net income (loss)	\$ (0.31)	\$ (2.82)	\$ (3.16)	\$ (0.14) ^(d)	\$ 0.08 ^(d)
Diluted - Income (loss) from continuing operations	\$ (0.31)	\$ (2.80)	\$ (3.15)	\$ (0.12)	\$ 0.13
- Loss from discontinued operations	-	(0.02)	(0.01)	(0.03)	(0.05)
- Net income (loss)	\$ (0.31)	\$ (2.82)	\$ (3.16)	\$ (0.14) ^(d)	\$ 0.08
Other information					
Book value per share ^(e)	\$ 4.44	\$ 7.52	\$ 10.69	\$ 15.16	\$ 18.23
Cash dividends declared per share	\$ 0.820	\$ 0.820	\$ 0.820	\$ 0.820	\$ 0.820
Diluted weighted-average number of shares outstanding	80,884	80,755	80,632	80,736	80,761
Number of employees	12,200	12,300	18,500	19,650	19,300

(a) Includes impacts of the Infrastructure Transaction consummated on November 26, 2013.

(b) Return on average equity is calculated by dividing income (loss) from continuing operations by average equity throughout the year.

(c) Current ratio is calculated by dividing total current assets by total current liabilities.

(d) Does not total due to rounding.

(e) Book value per share is calculated by dividing total equity by shares outstanding.

Reconciliation of Diluted Earnings (Loss) Per Share From Continuing Operations Excluding Special Items and Harsco Infrastructure Segment (Unaudited)

<i>(In thousands)</i>		
<i>Twelve Months Ended December 31</i>		
	2014	2013
Diluted loss per share from continuing operations, as reported	\$(0.31)	\$(2.80)
Harsco Metals & Minerals Segment site exit and underperforming contract charges ^(a)	0.59	–
Harsco Metals & Minerals Segment contract termination charges ^(b)	0.14	–
Harsco Metals & Minerals Segment Brazilian labor claim reserves ^(c)	0.11	–
Harsco Metals & Minerals Segment Project Orion Charges ^(d)	0.11	–
Harsco Infrastructure Segment loss on disposal ^(e)	0.04	3.16
Strategic transaction review costs ^(f)	0.04	–
Harsco Infrastructure transaction costs ^(g)	0.02	0.19
Harsco Rail Segment grinder asset impairment charge ^(h)	–	0.08
Gains associated with exited Harsco Infrastructure operations retained ⁽ⁱ⁾	(0.02)	–
Non-cash tax impact of Harsco Infrastructure transaction ^(j)	–	0.38
Harsco Metals & Minerals Segment bad debt expense ^(k)	–	0.02
Harsco Infrastructure Segment depreciation expense reduction on assets classified as held-for-sale ^(l)	–	(0.21)
Adjusted diluted earnings per share from continuing operations, excluding special items	\$ 0.72	\$ 0.82
Plus Harsco Infrastructure Segment (income) loss from continuing operations ^(m)	–	0.05
Adjusted diluted earnings per share from continuing operations excluding special items and Harsco Infrastructure Segment	\$ 0.72	\$ 0.87

(a) Harsco Metals & Minerals Segment charges primarily attributable to site exit costs and non-cash long lived asset impairment charges associated with strategic actions from Project Orion's focus on underperforming contracts (Full year 2014 \$50.1 million pre-tax).

(b) Harsco Metals & Minerals Segment charges incurred in connection with the termination of a contract for a customer in receivership (Full year 2014 \$11.6 million pre-tax, which includes \$7.7 million primarily for non-cash long lived asset impairment and \$3.9 million pre-receivership receivable bad debt reserve charges).

(c) Brazilian labor claim reserve adjustments in the Harsco Metals & Minerals Segment (Full year 2014 \$7.5 million pre-tax).

(d) Harsco Metals & Minerals Segment Improvement Plan ("Project Orion") restructuring charges (Full year 2014 \$12.0 million pre-tax).

(e) Loss resulting from the Harsco Infrastructure Transaction, which was consummated in the fourth quarter of 2013 (Full year 2014 \$3.9 million pre-tax; Full year 2013 \$271.3 million pre-tax).

(f) Strategic transaction review costs recorded as Corporate expenses (Full year 2014 \$3.5 million pre-tax).

(g) Harsco Infrastructure Transaction costs recorded as Corporate expenses (Full year 2014 \$2.2 million pre-tax; Full year 2013 \$20.1 million pre-tax).

(h) Asset impairment charge on rail grinder equipment in the Harsco Rail Segment (Full year 2014 \$0.6 million pre-tax; Full year 2013 \$9.0 million pre-tax).

(i) Currency translation gains associated with exited Harsco Infrastructure operations retained recorded as an offset of Corporate expenses (Full year 2014 \$2.2 million pre-tax).

(j) Non-cash tax impact of Harsco Infrastructure Segment sale – undistributed earnings of subsidiaries and deferred tax valuation allowance (Full year 2013 \$30.8 million).

(k) Bad debt expense incurred in the Harsco Metals & Minerals Segment (Full year 2013 \$2.6 million pre-tax).

(l) Depreciation expense reduction from classification of Harsco Infrastructure Segment assets as held-for-sale (Full year 2013 \$17.3 million pre-tax).

(m) Includes equity in income of affiliates and noncontrolling interests (Full year 2013 \$(2.9) million). Segment operating results incorporate reclassifications for the three months and twelve months ended December 31, 2013 to conform to the revised manner in which the Company now allocates corporate expenses to operating segments as a result of changes in organizational structure resulting from the Infrastructure Transaction, which was consummated in the fourth quarter of 2013. The changes do not impact the Company's previously reported consolidated revenues from continuing operations, operating income from continuing operations or income from continuing operations before income taxes and equity income.

The Company's management believes adjusted diluted earnings per share from continuing operations excluding special items and the Harsco Infrastructure Segment, which are non-U.S. GAAP financial measures, are useful to investors because they provide an overall understanding of the Company's historical and future prospects. Exclusion of special items permits evaluation and comparison of results for the Company's core business operations, and it is on this basis that management internally assesses the Company's performance. Exclusion of the Harsco Infrastructure Segment from 2013 provides a basis for comparison of ongoing operations and prospects since the segment was divested in the fourth quarter of 2013. These measures should be considered in addition to, rather than as a substitute for, other information provided in accordance with U.S. GAAP.

Reconciliation of Operating Income (Loss) By Segment Excluding Special Items and Harsco Infrastructure Segment (Unaudited)

(In thousands)	Harsco Metals & Minerals	Harsco Infrastructure	Harsco Industrial	Harsco Rail	Corporate	Consolidated Totals	Less: Harsco Infrastructure	Consolidated Totals Excluding Harsco Infrastructure
Twelve Months Ended December 31, 2014:								
Operating income (loss), as reported	\$ 9,858	\$ —	\$ 63,680	\$ 37,137	\$(47,204)	\$ 63,471	\$ —	\$ 63,471
Harsco Metals & Minerals Segment site exit and underperforming contract charges	50,111	—	—	—	—	50,111	—	50,111
Harsco Metals & Minerals Segment contract termination charges	11,557	—	—	—	—	11,557	—	11,557
Harsco Metals & Minerals Segment Brazilian labor claim reserves	7,451	—	—	—	—	7,451	—	7,451
Harsco Metals & Minerals Segment Project Orion Charges	11,992	—	—	—	—	11,992	—	11,992
Harsco Infrastructure Segment loss on disposal	—	—	—	—	3,865	3,865	—	3,865
Strategic transaction review costs	—	—	—	—	3,531	3,531	—	3,531
Harsco Infrastructure transaction costs	—	—	—	—	2,192	2,192	—	2,192
Harsco Rail Segment grinder asset impairment charge	—	—	—	590	—	590	—	590
Gains associated with exited Harsco Infrastructure operations retained	—	—	—	—	(2,205)	(2,205)	—	(2,205)
Adjusted operating income (loss), excluding special items	\$ 90,969	\$ —	\$ 63,680	\$ 37,727	\$(39,821)	\$ 152,555	\$ —	\$ 152,555
Revenues, as reported	\$1,377,592	\$ —	\$412,532	\$275,614	\$ —	\$2,065,738	\$ —	\$2,065,738
Twelve Months Ended December 31, 2013:								
Operating income (loss), as reclassified ^(a)	\$ 95,310	\$(255,326)	\$ 58,977	\$ 27,710	\$(61,470)	\$(134,799)	\$ 255,326	\$ 120,527
Harsco Infrastructure Segment loss on disposal	—	271,296	—	—	—	271,296	(271,296)	—
Harsco Infrastructure transaction costs	—	—	—	—	20,076	20,076	—	20,076
Harsco Rail Segment grinder asset impairment charge	—	—	—	8,999	—	8,999	—	8,999
Harsco Metals & Minerals Segment bad debt expense	2,592	—	—	—	—	2,592	—	2,592
Harsco Infrastructure Segment depreciation expense reduction on assets classified as held-for-sale	—	(17,281)	—	—	—	(17,281)	17,281	—
Adjusted operating income (loss), excluding special items	\$97,902	\$ (1,311)	\$ 58,977	\$ 36,709	\$(41,394)	\$ 150,883	\$ 1,311	\$ 152,194
Revenues, as reported	\$1,359,004	\$ 885,377	\$365,972	\$286,167	\$ —	\$2,896,520	\$(885,377)	\$2,011,143

(a) The Company has reclassified segment operating results for the twelve months ended December 31, 2013 to conform to the revised manner in which the Company now allocates corporate expenses to operating segments as a result of changes in organizational structure resulting from the Infrastructure Transaction, which was consummated in the fourth quarter of 2013. The changes do not impact the Company's previously reported consolidated revenues from continuing operations, operating income from continuing operations or income from continuing operations before income taxes and equity income.

The Company's management believes adjusted operating income excluding special items and the Harsco Infrastructure Segment, which are non-U.S. GAAP financial measures, are useful to investors because they provide an overall understanding of the Company's historical and future prospects. Exclusion of special items permits evaluation and comparison of results for the Company's core business operations, and it is on this basis that management internally assesses the Company's performance. Exclusion of the Harsco Infrastructure Segment from 2013 provides a basis for comparison of ongoing operations and prospects since the segment was divested in the fourth quarter of 2013. These measures should be considered in addition to, rather than as a substitute for, other information provided in accordance with U.S. GAAP.

Return on Invested Capital Excluding Special Items and Harsco Infrastructure Segment^(a) (Unaudited)

(in thousands)	Trailing Twelve Months for Period Ended December 31	
	2014	2013
Net loss from continuing operations, as reported	\$ (20,407)	\$ (216,696)
Special items:		
Harsco Metals & Minerals Segment site exit and underperforming contract charges	50,111	—
Harsco Metals & Minerals Segment contract termination charges	11,557	—
Harsco Metals & Minerals Segment Brazilian labor claim reserves	7,451	—
Harsco Metals & Minerals Segment Project Orion Charges	11,992	—
Harsco Infrastructure Segment loss on disposal	3,865	271,296
Strategic transaction review costs	3,531	—
Harsco Infrastructure transaction costs	2,192	20,076
Harsco Rail Segment grinder asset impairment charge	590	8,999
Gains associated with exited Harsco Infrastructure operations retained	(2,205)	—
Non-cash tax impact of Harsco Infrastructure transaction	—	—
Harsco Metals & Minerals Segment bad debt expense	—	2,592
Harsco Infrastructure Segment depreciation expense reduction on assets classified as held-for-sale	—	(17,281)
Taxes on above special items	(4,166)	(23,724)
Non-cash tax impact of Harsco Infrastructure transaction	—	30,790
Net income from continuing operations, as adjusted	64,511	76,052
After-tax interest expense ^(b)	29,680	31,281
Net operating profit after tax, as adjusted	\$ 94,191	\$ 107,333
Average equity	\$ 563,138	\$ 771,176
Plus average debt	857,169	1,022,015
Average capital	\$1,420,307	\$1,793,191
Return on invested capital excluding special items	6.6%	6.0%
Net operating profit after tax, as adjusted, from above	\$ 94,191	\$ 107,333
After-tax (income) loss from Harsco Infrastructure Segment excluding special items	—	954
Net operating profit after tax, as adjusted	\$ 94,191	\$ 108,287
Average capital, from above	\$1,420,307	\$1,793,191
Return on invested capital excluding special items and Harsco Infrastructure Segment	6.6%	6.0%

(a) Return on invested capital excluding special items and the Harsco Infrastructure Segment is net income from continuing operations excluding special items, after-tax Harsco Infrastructure Segment results, and after-tax interest expense, divided by average capital for the year. The Company uses a trailing twelve month average for computing average capital.

(b) The Company's effective tax rate approximated 37% on an adjusted basis for both periods for interest expense.

The Company's management believes return on invested capital excluding special items and the Harsco Infrastructure Segment, which are non-U.S. GAAP financial measures, are meaningful in evaluating the efficiency and effectiveness of the capital invested in the Company's business. Exclusion of special items permits evaluation and comparison of results for the Company's core business operations, and it is on this basis that management internally assesses the Company's performance. Exclusion of the Harsco Infrastructure Segment provides a basis for comparison of ongoing operations and prospects since the segment was divested in the fourth quarter of 2013. These measures should be considered in addition to, rather than as a substitute for, net income or other information provided in accordance with U.S. GAAP.

Free Cash Flow (Unaudited)

(In thousands)	Twelve Months Ended December 31	
	2014	2013
Net cash provided by operating activities	\$ 225,846	\$ 188,255
Less maintenance capital expenditures ^(a)	(133,231)	(128,331)
Less growth capital expenditures ^(b)	(74,747)	(117,816)
Plus capital expenditures for strategic ventures ^(c)	6,876	5,864
Plus total proceeds from sales of assets ^(d)	27,379	18,984
Free Cash Flow	\$ 52,123	\$ (33,044)
Plus Harsco Infrastructure Segment negative Free Cash Flow	—	52,962
Free Cash Flow excluding Harsco Infrastructure Segment	\$ 52,123	\$ 19,918

(a) Maintenance capital expenditures are necessary to sustain the Company's current revenue streams and include contract renewal.

(b) Growth capital expenditures, for which management has discretion as to amount, timing and geographic placement, expand the Company's revenue base and create additional future cash flow.

(c) Capital expenditures for strategic ventures represent the partner's share of capital expenditures in certain ventures consolidated in the Company's financial statements.

(d) Asset sales are a normal part of the business model, primarily for the Harsco Metals & Minerals Segment. For the full year ended December 31, 2014, this line item also includes proceeds of \$12.4 million from the Harsco Infrastructure Transaction net working capital settlement.

The Company's management believes that free cash flow, which is a non-U.S. GAAP financial measure, is meaningful to investors because management reviews cash flows generated from operations less capital expenditures net of asset sales proceeds. It is important to note that free cash flow does not represent the total residual cash flow available for discretionary expenditures since other non-discretionary expenditures, such as mandatory debt service requirements, are not deducted from the measure. Exclusion of the Harsco Infrastructure Segment from 2013 provides a basis for comparison of ongoing operations and prospects since the segment was divested in the fourth quarter of 2013. This measure should be considered in addition to, rather than as a substitute for, other information provided in accordance with U.S. GAAP.

Review of Operations By Segment (Unaudited)

(In thousands)	Twelve Months Ended December 31, 2014		Twelve Months Ended December 31, 2013	
	Revenues	Operating Income (Loss)	Revenues	Operating Income (Loss)
Harsco Metals & Minerals	\$1,377,592	\$ 9,858	\$1,359,004	\$ 95,310
Harsco Infrastructure	—	—	885,377	(255,326)
Harsco Industrial	412,532	63,680	365,972	58,977
Harsco Rail	275,614	37,137	286,167	27,710
General Corporate	—	(47,204)	—	(61,470)
Consolidated Totals	\$2,065,738	\$ 63,471	\$2,896,520	\$(134,799)

The Company has reclassified segment operating results for the twelve months ended December 31, 2013 to conform to the revised manner in which the Company now allocates corporate expenses to operating segments as a result of changes in organizational structure resulting from the Infrastructure Transaction, which was consummated in the fourth quarter of 2013. The changes do not impact the Company's previously reported consolidated revenues from continuing operations, operating income from continuing operations or income from continuing operations before income taxes and equity income.

Board of Directors and Corporate Leadership

(As of March 10, 2015)

Board of Directors

David C. Everitt

Retired Co-leader, Agriculture and Turf Division
Deere & Company
Director since 2010
Serves as Non-Executive Chairman

James F. Earl^{1,2}

Executive Vice President and
President – GATX Rail International
GATX Corporation
Director since 2012

Kathy G. Eddy^{3c}

CPA and Founding Partner
McDonough, Eddy, Parsons & Baylous, AC
Director since 2004

Stuart E. Graham²

Chairman
Skanska AB
Director since 2009

F. Nicholas Grasberger, III

President and Chief Executive Officer
Harsco Corporation
Director since 2014

Terry D. Growcock^{2c}

Retired Chairman
The Manitowoc Company
Director since 2008

Henry W. Kneuppel¹

Retired Chairman
and Chief Executive Officer
Regal Beloit Corporation
Director since 2008

Elaine La Roche^{1,3}

Senior Advisor
China International Capital Corporation US
Director since 2014

James M. Loree^{1c,3}

President and Chief Operating Officer
Stanley Black & Decker, Inc.
Director since 2010

Phillip C. Widman¹

Retired Senior Vice President
and Chief Financial Officer
Terex Corporation
Director since 2014

Board Committees

¹ Audit Committee

² Management Development and Compensation Committee

³ Nominating and Corporate Governance Committee

^c Indicates Committee Chair

Corporate Leadership

F. Nicholas Grasberger, III

President and Chief Executive Officer

Peter F. Minan

Chief Financial Officer

Russell C. Hochman

Interim General Counsel, Chief Compliance Officer
and Corporate Secretary

Richard E. Lundgren, Jr.

Senior Vice President and Group President
Harsco Metals & Minerals

Scott H. Gerson

Vice President and Group President
Harsco Industrial

Scott W. Jacoby

Vice President and Group President
Harsco Rail

Anthony A. DeGregorio

Vice President and Chief Information Officer

Tracey L. McKenzie

Vice President and Chief Human Resources Officer

William H. Alexander

Vice President – Global Real Estate & Facilities Management

A. James Howell

Vice President – Internal Audit

Michael H. Kolinsky

Vice President – Tax, Treasury and Risk Management

Kathrine Rushefsky

Vice President – Human Resources Global Services

Linda Toth

Vice President – Global Compliance and Ethics

Jeremy Zahn

Vice President – Global Environmental, Health and Safety

Shareholder Information

Company News

Company information, archived news releases and SEC filings are available free of charge 24 hours a day, seven days a week via Harsco's website at harsco.com. Harsco's quarterly earnings conference calls and other significant investor events are posted when they occur.

Securities analysts, portfolio managers, other representatives of institutional investors and other interested parties seeking information about Harsco should contact the Director of Investor Relations at Harsco's corporate office, telephone 717-612-5628 or email ir@harsco.com.

Annual Meeting

April 29, 2015, 9:00 a.m.
350 Poplar Church Road
Camp Hill, PA 17011

Transfer Agent and Registrar

Shareholder communications regarding transfer of shares, book-entry shares, lost certificates, lost dividend checks or changes of address should be directed to:

By Mail: Computershare
P. O. Box 30170
College Station, TX 77842-3170

By Overnight Delivery: Computershare
211 Quality Circle, Suite 210
College Station, TX 77845

By Calling: 800-850-3508 (U.S. and Canada)
312-360-5100 (other countries)

Shareholders can also view real-time account information and request transfer agent services online at the Computershare Investor Services website: computershare.com/investor. Computershare Investor Services can be accessed through telecommunications devices for the hearing impaired by calling:

800-952-9245 (U.S. and Canada), 781-575-4592 (other countries)

Independent Registered Public Accounting Firm

PricewaterhouseCoopers LLP
Philadelphia, PA 19103

Quarterly Share Price and Dividend Information

Harsco Corporation common stock is listed on the New York Stock Exchange (NYSE) under ticker symbol HSC. At year-end 2014, there were 80,659,850 shares outstanding and approximately 11,700 stockholders.

Forward-Looking Statements

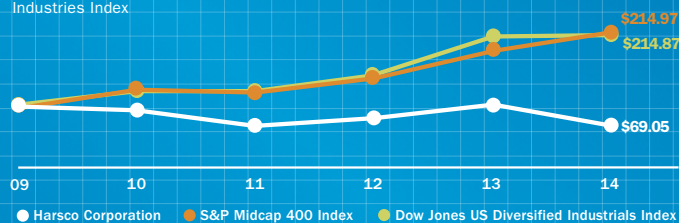
The nature of the Company's business and the many countries in which it operates subject it to changing economic, competitive, regulatory and technological conditions, risks and uncertainties. In accordance with the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, the 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, revenues, cash flows and earnings. 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. Accordingly, forward-looking statements should not be relied upon as a prediction of actual results. Please refer to our Annual Report filed on Form 10-K for further discussion.

As shown below, during 2014, the Company's common stock traded in a range of \$16.48 to \$28.19 and closed at \$18.89 at year-end. High and low per share data are as quoted on the NYSE. Four quarterly cash dividends were paid in 2014 for an annual rate of \$0.82. There are no significant restrictions on the payment of dividends.

		2014	2013
First Quarter	High	\$ 28.19	\$ 26.02
	Low	21.16	22.84
	Dividends Declared	0.205	0.205
Second Quarter	High	27.77	24.75
	Low	22.43	20.98
	Dividends Declared	0.205	0.205
Third Quarter	High	27.56	27.03
	Low	19.26	23.20
	Dividends Declared	0.205	0.205
Fourth Quarter	High	21.81	28.99
	Low	16.48	23.86
	Dividends Declared	0.205	0.205

Comparison of Five-Year Cumulative Total Return*

Among Harsco Corporation, the S&P Midcap Index, and the Dow Jones US Diversified Industries Index



	12/09	12/10	12/11	12/12	12/13	12/14
Harsco Corporation	100.00	90.40	67.55	80.22	98.92	69.05
S&P Midcap 400	100.00	126.64	124.45	146.69	195.84	214.87
Dow Jones US Diversified Industrials	100.00	122.86	123.84	149.61	212.64	214.87

* \$100 invested on 12/31/09 in stock or index, including reinvestment of dividends. Fiscal year ending December 31.

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Summary Annual Report

This Summary Annual Report is designed to present our 2014 results in a simple, easy-to-read and cost-efficient format. The more detailed financial information and analysis included in previous annual reports are contained in our Form 10-K filing with the Securities and Exchange Commission, which was distributed to shareholders along with this summary report. A copy of our Form 10-K filing may also be obtained from Harsco Investor Relations at the address on the back cover, or it can be viewed and downloaded from our Harsco website at harsco.com.

HARSCO

Harsco Corporation World Headquarters

harsco.com

350 Poplar Church Road

Camp Hill, PA 17011 USA

717-763-7064