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HARSCO CORP
Form 11-K
June 29, 2005

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FORM 11-K

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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

For the fiscal year ended December 31, 2004

OR

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

For the transition period from _____ to _____

Commission File Number 1-3970

HARSCO CORPORATION SAVINGS PLAN

(Full title of the Plan)

HARSCO CORPORATION

(Name of issuer of the securities held pursuant to the Plan)

350 Poplar Church Road
Camp Hill, PA 17011

(Address of principal executive office)

Telephone - (717) 763-7064

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HARSCO CORPORATION SAVINGS PLAN

INDEX TO

FORM 11-K ANNUAL REPORT

Form 11-K
Pages

Report of Independent Registered Public Accounting Firm

3

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Financial Statements:

Statements of Net Assets Available for Benefits - December 31, 2004 and December 31, 2003	4
Statement of Changes in Net Assets Available for Benefits - For the Year Ended December 31, 2004	5
Notes to Financial Statements	6-14

Supplemental Schedule:

Schedule of Assets (Held at End of Year) - Schedule H, Line 4(i)*	15
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Exhibits:

Exhibit 23 - Consent of Independent Registered Public Accounting Firm

- * Refers to item number in Form 5500 (Annual Return/Report of Employee Benefit Plan) for the plan year ended December 31, 2004.

-2-

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Participants and the Plan Administrative Committee of
the Harsco Corporation Savings Plan:

In our opinion, the accompanying statements of net assets available for benefits and the related statement of changes in net assets available for benefits present fairly, in all material respects, the net assets available for benefits of the Harsco Corporation Savings Plan (the "Plan") at December 31, 2004 and 2003, and the changes in net assets available for benefits for the year ended December 31, 2004 in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of assets held for investment purposes is presented for the purpose of additional analysis and is not a required part of the basic financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of

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1974. This supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/S/ PricewaterhouseCoopers LLP
 Philadelphia, Pennsylvania
 June 24, 2005

-3-

HARSCO CORPORATION SAVINGS PLAN STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS (dollars in thousands)

December 31, 2004 and December 31, 2003

Assets	December 31 2004 -----	December 31 2003 -----
Participant directed investments, at fair value	\$ 119,190	\$ 224,478
Contributions Receivable:		
Employer's	9	18
Participants'	100	75
Total receivables	----- 109	----- 93
Net assets available for benefits	----- \$ 119,299 =====	----- \$ 224,571 =====

The accompanying notes are an integral part of the financial statements.

-4-

HARSCO CORPORATION SAVINGS PLAN STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS (dollars in thousands)

For the Year Ended December 31, 2004

Additions to net assets attributed to:

Investment income:

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Net appreciation in the fair value of investments	\$ 16,229
Dividends	1,894
Interest - money market fund	87
Interest - participant loans	323

	18,533

Contributions:	
Employer's	903
Participants'	4,168

Transfers in from Harsco Retirement Savings and Investment Plan (HRSIP) due to Employee classification change	36

Total additions	23,640
Deductions:	
Withdrawals	(16,780)
Transfer to HRSIP	(110,891)
Other transfers out to HRSIP due to employee classification change	(1,241)

Net decrease in net assets available for benefits	(105,272)
Net assets available for benefits:	
December 31, 2003	224,571

December 31, 2004	\$ 119,299
	=====

The accompanying notes are an integral part of the financial statements.

-5-

NOTES TO FINANCIAL STATEMENTS

1. General Description of Plan:

The following description of the Harsco Corporation Savings Plan (the "Plan") provides only general information. Participants should refer to the Summary Plan Description for a more complete description of the Plan's provisions.

The Plan is a defined contribution plan designed to comply with the requirements of the Employee Retirement Income Security Act of 1974 ("ERISA") and with the requirements for qualification under Sections 401(a) and 401(k) of the Internal Revenue Code (the "Code").

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As of January 1, 2004, all U.S. hourly and Air-X-Changers salaried employees who are employed by Harsco Corporation (the "Company") or any subsidiary of either the Company or a subsidiary which adopts this Plan with the approval of the Company shall be covered by, or remain covered by this Plan, are deemed "Eligible Employees." Also eligible are employees covered by a collective bargaining agreement where the agreement provides for the employees' eligibility to participate in the Plan. Prior to January 1, 2004, in addition to hourly employees, eligible employees also included all U.S. employees (including officers) who received a stated weekly, monthly, or annual rate of compensation. New employees deemed Eligible Employees under this Plan are eligible to participate in the Plan as of the first payroll of January, April, July or October after the date of hire.

To participate in the Plan, an Eligible Employee must elect to contribute to the Plan through payroll deductions each pay period. Contributions are in whole percentages from 1% to 75% of compensation received for services as an employee of the Company or any subsidiary of the Company. The participant shall designate what percentage of such contributions will be "Pre-Tax Contributions" and what percentage will be "After-Tax Contributions." A participant who makes Matched Pre-Tax and/or Matched After-Tax Contributions in an aggregate amount of 6% of his or her compensation may also elect to contribute from 1% to 69% of his or her compensation as an Unmatched Pre-Tax Contribution and from 1% to 16% of his or her compensation as an Unmatched After-Tax Contribution, subject to IRS and Plan limitations. In no event during the year may (a) Matched Pre-Tax and Matched After-Tax Contributions exceed 6% of compensation, (b) Unmatched Pre-Tax and Unmatched After-Tax Contribution exceed 69% of compensation or (c) Pre-Tax Contributions exceed the amount specified by the Internal Revenue Service (IRS) code which was \$13,000 and \$12,000 for the years ended December 31, 2004 and 2003, respectively, for participants under 50 years of age. For participants who turned 50 on or before the end of the calendar year, the pretax limit was \$16,000 and \$14,000 in 2004 and 2003, respectively, as a result of an additional \$3,000 and \$2,000 of "catch-up contributions" allowed by law in 2004 and 2003, respectively. Pre-Tax Contributions shall constitute a reduction in the participant's taxable income for purposes of Section 401(k) of the Code. After-Tax Contributions will be considered to be the participant's contributions to the Plan and shall not constitute a reduction in the participant's taxable income for the purposes of Section 401(k) of the Code.

-6-

NOTES TO FINANCIAL STATEMENTS, continued

1. General Description of Plan: (continued)

Pursuant to the Plan, the Company will make contributions in cash to the trustee for the account of each participant in an amount equal to 50% of the first 6% of such participant's compensation designated as Matched Pre-Tax Contributions and/or Matched After-Tax Contributions. These contributions are referred to as "Company Matching Contributions".

Participants are immediately vested in their contributions plus actual earnings thereon. Vesting in the Company's Matching Accounts is based on years of vesting service. A participant is 100% vested after three years of credited service.

The Company pays administrative fees related to maintaining the Plan as a

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whole. Fees for investment management are subtracted from fund performance reported by each fund. Loan setup fees, quarterly loan fees and withdrawal fees are paid by the participant. Transfers in and out of the Harsco Corporation Common Stock Fund are assessed a \$0.03 commission per share transferred.

Participants may borrow from their fund accounts a minimum of \$500 to a maximum of 50% of their vested account balance, not to exceed \$50,000. Loan transactions are treated as a transfer to (from) the respective investment fund(s) from (to) the Participant Loans fund. The participant may choose the loan repayment period, not to exceed five years. However, the term may be for any period not to exceed 15 years if the purpose of the loan is to acquire the participant's principal residence. The loans are collateralized only by the portion of the participant's account from which the loan is made and bear interest at a rate commensurate with local prevailing rates as determined periodically by the Plan administrator. Interest rates on outstanding loans, based on the trustee's prime rate plus one percent, ranged from 5.00% to 10.5% at December 31, 2004. Principal and interest is paid ratably through payroll deductions.

On termination of service, a participant or beneficiary may elect one of three options. The participant or beneficiary may elect to receive either a lump-sum amount equal to the value of the participant's vested interest in his or her account; a portion paid in a lump-sum, and the remainder paid later; or annual installments over not more than fifteen years.

-7-

NOTES TO FINANCIAL STATEMENTS, continued

1. General Description of Plan: (continued)

While the Company has not expressed any intent to discontinue the Plan, it reserves the right to terminate the Plan at any time or discontinue contributions thereunder. In the event such discontinuance resulted in the termination of the Plan, the accounts of each affected employee who has not yet incurred a break in service shall be fully vested. Complete distributions or withdrawals would be distributed to Plan participants and beneficiaries in proportion to their respective account balances.

2. Summary of Significant Accounting Policies:

Basis of Accounting:

The financial statements of the Plan are prepared under the accrual basis of accounting.

Investment Valuation:

The Harsco Corporation Common Stock Fund is stated at market value, which represents the closing price of the stock on the Composite Reporting Tape of the stock exchanges on the last day of trading of the calendar year. Shares in the American Funds EuroPacific Growth Fund, American Funds Growth Fund of America, Ariel Appreciation Fund, Dodge & Cox Stock Fund, Morgan

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Stanley Institutional Fund, Inc. U.S. Real Estate Fund, Neuberger Berman Genesis Fund, PIMCO Total Return Fund, Putnam Bond Index Fund, Putnam Fund for Growth and Income, Putnam Income Fund, Putnam Money Market Fund, Putnam New Opportunities Fund, Putnam Voyager Fund, Vanguard Institutional Index Fund, Putnam Retirement Ready Funds and T. Rowe Price Retirement Funds are valued at net asset value, which represents fair value. Cash, which represents funds held until purchases of common stock are completed, is stated at fair value. Participant loans are valued at cost which approximates fair value

Payment of Benefits:

Benefit payments to participants are recorded when paid.

Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of additions and deductions during the reporting period. Actual results could differ from those estimates.

Other:

The Plan presents in the Statement of Changes in Net Assets Available for Benefits the net appreciation (depreciation) in the market value of its investments which consists of the realized gains or losses and the unrealized appreciation (depreciation) on those investments.

-8-

NOTES TO FINANCIAL STATEMENTS, continued

2. Summary of Significant Accounting Policies: (continued)

The purchase and sale of investments are recorded on a trade-date basis. Dividend income is recorded on the ex-dividend date. Income from other investments is recorded as earned on an accrual basis. Both participant contributions and Company matching contributions are accrued in the period of the related payroll deductions. Forfeitures, a result of participant withdrawals prior to their full vesting in the Plan, are used to reduce the amount of future Company matching contributions. In 2004, forfeited amounts of \$433,181 were used to offset Company matching contributions and \$253,745 remained in a money market fund at December 31, 2004 to be used to offset future Company matching contributions.

3. Investment Options:

The Plan, comprised of participant directed contributions, contains the following investment options:

(1) Harsco Corporation Common Stock Fund - a fund consisting of Common

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Stock of Harsco Corporation purchased in the open market or through privately negotiated transactions to the extent permitted by rules of the New York Stock Exchange and the Securities and Exchange Commission.

- (2) American Funds EuroPacific Growth Fund - a long-term growth oriented fund consisting primarily of stocks of issuers located in Europe and the Pacific Basin.
- (3) American Funds Growth Fund of America - a long-term growth oriented fund consisting primarily of stocks that American Funds management believes offer superior opportunities for growth of capital.
- (4) Ariel Appreciation Fund - a long-term growth oriented fund consisting primarily of medium sized company stocks.
- (5) Dodge & Cox Stock Fund - a fund consisting principally of common stock with a primary objective of long-term growth and income. The fund's secondary objective is to achieve a reasonable current income.
- (6) Morgan Stanley Institutional Fund, Inc. U.S. Real Estate Fund - a fund consisting primarily of equity securities of companies in the U.S. real estate industry, including real estate investment trusts. The fund seeks to provide above average current income and long-term capital appreciation.
- (7) Neuberger Berman Genesis Fund - a fund consisting mainly of common stock of small capitalization companies that offer potential for capital growth.

-9-

NOTES TO FINANCIAL STATEMENTS, continued

3. Investment Options: (continued)

- (8) PIMCO Total Return Fund - a fund consisting, under normal circumstances, of at least 65% of its assets in a diversified portfolio of fixed income instruments of varying maturities. The fund seeks maximum total returns, consistent with preservation of capital and prudent investment management.
- (9) Putnam Bond Index Fund - a fund consisting of a sample of securities included in the Lehman Brothers Aggregate Bond Index. The fund's goal is to achieve a return, before the assessment of any fees that closely approximates the index.
- (10) Putnam Fund for Growth and Income - a fund consisting primarily of common stocks located mainly in the United States that offer potential for capital growth, current income, or both.
- (11) Putnam Income Fund - a fund seeking high current income consistent with what Putnam management believes to be prudent risk. The fund includes principally investments in bonds and other debt securities. Bonds include both corporate and government bonds.
- (12) Putnam Money Market Fund - a fund seeking as high a rate of current income as Putnam's management believes is consistent with preservation of capital and maintenance of liquidity. The fund consists of

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short-term high-quality money market securities. Investments in this fund are neither insured nor guaranteed by the U.S. government.

- (13) Putnam New Opportunities Fund - a fund consisting primarily of investments in common stock of U.S. companies within certain industry groups that Putnam management believes have high growth potential.
- (14) Putnam Voyager Fund - a fund consisting mainly of investments in stock of midsized to large companies expected to grow over time. The fund invests all or a portion of its assets in companies located mainly inside the United States.
- (15) Vanguard Institutional Index Fund - a fund consisting of investments in the same stocks and in substantially the same percentages as the S&P 500 Index.
- (16) Putnam Retirement Ready Funds (2010-2045) - a fund employing an asset allocation strategy based on investors' projected retirement year. The fund seeks capital appreciation and current income.
- (17) T. Rowe Price Retirement Funds (2005-2040) - a fund employing an asset allocation strategy based on investors' projected retirement year. The fund invests in a combination of T. Rowe Price mutual funds representing different types of stocks and bonds.

-10-

NOTES TO FINANCIAL STATEMENTS, continued

3. Investment Options: (continued)

The Plan provides for various investment options as described above. Investment securities are exposed to various risks, such as interest rate, market, and credit. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in risks in the near term could materially affect participants' account balances and the amounts reported in the statement of net assets available for plan benefits and the statement of changes in net assets available for plan benefits.

There were 3,368 participants at December 31, 2004 who participated in one or more of the 33 investment funds. At December 31, 2004 the number of participants selecting each of the investment funds for their contributions was as follows:

Harsco Corporation Common Stock Fund.....	3,089
Putnam Money Market Fund.....	1,798
Vanguard Institutional Index Fund.....	1,620
Putnam Voyager Fund.....	1,293
Putnam New Opportunities Fund.....	1,201
American Funds EuroPacific Growth Fund.....	844
Putnam Fund for Growth and Income.....	698
Putnam Income Fund.....	445
Neuberger Berman Genesis Fund.....	322
PIMCO Total Return Fund.....	236
Dodge & Cox Stock Fund.....	136
Morgan Stanley Institutional Fund, Inc. U.S. Real Estate Fund.....	126

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Ariel Appreciation Fund.....	59
American Funds Growth Fund of America.....	53
Putnam Bond Index Fund.....	50
Putnam Retirement Ready Maturity.....	75
Putnam Retirement Ready 2010.....	112
Putnam Retirement Ready 2015.....	146
Putnam Retirement Ready 2020.....	155
Putnam Retirement Ready 2025.....	164
Putnam Retirement Ready 2030.....	146
Putnam Retirement Ready 2035.....	104
Putnam Retirement Ready 2040.....	66
Putnam Retirement Ready 2045.....	30
T Rowe Price Retirement Income.....	1
T Rowe Price Retirement 2005.....	2
T Rowe Price Retirement 2010.....	3
T Rowe Price Retirement 2015.....	5
T Rowe Price Retirement 2020.....	4
T Rowe Price Retirement 2025.....	9
T Rowe Price Retirement 2030.....	6

-11-

NOTES TO FINANCIAL STATEMENTS, continued

3. Investment Options: (continued)

T Rowe Price Retirement 2035.....	5
T Rowe Price Retirement 2040.....	12

The following table separately identifies those investments which represent five percent or more of the Plan's net assets at December 31, 2004 with comparable information for 2003:

(in thousands)	December 31 2004	December 31 2003
	-----	-----
Harsco Corporation Common Stock Fund	\$ 56,701	\$ 93,942
Vanguard Institutional Index Fund	13,549	26,291
Putnam Money Market Fund	9,638	21,257
Putnam Voyager Fund	7,813	15,903
Putnam New Opportunities Fund	6,250	11,788
Other	25,239	55,297
	-----	-----
	\$ 119,190	\$ 224,478
	=====	=====

4. Related-Party Transactions:

Certain Plan investments are shares of mutual funds managed by Putnam Investments. Putnam Investments is the trustee as defined by the Plan, and therefore, transactions in these funds qualify as party-in-interest transactions. Transactions in the Harsco Corporation Common Stock Fund also

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qualify as party-in-interest transactions.

5. Plan Amendments:

The Company amended the Plan effective January 1, 2004, to include rollover contributions when determining whether a Participant's account exceeds \$5,000. This threshold is used to determine if a Participant's balance will be immediately paid-out to the participant upon the participant leaving employment with the Company or if it will remain in the Plan until the Participant chooses to withdraw it.

-12-

NOTES TO FINANCIAL STATEMENTS, continued

6. Federal Income Taxes:

The Company received a determination letter from the Internal Revenue Service on May 15, 2003, that the Plan, as amended March 28, 2003, is a qualified plan under Sections 401(a) and 401(k) of the Internal Revenue Code and is therefore exempt from Federal income taxes under the provisions of Section 501(a). The determination letter renewed the IRS's previous favorable determination made on December 26, 2000. The Plan has been amended since the IRS made its latest determination. However, the Plan administrator and the Plan's tax counsel believe that the Plan is designed and is currently being operated in compliance with the applicable provisions of the Internal Revenue Code.

7. Transfers to Harsco Retirement Savings and Investment Plan:

Effective January 1, 2004, the account balances of salaried employees in the Plan totaling \$110.9 million were transferred to a new plan titled, "Harsco Retirement Savings and Investment Plan" (HRSIP). The creation of the HRSIP and transfer were made in connection with the Company restructuring salaried employees' pension benefit plans from principally defined benefit to principally defined contribution. Hourly and salaried Air-X-Changers employees remain in the Plan. Other than this change, there have not been any structural changes to the Plan with regards to investment options, employee contributions or the Company's matching of employee contributions.

During 2004 there were transfers of \$1.2 million to the HRSIP due to employee classification changes whereby employees' classification changed from hourly to salaried.

-13-

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December 31, 2004
(dollars in thousands)

(a) Party In Interest	Shares or Units	(b) & (c) Identity of Issue and Description of Investment	(d) Cost	(e) Current Value
		Common Stock:		
*	1,017,241	Harsco Corp. Common Stock, par value \$	\$ 26,150	\$ 5
	N/A	Participant Loans (1)	3,166	
		Mutual Funds:		
	122,383	Vanguard Institutional Index Fund	12,684	1
*	470,384	Putnam Voyager Fund	9,713	
*	9,638,276	Putnam Money Market	9,638	
*	150,495	Putnam New Opportunities Fund	7,544	
	103,661	American Europacific Growth Fund R-3	3,005	
*	122,660	Putnam Fund for Growth and Income	2,221	
	62,714	Neuberger Berman Genesis Trust Fund	2,010	
*	227,755	Putnam Income Fund	1,520	
	128,307	Pimco Total Return Fund	1,379	
	7,123	Dodge & Cox Stock Fund	796	
	38,856	Morgan Stanley Institutional Fund, Inc. U.S. Real Estate Fund	728	
	9,295	Ariel Appreciation Fund	383	
	10,263	Growth Fund of America	257	
*	10,470	Putnam Bond Index Fund	140	
*	17,939	Putnam Retirement Ready Maturity	1,004	
*	21,048	Putnam Retirement Ready 2010 Fund	1,196	
*	26,991	Putnam Retirement Ready 2015 Fund	1,693	
*	21,311	Putnam Retirement Ready 2020 Fund	1,295	
*	13,735	Putnam Retirement Ready 2025 Fund	904	
*	7,882	Putnam Retirement Ready 2030 Fund	492	
*	4,386	Putnam Retirement Ready 2035 Fund	275	

-14-

HARSCO CORPORATION SAVINGS PLAN
SCHEDULE H, LINE 4(i) - SCHEDULE OF ASSETS (HELD AT END OF YEAR)
FORM 5500
(Continued)

December 31, 2004
(dollars in thousands)

(a) Party In Interest	Shares or Units	(b) & (c) Identity of Issue and Description of Investment	(d) Cost	(e) Current Value
*	1,245	Putnam Retirement Ready 2040 Fund	79	
*	487	Putnam Retirement Ready 2045 Fund	31	
	339	T Rowe Price Retirement Income	4	
	10,147	T Rowe Price Retirement 2005	101	
	8,876	T Rowe Price Retirement 2010	115	

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3,980	T Rowe Price Retirement 2015	39	
101	T Rowe Price Retirement 2020	1	
7,491	T Rowe Price Retirement 2025	74	
2,073	T Rowe Price Retirement 2030	32	
636	T Rowe Price Retirement 2035	6	
902	T Rowe Price Retirement 2040	13	
		-----	-----
	Total Mutual Funds	59,372	5
		-----	-----
N/A	Cash	37	
		-----	-----
	Total Assets Held for Investment Purposes	\$ 88,725	\$ 11
		=====	=====

* Represents party in interest

(1) Participant Loans range up to 15 years to maturity and interest rates on these loans ranged from 5.00% to 10.5%.

-15-

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Plan Administrative Committee has duly caused this annual report to be signed by the undersigned thereunto duly authorized.

HARSCO CORPORATION SAVINGS PLAN

BY: /S/ Mark E. Kimmel

 Mark E. Kimmel
 General Counsel & Corporate Secretary

June 28, 2005

