HARSCO CORP
Form 11-K
June 30, 2008

FORM 11-K

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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

For the fiscal year ended December 31, 2007

OR

o 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 RETIREMENT SAVINGS AND INVESTMENT 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

HARSCO RETIREMENT SAVINGS AND INVESTMENT PLAN

INDEX TO

FORM 11-K ANNUAL REPORT

* Refers to item number in Form 5500 (Annual Return/Report of Employee Benefit Plan) for the plan year ended December 31, 2007.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Participants and the Plan Administrative Committee of
the Harsco Retirement Savings and Investment 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 Retirement Savings and Investment Plan (the “Plan”) at December 31, 2007 and 2006, and the changes in net assets available for benefits for the year ended December 31, 2007 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 schedule of assets held 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 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 audit 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 30, 2008

HARSCO RETIREMENT SAVINGS AND INVESTMENT PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
(dollars in thousands)

Assets	December 31 2007		December 31 2006	
Participant directed Investments, at fair value	$	253,518	$	185,938
Contributions receivable:				
Employer’s		2,185		2,148
Participants’		283		179
Total contribution receivables		2,468		2,327
Dividends receivable		348		304
Net assets available for benefits	$	256,334	$	188,569

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

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

For the Year Ended December 31, 2007

Additions:		
Investment income:		
Net appreciation in the fair value of investments	$	49,709
Dividends		9,624
Interest – money market fund		821
Interest - participant loans		305
Total investment income		60,459
Contributions:		
Employer's		6,124
Participants'		11,294
Total contributions		17,418
Net transfers in from Harsco Corporation Savings Plan due to employee classification change (See Note 1)		10,132
Conversion Credit (Loans transferred through 2007 Company acquisition)		99
Total additions		88,108
Deductions:		
Withdrawals		20,343
Net increase in net assets available for benefits		67,765
Net assets available for benefits:		
December 31, 2006		188,569
December 31, 2007	$	256,334

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

NOTES TO FINANCIAL STATEMENTS

1. General Description of Plan:

General

The following description of 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").

All U.S. salaried non-union employees (including officers), with the exception of 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. 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.

Throughout the year, employees are transferred to various positions within the Company, which may result in a transfer between various retirement plans. This is shown as, "Net transfers in from Harsco Corporation Savings Plan due to employee classification change" on the Statement of Changes in Net Assets Available for Benefits.

Contributions

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 Internal Revenue Service ("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

1. General Description of Plan: (continued)

by the IRS code which were $15,500 and $15,000 for the years ended December 31, 2007 and 2006, 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 $20,500 and $20,000 in 2007 and 2006, respectively, as a result of an additional $5,000 “catch-up contributions” allowed by law in 2006. 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.

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 100% of the first 3% of such participant's compensation designated as Matched Pre-Tax Contributions and/or Matched After-Tax Contributions, and 50% of the sum of the next 2% of each eligible Participant’s Matched Pre-Tax Contributions and/or Matched After-Tax contributions for the period. These contributions are referred to as "Company Matching Contributions".

As of December 31 of each plan year, the employer may make a Company discretionary contribution to the Plan in an amount determined by the Company’s board of directors. Employer discretionary contributions are allocated to the accounts of eligible participants in the proportion that each eligible participant’s compensation bears to the aggregate compensation of all eligible participants who are entitled to an allocation of the Company discretionary contribution for that Plan year.

Vesting

Participants are immediately vested in their contributions plus actual earnings thereon and Company Matching Contributions to the Plan. Vesting in the Company's Harsco Savings Matching Accounts and discretionary contributions are based on years of vesting service. A participant is 100% vested in the Company’s Matching Accounts transferred from the Harsco Savings Plan after three years of credited service. A participant is 100% vested in the Company’s discretionary contributions after five years of credited service for any discretionary contributions made to the Plan for Plan years ending on or before December 31, 2006. For years commencing on and after January 1, 2007, the participant is 100% vested in the Company’s discretionary contributions after three years of credited service.

Administration

The company pays administration fees related to maintaining the Plan as a whole. Fees for investment management, which include recordkeeper fees, 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.

NOTES TO FINANCIAL STATEMENTS, continued

1. General Description of Plan: (continued)

Participant Loans

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 prime rate plus one percent, ranged from 4.75% to 10.50% at December 31, 2007. Principal and interest is paid ratably through payroll deductions.

Payment of Benefits

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.

Forfeitures

Forfeitures, which are a result of participant withdrawals prior to their full vesting in the Plan, are used to restore accounts, to pay Plan fees and expenses, and to reduce the amount of future Company matching contributions or Company discretionary contributions as directed by the Plan Administrator.

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 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.

NOTES TO FINANCIAL STATEMENTS, continued

1. General Description of Plan: (continued)

(4) Thornburg Core Growth Fund – a fund consisting primarily of investments in domestic equity securities selected for their growth potential. However, the fund may own a variety of securities including foreign equity securities and debt securities.

(5) CRM Mid Cap Value Fund – a fund seeking long-term capital appreciation. The fund normally invests at least 80% of its total assets in a diversified portfolio of equity or equity-related securities including common and preferred stocks of companies that have a market capitalization equal to those of companies in the Russell Midcap Value Index and those publicly traded on a U.S. securities market.

(6) 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.

(7) 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.

(8) Neuberger Berman Genesis Trust Fund – a fund consisting mainly of common stock of small capitalization companies that offer potential for capital growth.

(9) 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.

(10) Putnam