

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), and 6058(a) of the Internal Revenue Code (the Code). ► Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089 <div style="text-align: center; font-size: 24pt;">2009</div>
		This Form is Open to Public Inspection

Part I	Annual Report Identification Information		
For calendar plan year 2009 or fiscal plan year beginning <u>01/01/2009</u> and ending <u>12/31/2009</u>			
A This return/report is for:	☐ a multiemployer plan;	☐ a multiple-employer plan; or	
	☒ a single-employer plan;	☐ a DFE (specify) ____	
B This return/report is:	☐ the first return/report;	☐ the final return/report;	
	☐ an amended return/report;	☐ a short plan year return/report (less than 12 months).	
C If the plan is a collectively-bargained plan, check here.	☒		
D Check box if filing under:	☒ Form 5558;	☐ automatic extension;	☐ the DFVC program;
	☐ special extension (enter description)		

Part II	Basic Plan Information —enter all requested information		
1a Name of plan <u>IKG HOURLY EMPLOYEES PENSION PLAN</u>	1b Three-digit plan number (PN) ►	<u>019</u>	
	1c Effective date of plan	<u>01/01/1971</u>	
2a Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.) <u>HARSCO CORPORATION</u> <u>P.O. BOX 8888</u> <u>CAMP HILL, PA 17001</u>	2b Employer Identification Number (EIN) <u>23-1483991</u>	2c Sponsor's telephone number <u>717-763-7064</u>	2d Business code (see instructions) <u>339900</u>

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	<u>Filed with authorized/valid electronic signature.</u>	<u>10/14/2010</u>	<u>MARK KIMMEL</u>
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Form 5500 (2009)
v.092307.1

3a Plan administrator's name and address (if same as plan sponsor, enter "Same") HARSCO CORPORATION P.O. BOX 8888 CAMP HILL, PA 17001	3b Administrator's EIN 23-1483991
	3c Administrator's telephone number 717-763-7064

4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name	4b EIN	
	4c PN	
5 Total number of participants at the beginning of the plan year	5	455
6 Number of participants as of the end of the plan year (welfare plans complete only lines 6a , 6b , 6c , and 6d).		
a Active participants.....	6a	96
b Retired or separated participants receiving benefits.....	6b	129
c Other retired or separated participants entitled to future benefits.....	6c	204
d Subtotal. Add lines 6a , 6b , and 6c	6d	429
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	20
f Total. Add lines 6d and 6e	6f	449
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	11
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7	

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
1B 1G 3H

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

9a Plan funding arrangement (check all that apply)	9b Plan benefit arrangement (check all that apply)
(1) ☐ Insurance	(1) ☐ Insurance
(2) ☐ Code section 412(e)(3) insurance contracts	(2) ☐ Code section 412(e)(3) insurance contracts
(3) ☒ Trust	(3) ☒ Trust
(4) ☐ General assets of the sponsor	(4) ☐ General assets of the sponsor

10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

- (1)** ☒ **R** (Retirement Plan Information)
(2) ☐ **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
(3) ☒ **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

- (1)** ☒ **H** (Financial Information)
(2) ☐ **I** (Financial Information – Small Plan)
(3) ☐ **A** (Insurance Information)
(4) ☒ **C** (Service Provider Information)
(5) ☒ **D** (DFE/Participating Plan Information)
(6) ☐ **G** (Financial Transaction Schedules)

SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500 or 5500-SF.	OMB No. 1210-0110 2009 This Form is Open to Public Inspection
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For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan <u>IKG HOURLY EMPLOYEES PENSION PLAN</u>	B Three-digit plan number (PN) ▶ <u>019</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>HARSCO CORPORATION</u>	D Employer Identification Number (EIN) <u>23-1483991</u>
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☐ More than 500

Part I	Basic Information	
1 Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2009</u>		
2 Assets:		
a Market value	2a <u>7277345</u>	
b Actuarial value	2b <u>7277345</u>	
3 Funding target/participant count breakdown		
	(1) Number of participants	(2) Funding Target
a For retired participants and beneficiaries receiving payment	3a <u>138</u>	<u>4412463</u>
b For terminated vested participants	3b <u>212</u>	<u>2185965</u>
c For active participants:		
(1) Non-vested benefits	3c(1)	<u>97887</u>
(2) Vested benefits	3c(2)	<u>1533940</u>
(3) Total active	3c(3) <u>105</u>	<u>1631827</u>
d Total	3d <u>455</u>	<u>8230255</u>
4 If the plan is at-risk, check the box and complete items (a) and (b)	☐	
a Funding target disregarding prescribed at-risk assumptions	4a	
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been at-risk for fewer than five consecutive years and disregarding loading factor	4b	
5 Effective interest rate	5	<u>8.11</u> %
6 Target normal cost	6	<u>119488</u>

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE		<u>10/11/2010</u>
Signature of actuary		Date
<u>DAVID WEBBER, FSA, EA</u>		<u>08-06137</u>
Type or print name of actuary		Most recent enrollment number
<u>TOWERS WATSON PENNSYLVANIA, INC.</u>		<u>703-258-8000</u>
Firm name		Telephone number (including area code)
<u>901 NORTH GLEBE ROAD</u> <u>ARLINGTON, VA 22203</u>		
Address of the firm		

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500 or 5500-SF.

Schedule SB (Form 5500) 2009
v.092308.1

Part II Beginning of year carryover and prefunding balances		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (Item 13 from prior year)	1368070	0
8	Portion used to offset prior year's funding requirement (Item 35 from prior year)	61036	0
9	Amount remaining (Item 7 minus item 8).....	1307034	
10	Interest on item 9 using prior year's actual return of <u>-28.69</u> %	-374988	
11	Prior year's excess contributions to be added to prefunding balance:		
a	Excess contributions (Item 38 from prior year)		865852
b	Interest on (a) using prior year's effective rate of <u>6.27</u> %		54289
c	Total available at beginning of current plan year to add to prefunding balance		920141
d	Portion of (c) to be added to prefunding balance.....		
12	Reduction in balances due to elections or deemed elections.....		
13	Balance at beginning of current year (item 9 + item 10 + item 11d – item 12).....	932046	0

Part III Funding percentages			
14	Funding target attainment percentage.....	14	77.10 %
15	Adjusted funding target attainment percentage.....	15	77.09 %
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement.....	16	96.45 %
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.....	17	%

Part IV Contributions and liquidity shortfalls					
18 Contributions made to the plan for the plan year by employer(s) and employees:					
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
Totals ►			18(b)	18(c)	

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:	
a Contributions allocated toward unpaid minimum required contribution from prior years.....	19a
b Contributions made to avoid restrictions adjusted to valuation date	19b
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date.....	19c
20 Quarterly contributions and liquidity shortfalls:	
a Did the plan have a "funding shortfall" for the prior year?	☒ Yes ☐ No
b If 20a is "Yes," were required quarterly installments for the current year made in a timely manner?	☒ Yes ☐ No
c If 20a is "Yes," see instructions and complete the following table as applicable:	

Liquidity shortfall as of end of Quarter of this plan year			
(1) 1st	(2) 2nd	(3) 3rd	(4) 4th

Part V Assumptions used to determine funding target and target normal cost

21 Discount rate:				
a Segment rates:	1st segment: %	2nd segment: %	3rd segment: %	☒ N/A, full yield curve used
b Applicable month (enter code)				21b 3
22 Weighted average retirement age				22 63
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute				

Part VI Miscellaneous items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.	☐ Yes ☒ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.	☒ Yes ☐ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.....	☒ Yes ☐ No
27 If the plan is eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachment.....	27

Part VII Reconciliation of unpaid minimum required contributions for prior years

28 Unpaid minimum required contribution for all prior years	28
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (item 19a).....	29
30 Remaining amount of unpaid minimum required contributions (item 28 minus item 29)	30 0

Part VIII Minimum required contribution for current year

31 Target normal cost, adjusted, if applicable (see instructions).....	31	119488
32 Amortization installments:	Outstanding Balance	Installment
a Net shortfall amortization installment	1391141	246856
b Waiver amortization installment		
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33	
34 Total funding requirement before reflecting carryover/prefunding balances (item 31 + item 32a + item 32b – item 33).....	34	366344
	Carryover balance	Prefunding balance
35 Balances used to offset funding requirement	366344	366344
36 Additional cash requirement (item 34 minus item 35).....	36	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (Item 19c).....	37	
38 Interest-adjusted excess contributions for current year (see instructions).....	38	
39 Unpaid minimum required contribution for current year (excess, if any, of item 36 over item 37).....	39	
40 Unpaid minimum required contribution for all years	40	

<div>SCHEDULE C</div> <div>(Form 5500)</div> <div>Department of the Treasury Internal Revenue Service</div> <div>Department of Labor Employee Benefits Security Administration</div> <div>Pension Benefit Guaranty Corporation</div>	<div>Service Provider Information</div> <div>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).</div> <div>▶ File as an attachment to Form 5500.</div>	OMB No. 1210-0110
		2009
		This Form is Open to Public Inspection.

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

<div>A Name of plan</div> <div>IKG HOURLY EMPLOYEES PENSION PLAN</div>	<div>B Three-digit plan number (PN)</div> <div>▶</div> <div>019</div>
<div>C Plan sponsor's name as shown on line 2a of Form 5500</div> <div>HARSCO CORPORATION</div>	<div>D Employer Identification Number (EIN)</div> <div>23-1483991</div>

Part I

Service Provider Information (see instructions)

You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☐ Yes ☒ No

b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

MANUFACTURERS AND TRADERS TRUST CO.

16-0538020

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
21	NONE	5885	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☒ No ☐

(a) Enter name and EIN or address (see instructions)

TOWERS WATSON PENNSYLVANIA, INC.

23-1159360

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
11	NONE	33704	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

DUANE MORRIS LLP

30 SOUTH 17TH STREET
PHILADELPHIA, PA 19103-4196

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
29	NONE	5024	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III **Termination Information on Accountants and Enrolled Actuaries (see instructions)**
(complete as many entries as needed)

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN;
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN;
c Position:	
d Address:	e Telephone:

Explanation:

a Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)

Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

a Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2009
		This Form is Open to Public Inspection

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009		
A Name of plan IKG HOURLY EMPLOYEES PENSION PLAN	B Three-digit plan number (PN) ▶	019
C Plan sponsor's name as shown on line 2a of Form 5500 HARSCO CORPORATION	D Employer Identification Number (EIN) 23-1483991	

Part I	Asset and Liability Statement
---------------	--------------------------------------

1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	1000000	0
(2) Participant contributions	1b(2)		
(3) Other.....	1b(3)	59475	42123
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	67764	71244
(2) U.S. Government securities.....	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other.....	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)		
(9) Value of interest in common/collective trusts.....	1c(9)		
(10) Value of interest in pooled separate accounts.....	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)	6194952	8179592
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)		
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other	1c(15)		

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	7322191	8292959

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h	29809	22653
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k	29809	22653

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	7292382	8270306
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Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income**a Contributions:**

		(a) Amount	(b) Total
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)		
(B) Participants	2a(1)(B)		
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		

b Earnings on investments:**(1) Interest:**

(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	123	
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		123

(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		

(3) Rents	2b(3)		
-----------------	--------------	--	--

(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		1594181
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		1594304

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	542498	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		542498
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees	2i(1)	44823	
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)	5885	
(4) Other	2i(4)	23174	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		73882
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		616380

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		977924
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☐ Unqualified (2) ☐ Qualified (3) ☒ Disclaimer (4) ☐ Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? ☒ Yes ☐ No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: PARENTEBEARD LLC

(2) EIN: 23-2932984

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

- 4** CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete 4j and 4l. MTIAs also do not complete 4l.

During the plan year:

	Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....		X	
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.).....		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....		X	
e Was this plan covered by a fidelity bond?.....	X		25000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.).....	X		
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.		X	

- 5a** Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?
If yes, enter the amount of any plan assets that reverted to the employer this year ☐ Yes ☒ No Amount:

- 5b** If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)

5b(2) EIN(s)

5b(3) PN(s)

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2009 This Form is Open to Public Inspection.
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For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

A Name of plan <u>IKG HOURLY EMPLOYEES PENSION PLAN</u>	B Three-digit plan number (PN) ▶ <u>019</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>HARSCO CORPORATION</u>	D Employer Identification Number (EIN) <u>23-1483991</u>

Part I	Distributions
---------------	----------------------

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>16-0538020</u> Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.	
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3 <u>0</u>

Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part)
----------------	--

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?.....	☐ Yes	☒ No	☐ N/A
If the plan is a defined benefit plan, go to line 8.			
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.			
6 a Enter the minimum required contribution for this plan year	6a		
b Enter the amount contributed by the employer to the plan for this plan year	6b		
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....	6c		
If you completed line 6c, skip lines 8 and 9.			
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?	☐ Yes	☐ No	☐ N/A
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?.....	☐ Yes	☐ No	☒ N/A

Part III	Amendments
-----------------	-------------------

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box(es). If no, check the "No" box.....	☐ Increase	☐ Decrease	☐ Both	☒ No
--	-----------------------------------	-----------------------------------	-------------------------------	--

Part IV	ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
----------------	---

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?.....	☐ Yes	☐ No
11 a Does the ESOP hold any preferred stock?	☐ Yes	☐ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)	☐ Yes	☐ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes	☐ No

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Schedule R (Form 5500) 2009
v.092308.1

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

- 14** Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	14a	
b The plan year immediately preceding the current plan year	14b	
c The second preceding plan year	14c	

- 15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	15a	
b The corresponding number for the second preceding plan year	15b	

- 16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	16a	
b If item 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	16b	

- 17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

- 18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐

- 19** If the total number of participants is 1,000 or more, complete items (a) through (c)

a Enter the percentage of plan assets held as:
 Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

b Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate item 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): _____

***IKG Hourly Employees
Pension Plan***

Financial Statements and Supplementary Schedules

December 31, 2009 and 2008

IKG Hourly Employees Pension Plan

Table of Contents

December 31, 2009 and 2008

	<u>Page</u>
Independent Auditors' Report	1
Financial Statements	
Statements of Net Assets Available for Benefits	2
Statements of Changes in Net Assets Available for Benefits	3
Notes to Financial Statements	4
Supplementary Schedules	
Schedule of Assets (Held at End of Year)	19
Schedule of Reportable Transactions	20



Independent Auditors' Report

To the Plan Administrator and Participants
IKG Hourly Employees Pension Plan

We were engaged to audit the accompanying Statements of Net Assets Available for Benefits of the IKG Hourly Employees Pension Plan (the Plan) as of December 31, 2009 and 2008, and related Statements of Changes in Net Assets Available for Benefits for the years then ended and the supplementary schedules of (1) Schedule H, line 4i – Schedule of Assets (Held at end of year) as of December 31, 2009 and (2) Schedule H, Line 4j – Schedule of Reportable Transactions for the year ended December 31, 2009. These financial statements and supplementary schedules are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 5 and Note 7, which was certified by Manufacturers and Traders Trust Company, the trustee of the Plan, except for comparing the information with the related information included in the accompanying financial statements and the supplementary schedules. We have been informed by the Plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The Plan administrator has obtained a certification from the trustee as of and for the years ended December 31, 2009 and 2008, that the information provided to the Plan administrator by the trustee is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and supplementary schedules taken as a whole. The form and content of the information included in the financial statements and supplementary schedules, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

ParenteBeard LLC

Harrisburg, Pennsylvania
October 13, 2010

IKG Hourly Employees Pension Plan

Statements of Net Assets Available for Benefits

(In Thousands Except Units and Unit Values)

December 31, 2009 and 2008

			<u>2009</u>	<u>2008</u>
Assets				
Investments, at fair value:				
Plan interest in the Harsco Pension and Profit Sharing				
Collective Investment Fund (cost \$4,477 and				
\$3,738, respectively)				
	2009	2008		
Units	<u>23,001</u>	<u>20,784</u>		
Unit value (rounded)	\$355.62	\$298.06	\$8,180	\$6,195
Money market fund			<u>71</u>	<u>68</u>
			<u>8,251</u>	<u>6,263</u>
Receivables:				
Employer contributions			-	1,000
Accrued investment income			<u>42</u>	<u>59</u>
			<u>42</u>	<u>1,059</u>
Total Assets			8,293	7,322
Liability				
Accrued administrative expenses			<u>(23)</u>	<u>(30)</u>
Net Assets Available for Benefits			<u>\$8,270</u>	<u>\$7,292</u>

See notes to financial statements.

IKG Hourly Employees Pension Plan

Statements of Changes in Net Assets Available for Benefits

(In Thousands)

Years Ended December 31, 2009 and 2008

	2009	2008
Investment Income/(Loss)		
Net increase/(decrease) in plan interest in the Harsco Pension and Profit Sharing Collective Investment Fund	\$1,594	(\$2,589)
Interest and dividends	-	2
	1,594	(2,587)
Employer's Contributions	-	1,000
Total Additions/(Reductions)	1,594	(1,587)
Benefits Paid to Participants	(542)	(544)
Administrative Expenses	(74)	(54)
Total Deductions	(616)	(598)
Net Increase/(Decrease)	978	(2,185)
Net Assets Available for Benefits - Beginning of Year	7,292	9,477
Net Assets Available for Benefits - End of Year	<u>\$8,270</u>	<u>\$7,292</u>

See notes to financial statements.

IKG Hourly Employees Pension Plan

Notes to Financial Statements

December 31, 2009 and 2008

Note 1 - Description of Plan

The following brief description of the IKG Hourly Employees Pension Plan (the “Plan”) is provided for general information purposes only. Participants should refer to the Plan document for a more complete description of the Plan’s provisions.

General

The Plan is a noncontributory defined benefit plan providing retirement, death and disability benefits to all eligible union employees of the IKG Industries division (Nashville, Leeds, Carlisle, Long Island, and Channel View locations) of Harsco Corporation (the “Company”). The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

As of December 31, 2006, all accrued benefits and credit for continuous service are frozen for all participants except those in the Channel View location.

Although the Company received Board approval as of December 31, 2003 to merge all defined benefit plans maintained by the Company or its subsidiaries in its ERISA controlled group, the Plan has not yet been merged. The merger is planned in order to reduce administrative and funding costs that otherwise will be incurred if these plans continue as separate plans. The merger will be subject to union approval where required.

Participation

An employee becomes a participant in the Plan on the first day of the year coinciding with or next following the date eligibility requirements are met.

Service Rules

Employees are credited with a year of service for each Plan year during which they have at least 1,000 hours of service.

Pension Benefits

Employees with five or more years of continuous service are entitled to annual pension benefits beginning at normal retirement age (65) amounting to monthly benefits equal to the benefit unit in effect at the time of termination of employment multiplied by benefit accrual service up to a maximum of 35 to 40 years, depending on the plant. The Plan permits early retirement at ages 55-64 and the completion of 5-10 years of service, depending on the location. Employees may receive their pension benefits in the form of a life annuity for unmarried participants, or, for married participants, the actuarial equivalent of the life annuity is paid in the form of a 50% joint and survivor annuity. If the present value of the pension does not exceed \$1,000, a lump-sum payment is automatic. If employees terminate before rendering five years of service, they forfeit the right to 100% of their accrued benefit. The amount of the monthly benefit, as defined in the Plan document, depends upon, among other things, the years of service of the employee and in which division of the Company the employee worked.

IKG Hourly Employees Pension Plan

Notes to Financial Statements

December 31, 2009 and 2008

Note 1 - Description of Plan (continued)

Death and Disability Benefits

The Plan provides for death and disability benefits. In the event of death, the amount of benefit the beneficiary will receive will depend upon, among other things, the employee's status as of the date of death and whether the participant was already receiving normal retirement benefits. In the event a participant becomes totally and permanently disabled, the benefit to be received will depend upon, among other things, the employee's status at the time of disability. Depending on the location, disability retirement is available upon permanent incapacitation with no service requirement or after 15 years of continuous service.

Vesting

A participant is fully vested after completion of five years of continuous service.

Note 2 - Summary of Significant Accounting Policies

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows:

Accounting Standard

In September, 2009, the Plan adopted changes issued by the Financial Accounting Standards Board ("FASB") to the authoritative hierarchy of Generally Accepted Accounting Principles ("GAAP"). These changes established the FASB Accounting Standards CodificationTM ("Codification") as the source of authoritative accounting principles recognized by the FASB to be applied by nongovernmental entities in the preparation of financial statements in conformity with GAAP. The FASB will no longer issue new standards in the form of Statements, FASB Staff Positions or Emerging Issues Task Force Abstracts; instead the FASB will issue Accounting Standards Updates. Accounting Standards Updates will not be authoritative in their own right as they will only serve to update the Codification. These changes and the Codification itself do not change GAAP. The adoption of these changes had no impact on the Plan's financial statements, other than the manner in which new accounting standards are referenced.

Basis of Accounting

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

Investment Valuation and Income Recognition

The Plan's investments are stated at fair value. See Note 6 for a discussion of fair value measurements. Purchases and sales of investments are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividend income is recorded on the ex-dividend date. Net appreciation (depreciation) includes the Plan's gains and losses on investments bought and sold as well as held during the year.

IKG Hourly Employees Pension Plan

Notes to Financial Statements

December 31, 2009 and 2008

Note 2 - Summary of Significant Accounting Policies (continued)

Funding Policy

The Plan is funded annually by the Company with actuarially determined contributions. The contributions are determined using an actuarial cost method which takes into consideration the present value of benefits expected to accrue during the Plan year. The Plan has complied with the minimum funding requirements established by ERISA.

Investment Fees

Net investment returns reflect certain fees paid by the investment funds, as well as the underlying investment funds of the Harsco Pension and Profit Sharing Collective Investment Fund ("CIF"), to their affiliated investment advisors, transfer agents, and others as further described in each fund prospectus or other published documents. These fees are deducted prior to allocation of the Plan's investment earnings activity and thus are not separately identifiable as an expense.

Payment of Benefits

Benefit payments to participants are recorded when paid.

Income Taxes

The Plan is exempt from federal income taxes under the Internal Revenue Code.

The Plan adopted changes issued by the FASB related to accounting for uncertain tax positions during the year ended December 31, 2009. The adoption did not have an impact on the Plan's net assets available for benefits or changes in net assets available for benefits.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Plan administrator to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Administrative Expenses

Administrative costs, such as for legal, accounting, actuarial, and trustee fees, as well as the Pension Benefit Guaranty Corporation ("PBGC") premium, are paid by the Plan.

Subsequent Events

During the year ended December 31, 2009, the Plan adopted changes issued by the FASB for the accounting for and disclosure of events that occur after the date of the statement of net assets available for benefits but before financial statements are issued or available to be issued. The adoption did not have an impact on the Plan's net assets available for benefits or changes in net assets available for benefits.

IKG Hourly Employees Pension Plan

Notes to Financial Statements

December 31, 2009 and 2008

Note 2 - Summary of Significant Accounting Policies (continued)

The Company has evaluated subsequent events through October 13, 2010 which is the date the financial statements were available to be issued. See Note 11, "Subsequent Event," for disclosure of a Plan amendment that occurred after December 31, 2009.

Investments in Certain Entities That Calculate Net Asset Value Per Share

During 2009, the Plan adopted guidance related to using net asset value as a practical expedient in estimation of certain alternative investments. This guidance had no effect on the financial statements, but enhanced disclosure with respect to these investments.

Note 3 - Actuarial Present Value of Accumulated Plan Benefits

Accumulated plan benefits are those future periodic payments, including lump-sum distributions, that are attributable under the Plan's provisions to the service employees have rendered. Accumulated plan benefits include benefits expected to be paid to (a) retired or terminated employees or their beneficiaries, (b) beneficiaries of employees who have died, and (c) present employees or their beneficiaries. Benefits under the Plan are based on employees' credited service and the benefit rate in effect at the time of retirement. The accumulated plan benefits for active employees are based on their service rendered and the benefit rates in effect as of December 31, 2008. Benefits to be provided via annuity contracts excluded from Plan assets are excluded from accumulated plan benefits.

The actuarial present value of accumulated plan benefits is determined by the enrolled actuarial firm of Towers Watson and is that amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal or retirement) between the valuation date and the expected date of payment.

The significant actuarial assumptions used in the valuation and the determination of the present value of accumulated plan benefits as of December 31, 2008 are as follows:

Assumed rate of return on investments *	7.75% compounded annually (8.00% was used in the 2007 valuation)
Mortality basis	RP2000 Mortality Table with projection to 2020 for males and females.
Retirement	50% at age 62 increasing to 100% at age 65.

* Net of 0.25% for assumed expenses

IKG Hourly Employees Pension Plan

Notes to Financial Statements

December 31, 2009 and 2008

Note 3 - Actuarial Present Value of Accumulated Plan Benefits (Continued)

The foregoing actuarial assumptions are based on the presumption that the Plan will continue. Were the Plan to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated Plan benefits.

The actuarial present value of accumulated plan benefits is as follows as of (in thousands):

	<u>December 31, 2008</u>
Vested benefits:	
Participants currently receiving payments	\$4,426
Other participants	<u>3,636</u>
	8,062
Nonvested benefits	<u>100</u>
Total Actuarial Present Value of Accumulated Plan Benefits	<u><u>\$8,162</u></u>

The changes in the actuarial present value of accumulated plan benefits for the year ended December 31, 2008, are presented below (in thousands):

	<u>2008</u>
Actuarial present value of accumulated plan benefits at beginning of year	<u>\$7,818</u>
Increase (decrease) during the year attributable to:	
Benefits accumulated	49
Interest due to the decrease in the discount period	604
Benefits paid	(544)
Plan amendments	38
Assumption changes	<u>197</u>
Net Increase	<u>344</u>
Actuarial present value of accumulated plan benefits at end of year	<u><u>\$8,162</u></u>

The effects of the Plan amendments disclosed above are the result of the changes in the monthly benefit unit as more fully explained in the related collective bargaining agreement.

IKG Hourly Employees Pension Plan

Notes to Financial Statements

December 31, 2009 and 2008

Note 4 - Plan Termination

Although it has not expressed any intent to do so, the Company has the right to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event the Plan terminates, the net assets of the Plan will be allocated in accordance with the Plan document and as prescribed by ERISA and its related regulations.

Certain benefits under the Plan are insured by the PBGC if the Plan terminates. Generally, the PBGC guarantees most vested normal age retirement benefits, early retirement benefits, and certain disability and survivor's pensions. However, the PBGC does not guarantee all types of benefits under the Plan, and the amount of benefit protection is subject to certain limitations. Vested benefits under the Plan are guaranteed at the level in effect on the date of the Plan's termination. However, there is a ceiling, which is adjusted periodically, on the amount of monthly benefit that the PBGC guarantees.

Whether all participants receive their benefits should the Plan terminate at some future time will depend on the sufficiency, at that time, of the Plan's net assets to provide for accumulated benefit obligations and may also depend on the financial condition of the Company and the level of benefits guaranteed by the PBGC.

IKG Hourly Employees Pension Plan

Notes to Financial Statements

December 31, 2009 and 2008

Note 5 - Plan Interest in the Harsco Pension and Profit Sharing Collective Investment Fund

The following investment information disclosed in the accompanying financial statements and supplementary schedules was obtained or derived from information that has been prepared and certified to as complete and accurate by Manufacturers and Traders Trust Company ("M&T"), the trustee of the Plan, and has not been audited by independent auditors.

The fair value of the net assets held by the CIF and the Plan's allocable portion as of December 31, 2009 and 2008 are summarized as follows (dollars in thousands):

	<u>2009</u>	<u>2008</u>
Assets		
Investments in securities at fair value:		
Bonds, debentures and notes:		
U.S. Treasury notes and collateralized securities	\$ 26,558	\$ 19,702
Corporate bonds, notes and convertible debentures	6,516	11,670
Common stocks *	52,499	41,272
Foreign stocks	-	6,738
Mutual funds - equity	96,732	67,198
Mutual funds - bonds	40,831	45,896
Cash denominated in foreign currencies	-	132
Cash and money market funds	2,062	2,671
Other	-	30
	<u>225,198</u>	<u>195,309</u>
Accrued interest and dividends receivable	224	381
Due from broker for securities sold	<u>66</u>	<u>55</u>
Total Assets	<u>225,488</u>	<u>195,745</u>
Liabilities		
Due to broker for securities purchased	56	99
Due to participants for net units sold and redeemed	237	1,566
Income due participants	1,154	1,858
Accrued administrative expenses	<u>153</u>	<u>162</u>
Total Liabilities	<u>1,600</u>	<u>3,685</u>
Net Assets	<u><u>\$223,888</u></u>	<u><u>\$192,060</u></u>
Plan's allocable portion	<u><u>3.65%</u></u>	<u><u>3.23%</u></u>

* Includes approximately \$14,504 and \$12,456 of Harsco Corporation Common Stock, which represents approximately 6.48% and 6.49% of net assets for 2009 and 2008, respectively.

IKG Hourly Employees Pension Plan

Notes to Financial Statements

December 31, 2009 and 2008

Note 5 - Plan Interest in the Harsco Pension and Profit Sharing Collective Investment Fund (Continued)

The CIF's investment income (loss) (including gains and losses on investments bought and sold, as well as held during the year) for each significant class of investments consists of the following for the years ended December 31 (in thousands):

	2009	2008
Investment income:		
Net realized and unrealized appreciation (depreciation) in fair value of investments:		
U.S. Treasury notes and collateralized securities	\$(1,442)	\$ 458
Corporate bonds, notes and convertible debentures	153	(2,091)
Common stocks	13,577	(38,471)
Foreign stocks	2,282	(6,172)
Mutual funds - equity	19,468	(41,504)
Mutual funds - bonds	3,338	1,079
Cash denominated in foreign currencies	(24)	3
	<u>37,352</u>	<u>(86,698)</u>
Interest	824	1,415
Dividends	<u>4,145</u>	<u>5,030</u>
	<u>4,969</u>	<u>6,445</u>
Less investment advisory fees	<u>(582)</u>	<u>(1,011)</u>
Net investment income (loss)	<u>\$41,739</u>	<u>\$(81,264)</u>

Financial instruments, which potentially subject the CIF to a concentration of credit risk, consist principally of investments. The CIF limits this risk by diversifying the CIF's investment portfolio. The degree and concentration of credit risk varies depending upon the type and diversity of investments within the portfolio.

IKG Hourly Employees Pension Plan

Notes to Financial Statements

December 31, 2009 and 2008

Note 6 - Fair Value Measurements

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

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

Level 1: Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, including quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; inputs other than quoted prices that are observable for the asset or liability (e.g., interest rates); and inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3: Inputs that are both significant to the fair value measurement and unobservable.

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

The following tables set forth by level, within the fair value hierarchy, the Plan's investments at fair value as of December 31 (in thousands):

	2009			
	Fair Value Measurement Using:			
	Fair Value	Level 1	Level 2	Level 3
M&T money market fund	\$71	\$71	\$ -	\$ -

IKG Hourly Employees Pension Plan

Notes to Financial Statements

December 31, 2009 and 2008

Note 6 - Fair Value Measurements (Continued)

	2008			
	Fair Value	Fair Value Measurement Using:		
		Level 1	Level 2	Level 3
M&T money market fund	\$68	\$68	\$ -	\$ -

The M&T money market fund is stated at cost, which approximates fair value.

IKG Hourly Employees Pension Plan

Notes to Financial Statements

December 31, 2009 and 2008

Note 6 - Fair Value Measurements (Continued)

Fair Value Measurements for the CIF

The following table sets forth by level, within the fair value hierarchy, CIF investments at fair value as of December 31 (in thousands):

	2009			
	Assets at Fair Value as of December 31, 2009			
	Fair Value	Level 1	Level 2	Level 3
Mutual Funds:				
Index Funds	\$ 30,303	\$ -	\$ 30,303	\$ -
Balance Funds	13,096	13,096	-	-
Growth Funds	53,333	38,124	15,209	-
Fixed Income Funds	40,831	40,831	-	-
Total Mutual Funds	137,563	92,051	45,512	-
Common Stocks:				
Materials	1,141	1,141	-	-
Industrials	18,738	18,738	-	-
Telecommunications	1,200	1,200	-	-
Consumer discretionary	4,907	4,907	-	-
Consumer staples	2,928	2,928	-	-
Energy	3,990	3,990	-	-
Financial	6,199	6,199	-	-
Healthcare	4,786	4,786	-	-
Information technology	5,252	5,252	-	-
Utilities	1,287	1,287	-	-
Other	2,071	2,071	-	-
Total Common Stocks	52,499	52,499	-	-
Corporate Bonds, Notes and Convertible Debentures	6,516	6,516	-	-
U.S. Treasury Notes and Collateralized Securities	26,558	-	26,558	-
Money Market Funds	2,062	2,062	-	-
Total Assets at fair value	\$ 225,198	\$ 153,128	\$ 72,070	\$ -

IKG Hourly Employees Pension Plan

Notes to Financial Statements

December 31, 2009 and 2008

Note 6 - Fair Value Measurements (Continued)

2008				
Assets at Fair Value as of December 31, 2008				
	Fair Value	Level 1	Level 2	Level 3
Mutual Funds:				
Index Funds	\$ 22,745	\$ -	\$ 22,745	\$ -
Balance Funds	11,543	11,543	-	-
Growth Funds	32,910	21,648	11,262	-
Fixed Income Funds	45,896	23,024	22,872	-
Total Mutual Funds	113,094	56,215	56,879	-
Common Stocks:				
Materials	924	924	-	-
Industrials	16,171	16,171	-	-
Telecommunications	1,196	1,196	-	-
Consumer discretionary	3,085	3,085	-	-
Consumer staples	2,068	2,068	-	-
Energy	3,085	3,085	-	-
Financial	4,848	4,848	-	-
Healthcare	3,517	3,517	-	-
Information technology	3,303	3,303	-	-
Utilities	861	861	-	-
Miscellaneous	2,214	2,214	-	-
Total Common Stocks	41,272	41,272	-	-
Foreign Stocks	6,738	6,738	-	-
Corporate Bonds, Notes and Convertible Debentures	11,670	11,670	-	-
U.S. Treasury Notes and Collateralized Securities	19,702	-	19,702	-
Cash and Money Market Funds	2,671	2,671	-	-
Cash Denominated in Foreign Currencies	132	132	-	-
Other	30	-	30	-
Total Assets at fair value	\$ 195,309	\$ 118,698	\$ 76,611	\$ -

IKG Hourly Employees Pension Plan

Notes to Financial Statements

December 31, 2009 and 2008

Note 6 - Fair Value Measurements (Continued)

Following is a description of the valuation methodologies used for CIF investments measured at fair value.

Level 1 Fair Value Measurements

Investments in interest-bearing cash are stated at cost, which approximates fair value. The fair values of money market accounts and certain mutual funds are based on quoted net asset values of the shares held by the Plan at year-end. The fair values of common and foreign stocks and corporate bonds, notes, and convertible debentures are valued at the closing price reported in the active market on which the individual securities are traded.

Level 2 Fair Value Measurements

The fair values of investments in mutual funds for which quoted net asset values in an active market are not available are valued by the investment advisor based on the current market values of the underlying assets of the mutual fund based on information reported by the investment consistent with audited financial statements of the mutual fund. Further information concerning these mutual funds may be obtained from their separate audited financial statements. Investments in U.S. Treasury notes and collateralized securities are valued based on yields currently available on comparable securities of issuers with similar credit ratings.

Plan assets are allocated among various categories of equities, fixed income, cash and cash equivalents with professional investment managers whose performance is actively monitored. The primary investment objective is long-term growth of assets in order to meet present and future benefit obligations. The Company periodically conducts an asset/liability modeling study and accordingly adjusts investments among and within asset categories to ensure the long-term investment strategy is aligned with the profile of benefit obligations.

There are no unfunded commitments or redemption restrictions on units of the CIF.

For both Plan and CIF investments, there have been no significant changes in the methodologies used during the years ended December 31, 2009 and 2008.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan's management believes the valuation methodologies are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain investments could result in a different fair value measurement at the reporting date.

IKG Hourly Employees Pension Plan

Notes to Financial Statements

December 31, 2009 and 2008

Note 7 – Information Certified by Trustee

The following information disclosed in the accompanying financial statements and supplementary schedules was obtained or derived from information that has been prepared and certified to as complete and accurate by M&T, and has not been audited by independent auditors as of and for the years ended December 31 (in thousands):

	<u>2009</u>	<u>2008</u>
Investments, at fair value:		
Money market fund	\$ 71	\$ 68
Plan interest in the CIF	8,180	6,195
Accrued investment income	42	59
Net increase/(decrease) in Plan interest in the CIF	1,594	(2 589)
Interest and dividends	-	2

Investments that represent five percent or more of the Plan's net assets available for benefits consist of the following as of December 31:

	<u>2009</u>	<u>2008</u>
Plan interest in the CIF	\$ 8,180	\$ 6,195

Note 8 - Income Tax Status

The Plan obtained its latest determination letter on May 8, 2009, in which the Internal Revenue Service stated that the Plan, as then designed, was in compliance with the applicable requirements of the Internal Revenue Code. The Plan has been amended since receiving the determination letter. However, the Plan administrator and the Plan's tax counsel believe that the Plan is currently designed and being operated in compliance with the applicable regulations of the Internal Revenue Code. Therefore, they believe that the Plan is qualified and the related trust is tax-exempt.

Note 9 - Related Party Transactions

The Plan's investments are managed by M&T Investment Group, an affiliate of M&T. The Plan invests in certain funds (directly and within the CIF) owned by M&T. M&T is the trustee as defined by the Plan, and therefore, transactions in these funds qualify as party-in-interest transactions. Fees charged to the Plan for the trustee fees amounted to \$5,885 and \$8,544 for the years ended December 31, 2009 and 2008, respectively. CIF transactions in Harsco Corporation common stock also qualify as party-in-interest transactions. There were no purchases or sales of Harsco Corporation common stock in the CIF during 2009 and 2008. All other transactions which may be considered parties-in-interest transactions relate to normal plan management and administration services, and the related payment of fees.

IKG Hourly Employees Pension Plan

Notes to Financial Statements

December 31, 2009 and 2008

Note 10 - Risks and Uncertainties

Investments of the Plan are exposed to various risks, such as interest rate, market, and credit. Due to the level of risk associated with certain investments and the level of uncertainty related to changes in the value of investments, it is at least reasonably possible that changes in risks in the near term would materially affect investment assets reported in the statements of net assets available for benefits and the statements of changes in net assets available for benefits.

Plan contributions are made and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates, and employee demographics, all of which are subject to change. Due to the uncertainties inherent in the estimations and assumption process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

Note 11 – Subsequent Event

In September 2010, the Plan was amended to freeze participation and the accrued pension benefit of collectively bargained employees who are members of the Cement, Lime, Gypsum and Allied Workers, Division of the International Brotherhood of Boilermakers, Iron Ship Builders, Blacksmith Forgers and Helpers, AFL-CIO-CFL, Local Lodge D546 at the Company's Channelview, Texas facility. The freeze is effective as of the close of business December 31, 2010, and no employee who is hired or rehired by the Company after then shall become a Participant in the Plan.

Effective January 1, 2011, credit for past continuous service is frozen as of the close of business on December 31, 2010 and no continuous service earned after that date is taken into account in determining a Participant's pension benefit. A basic monthly pension benefit per year of service with a maximum of thirty-five years will be provided and early retirement at age fifty-five with actuarial reduction of benefits is allowed. The accrued pension of any Participant who is an employee as of the close of business December 31, 2010 shall be 100% vested and nonforfeitable, regardless of number of years of continuous service.

IKG Hourly Employees Pension Plan

Schedule of Assets (Held at End of Year)

Form 5500 - Schedule H - Line 4i

EIN: 23-1483991

Plan Number: 019

December 31, 2009

Plan Investments Other Than The Harsco Pension and Profit Sharing Collective Investment Fund

(a)	Identity of Issue (b)	Description of Investment (c)	Cost (d)	Current Value (e)
*	M&T Bank	MTB Money Market Institutional Index Fund	\$71,244	\$71,244

* Represents party-in-interest.

IKG Hourly Employees Pension Plan

Schedule of Reportable Transactions

Form 5500 - Schedule H - Line 4j

EIN: 23-1483991

Plan Number: 019

Year Ended December 31, 2009

Identity of Party Involved (a)	Description of Asset (b)	Number of Transactions	Purchase Price (c)	Selling Price (d)	Lease Rental (e)	Expense Incurred with Transactions (f)	Cost of Asset (g)	Current Value of Asset on Transaction Date (h)	Net Gain (i)
Category (i) Single Transactions									
*M&T Bank	Harsco Pension and Profit Sharing Collective Investment Fund	1	\$ 963,712	\$ -	\$ -	\$ -	\$ 963,712	\$ 963,712	\$ -
Category (iii) Series of Transactions									
*M&T Bank	MTB Money Market Institutional Index Fund	32	1,574,716	-	-	-	1,574,716	1,574,716	-
		37	-	1,571,236	-	-	1,571,236	1,571,236	-
*M&T Bank	Harsco Pension and Profit Sharing Collective Investment Fund	2	990,446	-	-	-	990,446	990,446	-
		11	-	421,685	-	-	394,804	421,685	26,881

* Represents party-in-interest.

Summary of Plan Provisions

Plan name:	IKG Hourly Employees Pension Plan	Plan effective:	01/01/1971
Plan code:	019		
Type of plan:	Dollar per month of service		
Normal form:	Single participant: Life annuity Married participant: 50% joint and survivor annuity		
Optional forms:			
Annuities	Optional forms of payment available under the plan include a single life annuity, and 50% and 75% joint and survivor annuities.		
Lump Sums	Automatic cashouts are made in the event the present value of benefits is less than \$5,000.		
Optional form conversion basis:			
Annuities	1983 Group Annuity Mortality Table for Males, with an age setback of one year for the Participant and five years for the co-pensioner or spouse, and an annual interest rate of 6%.		
Eligibility:	Employees in a bargaining unit covered by any Labor Agreement referenced in the plan document, who have attained age 21 and completed 1,000 hours of service during 12 consecutive months.		
Benefit service:	One year of service for 1,000 hours in a plan year, beginning at the later of date of hire or age 21. Benefit service for Leeds participants was frozen effective December 31, 2006.		
Vesting service:	One year of service for 1,000 hours in a plan year, beginning at the later of date of hire or age 18		
Class:	Hourly		
Monthly pension benefit:	Monthly benefit unit times benefit service, limited to maximum benefit service		
Maximum benefit service:	<u>Division</u>	<u>Maximum Service</u>	
	Carlisle (closed)	35	
	Channelview	35	
	Leeds (frozen)	35	
	Long Island (closed)	40	
	Nashville (closed)	40	
Monthly benefit unit:	See table of monthly benefit amounts		

Benefit	Age	Benefit Service	Vesting Service	Description
Normal retirement:	65	5		Accrued benefit payable immediately
Early retirement:				
Carlisle	62		5	Accrued benefit actuarially reduced for commencement prior to age 65
Channelview	55		5	Accrued benefit actuarially reduced for commencement prior to age 65
Leeds	55		5	Accrued benefit actuarially reduced for commencement prior to age 65
Long Island	60	10		Accrued benefit reduced 0.6% for each month prior to age 65
	62	30		Unreduced accrued benefit payable immediately
Nashville	55	10		Accrued benefit reduced 0.6% for each month prior to age 65
Postponed retirement:	> 65	5		Accrued benefit payable immediately
Vested termination:			5	Accrued benefit payable unreduced at normal retirement, or reduced as detailed above for early retirement.
Disability retirement				
Carlisle		15		\$180 per month, payable after 6 consecutive months of disability.
Channelview				The greater of the participant's monthly accrued benefit or \$240 per month. For this purpose, benefit service is computed as of the end of the six month period following the onset of disability.
Leeds				The greater of the participant's monthly accrued benefit or \$300 per month. For this purpose, the participant's monthly accrued benefit is determined based on benefit service as of the end of the six month period following the onset of disability.
Long Island		15		Accrued benefit payable immediately, determined based on benefit service as of the end of the six month period following the onset of disability.
Nashville		15		Prior to normal retirement, \$250 per month, payable after 6 consecutive months of disability. Upon reaching normal retirement, the benefit payable is the normal retirement benefit based on benefit service as of the end of the six month period following the onset of disability.

Benefit	Age	Benefit Service	Vesting Service	Description
Pre-retirement survivor's benefit:			5	If married, the pre-retirement survivor annuity is payable for the life of the spouse. The amount of the death benefit is 50% of the amount that would have been payable to the participant at his earliest retirement date if he elected a 50% joint and survivor annuity, reduced for early commencement, prior to his death.
Maximum pension benefits:				All benefits for any calendar year may not exceed the maximum limitation for that year as defined in the Internal Revenue Code.

Future Plan Changes

No future plan changes were recognized.

Changes in Benefits Valued Since Prior Year

There have been no changes in benefits valued since the prior year except to reflect current year changes in the Internal Revenue Code maximum dollar limitations on benefits and scheduled benefit unit increases.

IKG Hourly Employees Pension Plan

Active Locations				Closed and Inactive Locations		
Employer/ Location	Code	Effective Date	Benefit Level	Employer/ Location	Effective Date	Benefit Level
Channelview	CHN	July 1, 1998	\$17.50	Nashville	January 1, 2002	\$24.50
		July 1, 2002	\$21.00	Leeds	January 1, 2000	\$20.00
		July 1, 2004	\$22.00		July 1, 2002	\$21.50
		July 1, 2005	\$24.00		July 1, 2003	\$22.00
		July 1, 2006	\$25.00		July 1, 2004	\$23.00
		July 1, 2007	\$26.00		July 1, 2005	\$24.00
		July 1, 2008	\$27.00	Carlisle	January 1, 2002	\$15.50
		July 1, 2009	\$28.00	Long Island	January 1, 2002	\$17.00

Form 5500
Schedule H - Line 4j
Schedule of Assets Held (at End of Year)

The required Schedule of Assets Held is included in the Accountant's Opinion attachment

Schedule SB, Line 26 — Schedule of Active Participant Data											
IKG Hourly Employees Pension Plan											
EIN 23-1483991 / PN 019											
		Schedule of Active Participant Data									
		Total Years of Credited Service									
Attained Age		<1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & up
<25	Count	-	5	-	-	-	-	-	-	-	-
25 to 29	Count	-	7	-	-	-	-	-	-	-	-
30 to 34	Count	-	4	3	2	1	-	-	-	-	-
35 to 39	Count	2	7	3	2	-	-	-	-	-	-
40 to 44	Count	1	4	2	4	3	1	-	-	-	-
45 to 49	Count	-	3	3	4	3	3	-	-	-	-
50 to 54	Count	-	2	-	5	4	-	-	-	-	-
55 to 59	Count	1	1	-	-	4	1	-	-	-	-
60 to 64	Count	-	-	2	2	3	7	-	-	1	1
65 to 69	Count	-	-	1	-	-	3	-	-	-	-
70 & up	Count	-	-	-	-	-	-	-	-	-	-

Statement of Actuarial Assumptions/Methods

Economic Assumptions

Funding interest rate basis:

- ▶ Yield curve basis Full yield curve based
on yields during
preceding October
- ▶ Effective interest rate 8.11%

Demographic and Other Assumptions

Mortality for Funding Target (Healthy & Disabled)	Separate tables of rates for non-annuitants (based on RP-2000 "Employees" table without collar or amount adjustments, projected to 2024 using Scale AA) and annuitants (based on RP-2000 "Healthy Annuitants" table without collar or amount adjustments, projected to 2016 using Scale AA).
Termination	Rates varying by plan and age. At sample ages, terminations per 1,000 participants are:

<u>Age</u>	<u>Rate*</u>
20	300
25	250
30	180
35	150
40	120
45	80
50	50
55	0

Disability Rates varying by age and sex. At sample ages, disablements per 1,000 participants are:

<u>Age</u>	<u>Male</u>	<u>Female</u>
30	0.71	0.85
35	0.99	1.75
40	1.62	3.15
45	2.70	4.65
50	4.93	6.26
55	9.14	8.05
60	14.70	11.25

Retirement Rates varying by plan and age.

Retirements per 1,000 participants:

<u>Age</u>	<u>Number of Retirements</u>
62	500
63-64	100
65	1,000

Spouse Age Wives assumed to be three years younger than their husbands.

Form of Payment Life annuity for single participants, 50% J&S for married participants.

Percentage Married 80%

Administrative Expense Estimated based on actual expenses during the prior year

► IKG Hourly \$ 66,632

Methods

► Valuation Date First day of plan year (January 1)

► Funding Target Present value of accrued benefits

► Target Normal Cost Present value of benefits expected to accrue during plan year plus plan-related expenses expected to be paid from plan assets during plan year

► Actuarial Value of Assets Fair Market Value of Assets as of the valuation date

Benefits not Valued Towers Watson is not aware of any significant benefits required to be valued that were not.

Change in Assumptions and Methods Since Prior Valuation

The interest rate basis was changed from the full yield curve based on December yields to the full yield curve based on October yields.

The required mortality table used to calculate the funding target and target normal cost was updated to include one additional year of projected mortality improvements.

Assumed plan-related expenses were added to the target normal cost.

Data Sources

Towers Watson used asset data supplied by the trustee and the Company. Harsco Corporation furnished participant data as well as the dates and amounts of the contributions paid in 2008 and 2009. Data were reviewed for reasonableness and consistency, but no audit was performed. Assumptions or estimates were made by the Towers Watson actuaries when data were not available. We are not aware of any errors or omissions in the data that would have a significant effect on the results of our calculations.

SCHEDULE SB, LINE 32 -- Schedule of Amortization Bases**Harsco Corporation****IKG Hourly Employees Pension Plan****EIN 23-1483991/ PN 019****Amortization Record for 2009**

	Date of First Charge or Credit	Initial Amount	Amortization Charge or Credit	Remaining Period	Outstanding Balance Beginning of Year
1. Shortfall Amortization Bases					
2009 Shortfall	1/1/2009	1,391,141	246,856	7	1,391,141
Total Shortfall Amortization Installments			246,856		1,391,141
2. Waiver Amortization Bases					
Total Waiver Amortization Installments			0		0
3. Total Amortization Installments			246,856		1,391,141
4. Total Amortization Installments reflecting minimum of 0 on Total Shortfall Installments			246,856		

SCHEDULE SB, LINE 25 -- Change in Method

Harsco Corporation

IKG Hourly Employees Pension Plan

EIN: 23-1483991

Plan Number: 019

The interest rate basis was changed from the full yield curve based on December yields to the full yield curve based on October yields.

Assumed annual plan-related expenses equal to the amount of prior year expenses were added to the target normal cost. There were no assumed expenses at January 1, 2008.

The valuation software used to produce the actuarial information submitted on this schedule has been refined to reflect evolving understanding of PPA requirements, and such modifications may be considered to be a method change. The percentage changes in funding target, target normal cost and plan assets due to the refinements in the software are each less than 2% (disregarding the effects of any changes that are automatically approved under final IRC 430 regulations), and the modifications to the software were designed to produce results no less accurate than the results produced by the software prior to the change. Therefore the change in funding method due to a change in valuation software receives automatic approval under IRS Announcement 2010-3.

SCHEDULE SB, LINE 22 -- Description of Weighted Average Retirement Age
Harsco Corporation
IKG Hourly Employees Pension Plan
EIN 23-1483991/ PN 019

Retirement rates varying by age are listed below:

Retirements per 1,000 participants:

<u>Age</u>	<u>Number of Retirements</u>
62	500
63-64	100
65	1,000

For each active participant, an expected retirement age was calculated, weighted in proportion to the probability that the individual would remain an active participant to each age and then retire at that age. The Plan's weighted average retirement age of 63 is the arithmetic average of the expected retirement ages of all such participants on January 1, 2009.

Form 5500
Financial Statements

The required Financial Statements is included in the Accountant's Opinion attachment.

Form 5500
Schedule H - Line 4j
Schedule of Reportable Transactions

The required Schedule of Reportable Transactions is included in the Accountant's Opinion attachment.

**SCHEDULE SB
(Form 5500)**Department of the Treasury
Internal Revenue ServiceDepartment of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

**Single-Employer Defined Benefit Plan
Actuarial Information**

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500 or 5500-SF.**

OMB No. 1210-0110

2009**This Form is Open to Public
Inspection**For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009▶ **Round off amounts to nearest dollar.**▶ **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.**A** Name of plan

IKG Hourly Employees Pension Plan

B Three-digit
plan number (PN) ▶

019

C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF

Harsco Corporation

D Employer Identification Number (EIN)

23-1483991

E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B**F** Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500**Part I Basic Information****1** Enter the valuation date: Month 1 Day 1 Year 2009**2** Assets:**a** Market value..... **2a** 7,277,345**b** Actuarial value..... **2b** 7,277,345**3** Funding target/participant count breakdown**(1) Number of participants****(2) Funding Target****a** For retired participants and beneficiaries receiving payment..... **3a** 138 4,412,463**b** For terminated vested participants..... **3b** 212 2,185,965**c** For active participants:**(1)** Non-vested benefits..... **3c(1)** 97,887**(2)** Vested benefits..... **3c(2)** 1,533,940**(3)** Total active..... **3c(3)** 105 1,631,827**d** Total..... **3d** 455 8,230,255**4** If the plan is at-risk, check the box and complete items (a) and (b) ☐**a** Funding target disregarding prescribed at-risk assumptions..... **4a****b** Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been at-risk for fewer than five consecutive years and disregarding loading factor..... **4b****5** Effective interest rate..... **5** 8.11 %**6** Target normal cost..... **6** 119,488**Statement by Enrolled Actuary**

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

**SIGN
HERE**

David Webber

Signature of actuary

10/11/2010

Date

David Webber, FSA, EA

08-06137

Type or print name of actuary

Most recent enrollment number

Towers Watson Pennsylvania, Inc.

(703) 258-8000

Firm name

Telephone number (including area code)

901 NORTH GLEBE ROAD

ARLINGTON

VA 22203

Address of the firm

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500 or 5500-SF.

Schedule SB (Form 5500) 2009
v.092308.1

Part II		Beginning of year carryover and prefunding balances	
		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (Item 13 from prior year)	1,368,070	0
8	Portion used to offset prior year's funding requirement (Item 35 from prior year)	61,036	0
9	Amount remaining (Item 7 minus item 8).....	1,307,034	0
10	Interest on item 9 using prior year's actual return of <u>(28.69)</u> %	(374,988)	
11	Prior year's excess contributions to be added to prefunding balance:		
a	Excess contributions (Item 38 from prior year)		865,852
b	Interest on (a) using prior year's effective rate of <u>6.27</u> %		54,289
c	Total available at beginning of current plan year to add to prefunding balance		920,141
d	Portion of (c) to be added to prefunding balance.....		0
12	Reduction in balances due to elections or deemed elections.....	0	0
13	Balance at beginning of current year (item 9 + item 10 + item 11d - item 12)	932,046	0

Part III		Funding percentages	
14	Funding target attainment percentage.....	14	77.09 %
15	Adjusted funding target attainment percentage.....	15	77.09 %
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement.....	16	96.45 %
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.....	17	%

Part IV		Contributions and liquidity shortfalls	
18 Contributions made to the plan for the plan year by employer(s) and employees:			
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	
Totals ▶		18(b)	0
		18(c)	0

19 Discounted employer contributions - see instructions for small plan with a valuation date after the beginning of the year:

a Contributions allocated toward unpaid minimum required contribution from prior years.	19a	0
b Contributions made to avoid restrictions adjusted to valuation date	19b	0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date.....	19c	0

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year? ☒ Yes ☐ No

b If 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☒ Yes ☐ No

c If 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of Quarter of this plan year			
(1) 1st	(2) 2nd	(3) 3rd	(4) 4th
0	0	0	0

Part V Assumptions used to determine funding target and target normal cost

21 Discount rate:				
a Segment rates:	1st segment: %	2nd segment: %	3rd segment: %	☒ N/A, full yield curve used
b Applicable month (enter code)				21b 3
22 Weighted average retirement age				22 63
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute				

Part VI Miscellaneous items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.	☐ Yes ☒ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.	☒ Yes ☐ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.....	☒ Yes ☐ No
27 If the plan is eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachment.....	27

Part VII Reconciliation of unpaid minimum required contributions for prior years

28 Unpaid minimum required contribution for all prior years	28	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (item 19a).....	29	0
30 Remaining amount of unpaid minimum required contributions (item 28 minus item 29).....	30	0

Part VIII Minimum required contribution for current year

31 Target normal cost, adjusted, if applicable (see instructions).....	31	119,488
32 Amortization installments:	Outstanding Balance	Installment
a Net shortfall amortization installment	1,391,141	246,856
b Waiver amortization installment	0	0
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33	
34 Total funding requirement before reflecting carryover/prefunding balances (item 31 + item 32a + item 32b - item 33).....	34	366,344
	Carryover balance	Prefunding balance
35 Balances used to offset funding requirement	366,344	0
36 Additional cash requirement (item 34 minus item 35).....	36	0
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (Item 19c).....	37	0
38 Interest-adjusted excess contributions for current year (see instructions).....	38	0
39 Unpaid minimum required contribution for current year (excess, if any, of item 36 over item 37).....	39	0
40 Unpaid minimum required contribution for all years	40	0