ADMA BIOLOGICS, INC.
Form S-1/A
June 05, 2012

As filed with the Securities and Exchange Commission on June 5, 2012

Registration No. 333-180449

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Amendment No. 2 to

Form S-1

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

ADMA BIOLOGICS, INC.
(Exact name of registrant as specified in its charter)

Delaware	8731	56-2590442
(State or other jurisdiction of Incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification No.)

65 Commerce Way
Hackensack, New Jersey 07601
(201) 478-5552
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Adam S. Grossman
President and Chief Executive Officer
ADMA BIOLOGICS, INC.
65 Commerce Way
Hackensack, New Jersey, 07601
(201) 478-5552
(Address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

Jeffrey A. Baumel
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SNR Denton US LLP
101 JFK Parkway
Short Hills, NJ 07078

Approximate date of commencement of proposed sale to the public: As soon as practicable after the Registration Statement becomes effective.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. x

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

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

Large accelerated filer ¨	Accelerated filer ¨	Non-accelerated filer ¨	Smaller reporting company x

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

The information in this prospectus is not complete and may be changed. The selling stockholders may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and the selling stockholders are not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED JUNE 5, 2012

PROSPECTUS

ADMA BIOLOGICS, INC.

1,969,026 Shares of Common Stock

This prospectus relates to the offering by the selling stockholders of ADMA Biologics, Inc. of up to 1,969,026 shares of common stock, par value $0.0001 per share. These shares were privately issued to the selling stockholders in connection with the Company's formation and a private placement and merger transaction. Of such 1,969,026 shares, 1,881,161 shares are currently outstanding and 87,865 shares are issuable upon exercise of warrants held by the selling stockholders. We are registering the resale of these shares as required by the terms of registration rights agreements between the selling stockholders and us. Such registration does not mean that the selling stockholders will actually offer or sell any of these shares. We will not receive any proceeds from the sale or other disposition of the shares of common stock offered by the selling stockholders. We will, however, receive the exercise price of any warrants exercised for cash. To the extent that we received cash upon exercise of any warrants, we expect to use that cash for working capital and general corporate purposes.

Our common stock is not traded on any national securities exchange. We expect to qualify our common stock for quotation on the Over-the-Counter Bulletin Board® electronic trading system ("OTCBB"). However, we cannot assure you when our shares will qualify for quotation on the OTCBB or any other inter-dealer electronic trading system, if ever, or, if they do, that there will be any active trading market for our shares.

The selling stockholders have advised us that they will sell the shares of common stock from time to time in broker's transactions, in any stock exchange, market or trading facility on which the shares may be traded, in privately negotiated transactions or a combination of these methods, at market prices prevailing at the time of sale, at prices related to the prevailing market prices or at negotiated prices. However, until such time as our shares are quoted on the OTCBB, the selling stockholders will sell the shares covered by this prospectus at a fixed price of $9.60 per share. We will pay the expenses incurred to register the shares for resale, but the selling stockholders will pay any underwriting discounts, commissions or agent's commissions related to the sale of their shares of common stock.

Investing in our common stock involves risks. Before making any investment in our securities, you should read and carefully consider risks described in the "Risk Factors" section beginning on page 15 of this prospectus.

We qualify as an "emerging growth company" as defined in the Jumpstart our Business Startups Act ("JOBS Act"). Please read the related disclosure contained on pages 32 and 65 of this prospectus.

You should rely only on the information contained in this prospectus or any prospectus supplement or amendment thereto. We have not authorized anyone to provide you with different information. This prospectus may only be used where it is legal to sell these securities. The information in this prospectus is only accurate on the date of this

prospectus, regardless of the time of any sale of securities.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

This date of this prospectus is _________.

You should rely only on the information contained in this prospectus. We have not authorized any other person to provide you with information that is different from that contained in this prospectus. If anyone provides you with different or inconsistent information, you should not rely on it. The selling stockholders are offering to sell and seeking offers to buy these securities only in jurisdictions where offers and sales are permitted. You should assume that the information contained in this prospectus is accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus or of any sale of common stock. Our business, financial condition, results of operations and prospects may have changed since that date.

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PROSPECTUS SUMMARY

This summary highlights information contained elsewhere in this prospectus. This summary is not complete and does not contain all the information that should be considered before investing in our common stock. Investors should read the entire prospectus carefully, including the more detailed information contained herein under the "Risk Factors" and "Cautionary Note Regarding Forward-Looking Statements" sections and our consolidated financial statements and the notes to those financial statements.

As used in this prospectus, unless the context otherwise requires, "ADMA," the "Company," "we," "us" and "our" refer to ADMA Biologics, Inc., a Delaware corporation, as well as its subsidiary, ADMA Plasma Biologics, Inc., a Delaware corporation, taken as a whole, and also refer to the operations of ADMA Plasma Biologics, Inc. prior to the merger on February 13, 2012, as discussed below, which resulted in ADMA Plasma Biologics, Inc. becoming our wholly-owned subsidiary.

Our Company

ADMA's mission is to develop and commercialize plasma-derived, human immune globulins targeted at niche patient populations, some with unmet medical needs. These patient populations include those who may be naturally or medically immunocompromised, the elderly and prematurely born infants. Human immune globulin is comprised of antibodies - Y-shaped proteins produced by B-cells that are used by the body's immune system to identify and neutralize foreign objects such as bacteria and viruses. Intravenous immune globulin (Human), or IGIV, is a plasma-derived product administered intravenously, which contains immune globulins extracted from source plasma in a manufacturing process called Fractionation.

ADMA's lead product candidate, RI-001, is a plasma-derived, polyclonal, Intravenous Immune Globulin with standardized high levels of antibodies against respiratory syncytial virus, or RSV, and ADMA is pursuing an indication for the use of this IGIV product for treatment of primary immunodeficiency disease, or PIDD. RSV is a very common virus that ordinarily leads to mild, cold-like symptoms in healthy adults and children. In high-risk groups, such as the immunocompromised, who have immune systems that are suppressed or non-functioning, RSV can lead to a more serious infection and may even cause death. Polyclonal means that the IGIV contains a wide array of antibodies that are obtained from different B-cell resources. Polyclonal antibodies are the primary component of IGIV products. PIDD is a disorder that causes a person's immune system not to function properly. PIDD is caused by hereditary or genetic defects and can affect anyone regardless of age or gender. There are varying types of PIDD ranging from mild to severe cases.

RI-001 was the subject of a Phase II randomized, double-blind, placebo-controlled human clinical trial in RSV-infected, immunocompromised patients. RI-001 demonstrated it could produce a statistically significant rise in patient RSV titers as compared to placebo, however, because our clinical trials to date have involved a relatively small patient population, their results may not be indicative of future results. ADMA is currently preparing to conduct a pivotal Phase III clinical trial for RI-001 in order to progress toward FDA approval of RI-001 for the treatment of patients with PIDD. The FDA may require additional Phase III trials and Phase IV trials after this planned Phase III trial, and it is possible that the FDA may never grant approval of RI-001 for this or any other indication.

ADMA has been developing RI-001 internally since 2004. As part of the development process, ADMA has established, qualified and validated its proprietary microneutralization assay, which is the basis for the manufacturing of RI-001. ADMA's functional assay provides the Company with the ability to select and screen a wide array of source plasma donors to identify those donors who have an appropriately elevated level of neutralizing RSV antibodies for inclusion in the manufacturing process for RI-001. ADMA has performed internal analysis on the appropriate titer, or anti-RSV antibody level, that a source plasma donor must have. See "Business of ADMA —Our Product Candidate—Results of RI-001 Phase II Clinical and Compassionate Use Experience" for further details on our clinical trial.

ADMA has contracts in place with a third party supplier for plasma sourcing and manufacturing services. The majority of ADMA's plasma requirements for manufacturing of its lead drug product are derived from a third party supplier contract. Additionally, the Company is partially vertically integrated through its operation of ADMA BioCenters, a wholly-owned subsidiary and FDA-licensed source plasma collection facility. ADMA BioCenters collects source plasma that may be manufactured into finished goods by ADMA or other third-party manufacturers. The plasma collected from ADMA BioCenters may also be sold in the open market to third party customers. ADMA also has contracts in place for testing services and for other consulting and operational activities.

Recent Developments

The Merger

On February 13, 2012, we entered into an Agreement and Plan of Merger (the "Merger Agreement") with ADMA Biologics, Inc., a privately-held Delaware corporation ("Former ADMA"), and ADMA Acquisition Sub, Inc., a Delaware corporation and our wholly-owned subsidiary ("Acquisition Sub"). Upon the closing of the merger transaction contemplated under the Merger Agreement (the "Merger"), Acquisition Sub was merged with and into Former ADMA, and Former ADMA, as the surviving corporation in the Merger, became our wholly-owned subsidiary. Our corporate name was changed from R&R Acquisition VI, Inc. to ADMA Biologics, Inc. and the name of Former ADMA was changed to ADMA Plasma Biologics, Inc.

Prior to the transactions contemplated by the Merger Agreement with Former ADMA, there were no material relationships between us and Former ADMA, or any of our and their respective affiliates, directors or officers, or any associates of our and their respective directors or officers.

In connection with the Merger and pursuant to the terms of the Merger Agreement:

- all of the then issued and outstanding shares of Former ADMA's common stock, including the common stock issued in the 2012 Financing (as defined below under "2012 Financing") and including the shares of Former ADMA's Series A preferred stock, which were converted into Former ADMA's common stock immediately prior to and as part of the Merger, were automatically exchanged into 4,601,270 shares of our common stock at a 1:1 exchange ratio;

- all warrants, options and other rights to purchase or acquire shares of Former ADMA's common stock outstanding immediately prior to the Merger, including the Placement Agent Warrants (as defined below) and including the additional options granted to Adam S. Grossman under his new employment agreement, were converted into warrants, options or other rights, as the case may be, to purchase an aggregate of 383,380 shares of our common stock at the same exercise prices; and

- 2,446,967 of the 2,500,000 shares of our common stock held by our stockholders immediately prior to the Merger were canceled such that these stockholders now hold 53,033 shares of our common stock, not including the 87,865 shares issuable upon exercise of the Placement Agent Warrants held by an affliate of one of such stockholders and certain of its employees.

Immediately prior to the Merger and the transactions described above, (i) 3,386,454 shares of Series A Preferred Stock of Former ADMA were converted into 11,243,748 shares of Former ADMA's common stock after giving effect to cumulative anti-dilution adjustments and accrued dividends, and 4,835,224 shares of Former ADMA's Series A Preferred Stock issued in December 2011 upon the conversion of convertible notes were converted into an equal number of shares of Former ADMA's common stock and (ii) the shares of common stock of Former ADMA were reverse split at a ratio of 1-for-6.8 (the "Reverse Split").

As part of the Merger, we assumed certain of Former ADMA's obligations under an investors' rights agreement, dated July 17, 2007, by and among Former ADMA and its shareholders (the "Investors' Rights Agreement"), assumed Former ADMA's obligations under the Securities Purchase Agreement (as defined under "- Recent Financings - 2012 Financing" below), and assumed Former ADMA's 2007 Employee Stock Option Plan.

The Merger Agreement, Investors' Rights Agreement and 2007 Employee Stock Option Plan are filed as exhibits to our current report on Form 8-K, filed on February 13, 2012, and are incorporated herein by reference. The description of such documents and the transactions contemplated thereby contained in this section does not purport to be complete and is qualified in its entirety by reference to the text of such documents.

Change in Management

In connection with the Merger, our board of directors was reconstituted by the resignation of Mr. Arnold P. Kling from his role as our sole director and the appointment of Steven A. Elms, Dov A. Goldstein, Jerrold B. Grossman, Adam S. Grossman, Eric I. Richman and Bryant E. Fong as directors (all of whom except for Mr. Fong were directors of Former ADMA immediately prior to the Merger). Bryant Fong is the designee of Burrill Capital Fund IV, LP ("Burrill"), Steven Elms is the designee of Aisling Capital II, LP ("Aisling") and Dr. Jerrold B. Grossman is the designee of Jerrold and Adam Grossman and their related entities (the "Grossman Group"). Burrill, Aisling and the Grossman Group were the lead investors (the "Lead Investors") in the 2012 Financing. Each of the Lead Investors is entitled to designate one nominee to our board of directors for as long as it owns 50% of the shares of common stock that it received in the Merger in exchange for the shares of Former ADMA's common stock that it owned immediately following the closing of the 2012 Financing. Our executive management team was also reconstituted following the resignation of Mr. Kling as our president and Mr. Kirk M. Warshaw as our chief financial officer and secretary, and Adam S. Grossman was appointed our President and Chief Executive Officer. On April 30, 2012, the Board ADMA appointed Brian Lenz as the Company's Vice President and Chief Financial Officer, effective May 1, 2012. See "Directors and Executive Officers."

Change of Control

Immediately after the closing of, and giving effect to, the Merger, the holders of Former ADMA's common stock, including the investors in the 2012 Financing, held approximately 97% of the issued and outstanding shares of our common stock, on a fully-diluted basis, while our stockholders immediately prior to the Merger, including the placement agent in the 2012 Financing (who is an affiliate of one of such stockholders) held approximately 3%. Accordingly, the Merger represents a change of control.

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Accounting Treatment

For accounting purposes, the Merger was accounted for as a reverse acquisition, with Former ADMA as the accounting acquiror (legal acquiree) and us the accounting acquiree (legal acquiror). Consequently, the historical financial information of Former ADMA has become our historical financial information.

Line of Business; Fiscal Year

As a result of the Merger, Former ADMA will continue its historical business as our wholly-owned subsidiary. We have relocated our executive offices to 65 Commerce Way, Hackensack, NJ 07601 and our telephone number is (201) 478-5552.

We furthermore adopted the fiscal year of Former ADMA, which ends December 31.

Smaller Reporting Company and Emerging Growth Company

Following the Merger, we continue to be a “smaller reporting company,” as defined in Regulation S-K and also qualify as an "emerging growth company" under the JOBS Act.

OTC Bulletin Board

Under the Merger Agreement, we are obligated to qualify the shares of our common stock for quotation on the OTCBB. However, we cannot assure you when such shares will qualify for quotation on the OTCBB or any other electronic trading market, if ever, or, if they do, that there will be any active trading market for such shares.

Recent Financings

Note Financings

Convertible Notes

In 2009, 2010 and 2011, Former ADMA issued senior secured convertible promissory notes to significant stockholders, as further detailed in the table below. The notes provided that the outstanding principal and interest under the notes would be due and payable upon the earliest to occur of: (i) December 31, 2011 (as extended by amendment); (ii) the date on which the Company would consummate a preferred stock financing in which the gross proceeds to the Company totaled at least $10,000,000 (“Qualified Financing”); and (iii) the occurrence of an Event of Default (as defined in the notes), the first of these three events to occur referred to as the “Maturity Date.” Interest accrued on the outstanding principal at the rate stated in the table below and was payable on the Maturity Date. The notes provided that in the Qualified Financing, the unpaid principal and accrued interest on the notes would automatically convert into the preferred stock issued in such Qualified Financing at a price per share equal to the lesser of (A) the price per share paid by the investors in the Qualified Financing or (B) the conversion price listed in the table below.

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The notes also provided that any principal and accrued interest thereon that remained outstanding would convert into shares of preferred stock (Series A-1 or Series A-2) at the stated conversion price if immediately prior to the Maturity Date, a Qualified Financing had not occurred and Former ADMA did not have sufficient cash on hand to repay the outstanding balance in full. The Series A-1 and A-2 Preferred Stock would have had the same rights and privileges as Former ADMA's Series A Preferred Stock (except for the conversion price) and would have been senior to the Series A Preferred Stock in liquidation preference. If the principal amounts due under these notes had been repaid on the Maturity Date, the payees would have had the option to convert all of the accrued interest into shares of Series A Preferred Stock determined by dividing the interest by the conversion price.

In an Event of a Default, the interest rate stated on the notes would have been increased by three percent (3%) per annum. The notes were collateralized by all of the assets of Former ADMA.

The notes issued in June and December 2010 and in 2011 contained a provision stating that immediately prior to a deemed liquidation event, if such notes had not been repaid or converted, at the option of Aisling Capital II, L.P., the notes would needed to have been repaid in cash or converted into Series A-2 Preferred Stock. The December 2010 and the 2011 notes furthermore stated that they would be repaid prior to the Maturity Date upon (i) Former ADMA's sale of its net operating losses or (ii) a change of control (as defined in the notes).

In December 2011, all then-outstanding senior secured convertible promissory notes were converted into 4,835,224 shares of Series A Preferred Stock in accordance with their terms. No such notes remain outstanding.

Non-Convertible Notes

In 2011, Former ADMA issued senior secured promissory notes to significant stockholders, as further detailed in the table below. The notes stated that the outstanding principal and interest under them would be due and payable upon the earliest of (such date is referred to as the "Maturity Date") (i) December 31, 2011 (extended by amendment to March 31, 2012 with respect to $250,000 in aggregate principal amount of such notes); or (ii) the occurrence of an Event of Default (as defined in the notes). Interest accrued on the outstanding principal at the rate stated below and was payable on the Maturity Date. In an Event of a Default, the interest rate stated on the notes would have been increased by three percent (3%) per annum. The notes were collateralized by all of the assets of Former ADMA.

The notes also stated that they would be repaid prior to the Maturity Date upon (i) the receipt by Former ADMA of funds from the sale of plasma inventory of Former ADMA or its subsidiary; (ii) Former ADMA's sale of any of its securities in a public offering or (ii) a Change of Control (as defined in the notes).

Senior secured promissory notes in the aggregate principal amount of $400,000 were repaid prior to the Merger. Senior secured promissory notes in the aggregate principal amount of $250,000 (plus $12,740 in accrued interest) were invested in the 2012 Financing by the holders of the notes in exchange for shares of Former ADMA's common stock. No such notes remain outstanding.

Warrants

In connection with the issuance of certain of the above notes, Former ADMA issued common stock purchase warrants expiring ten years from the date of issue to existing common and preferred stockholders at an exercise price of $.07 per share. Such warrants vested immediately and could be exercised at any time up to the expiration date. The warrants have been exercised for shares of Former ADMA common stock prior to the Merger.

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Summary Table

The amounts listed for the investors below were the largest amounts of principal outstanding for those investors since the issuance of the notes. As of the date of this Report, none of the notes remain outstanding. In the table below, "Aisling" refers to Aisling Capital II, L.P., "Maggro" refers to Maggro, LLC and "Hariden" refers to Hariden, LLC. The managing members of the control person of Aisling include our Chairman Steven Elms. Our Vice-Chairman Dr. Jerrold B. Grossman is the managing member of Maggro. Our President and Chief Executive Officer Adam S. Grossman is the managing member of Hariden.

Issue Date	Security	Principal Amount and Investors	Interest Rate	Interest paid in 2010	Conversion Price	Convertible Into	Warrants Issued
Aug–09	Senior Secured Convertible Promissory Notes	$ 2,500,000 (Aisling: $2,075,000 Maggro: $212,500 Hariden: $212,500)	9%		$15.24941	Preferred Series A-1	
Dec-09		$2,500,000 (Aisling: $2,075,000 Maggro: $212,500 Hariden: $212,500)	9%		$15.24941	Preferred Series A-1	
Jun-10		$1,800,000 (Aisling: $1,695,000 Maggro: $52,500 Hariden: $52,500)	12%		$13.55240	Preferred Series A-2	52,730
Dec-10		$500,000 (Aisling: $500,000)	10%		$13.55240	Preferred Series A-2	
Feb-11		$300,000 (Maggro: $150,000 Hariden: $150,000)	10%		$13.55240	Preferred Series A-2	
May-11		$250,000 (Aisling: $212,500 Maggro: $18,750 Hariden: $18,750)	10%		$13.55240	Preferred Series A-2	
Jun-11		$300,000 (Aisling: $249,000 Maggro: $25,500 Hariden: $25,500)	10%		$13.55240	Preferred Series A-2	

Aug-11	Senior Secured Promissory Notes	$250,000 (Aisling: $200,000 Maggro: $25,000 Hariden: $25,000)	10%	N/A	N/A	4,612
Sep-11		$100,000 (Maggro: $50,000 Hariden: $50,000)	18%	N/A	N/A	
Oct-11		$100,000 (Maggro: $50,000 Hariden: $50,000)	18%	N/A	N/A	
Dec-11		$200,000 (Aisling: $100,000 Maggro: $50,000 Hariden: $50,000)	18%	N/A	N/A	

The issuance and sale of the above notes was made pursuant to privately negotiated transactions that did not involve a public offering of securities and, accordingly, was exempt from the registration requirements of the Securities Act pursuant to Section 4(2) thereof and the rules promulgated thereunder.

2012 Financing

In connection with, and immediately prior to the closing of the Merger, Former ADMA completed a private placement (the "2012 Financing") of 1,828,128 shares of Former ADMA's common stock at a price per share of $9.60 to accredited investors, for gross proceeds to ADMA of $17,550,029 pursuant to a securities purchase agreement, dated as of February 13, 2012 (the "Securities Purchase Agreement"). The 2012 Financing closed on February 13, 2012. In lieu of repayment of senior secured promissory notes in the aggregate principal amount of $250,000 (plus $12,740 in accrued interest), the aggregate amount of unpaid principal and interest on the notes was invested by the holders of such notes in the 2012 Financing in exchange for shares of Former ADMA's common stock, as described in further detail under "Certain Relationships and Related Transactions, and Director Independence." The net cash proceeds from the 2012 Financing, after the payment of all expenses related to the 2012 Financing and the Merger, including legal, printing, travel, the Placement Agent's cash fee and expense reimbursement and miscellaneous, are approximately $15.7 million, not including in such proceeds the senior secured promissory notes that were satisfied in exchange for shares of Former ADMA's common stock in the 2012 Financing.

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Pursuant to the terms of the Securities Purchase Agreement, for a period ending on the earlier to occur of (a) 18 months following the closing of the 2012 Financing or (b) such date that we have sold in one or more transactions (other than exempt issuances as defined in the agreement) securities having an aggregate purchase price of at least $5 million, if we sell any common stock or common stock equivalents for a price less than $9.60 (a "Dilutive Issuance"), each investor in the 2012 Financing will be given the right to subscribe, for $0.01 per share, for such number of additional shares of common stock equal to (x) the total subscription amount paid by the investor in the 2012 Financing divided by the price per share of common stock paid (or payable per share of common stock in the case of common stock equivalents) by investors in connection with the Dilutive Issuance, less (y) the total number of shares of common stock purchased by such investor at the closing of the 2012 Financing and any such additional shares of common stock acquired under this right. We must use commercially reasonable efforts to complete a financing transaction pursuant to which we would sell common stock or common stock equivalents resulting in gross proceeds of at least $5 million within 18 months of the closing of the 2012 Financing (the "First Follow-On Financing").

Burrill, Aisling, and Jerrold and Adam Grossman and their related entities (the "Grossman Group"), which we collectively refer to as the "Lead Investors," purchased 885,417, 458,334 and 114,584 shares of Former ADMA's common stock, respectively, for approximately $8,500,000, $4,400,000 and $1,100,000, respectively. $262,740 in consideration paid by Aisling and the Grossman Group was in the form of secured promissory notes in lieu of cash. ADMA reimbursed the Lead Investors for their reasonable costs (including legal fees and expenses) of $38,184 in connection with the 2012 Financing. The Lead Investors, and Former ADMA's officers and directors, agreed not to sell, transfer or otherwise dispose of any of their common stock or securities convertible, exercisable or exchangeable for common stock for a period of 180 days following the closing of the 2012 Financing. In addition, with respect to any Lead Investor, until such time that such Lead Investor owns less than 50% of the shares of common stock that it received in the Merger in exchange for the shares of common stock that it owned immediately following the closing of the 2012 Financing, if ADMA proposes to offer any shares of its equity securities, or securities or debentures exchangeable for or convertible into additional shares of its equity securities for the purpose of financing its business (other than shares issued to employees, directors and consultants in the form of stock or options, shares issued upon exercise, exchange or conversion of any securities issued in the 2012 Financing or outstanding as of the date of the Securities Purchase Agreement, shares issued pursuant to strategic agreements, shares offered to the public pursuant to an underwritten public offering, or other customary exclusions), the Company will offer such Lead Investor the right to participate in any such offering on the same terms and conditions otherwise available to investors therein, to the extent of an amount at least equal to their beneficial ownership percentage at the time of such offer.

In the event we are unable to raise at least $5 million in the First Follow-On Financing, then Burrill, Aisling and the Grossman Group will subscribe to purchase $1.5 million, $2.0 million and $0.5 million, respectively, which amounts will decline proportionately if we raise more than $1 million in addition to the amounts contributed by such Lead Investors.

In connection with the 2012 Financing and the Merger, we agreed, pursuant to a registration rights agreement, dated as of February 13, 2012 (the "Registration Rights Agreement"), to register on a registration statement (the "Investor Registration Statement") the resale of the shares of common stock issued in the Merger in exchange for the shares of common stock issued in the 2012 Financing and the shares of common stock owned by our pre-Merger stockholders, as well as the resale of the shares of common stock issuable upon exercise of the warrants issued to the placement agent and its designees in the Merger in exchange for the Placement Agent Warrants (as defined below). The registration statement of which this prospectus is a part represents the Investor Registration Statement.

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We refer to the securities the resale of which is required to be registered on the Investor Registration Statement as the "Registrable Securities." To effect this registration, we are obligated to file the Investor Registration Statement with the SEC no later than 45 days following the completion of the Merger and the Investor Registration Statement shall be declared effective by the SEC within 180 days following the completion date of the Merger (240 days in case of a full review by the SEC). If, among other events, the Investor Registration Statement is not filed within such 45-day period, is not declared effective within 180 days after the completion date of the Merger (240 days in the case of a full review by the SEC), or ceases to remain effective for more than 10 consecutive trading days or any 15 trading days during any 12-month period, we are required to pay in cash to the investors in the 2012 Financing an amount per month equal to one percent of the investors' subscription amount for Registrable Securities still held by the investors, until the Investor Registration Statement is filed, declared effective or continues to be effective (as the case may be). This payment is subject to a maximum of (i) one percent of the investors' subscription amount for Registrable Securities still held by the investors if we are diligently using our best efforts to have the Investor Registration Statement declared effective and the delays associated with the effectiveness of the Investor Registration Statement are the result of either continuing comments from or delays in reviewing by the SEC and (ii) ten percent of the investors' subscription amount for Registrable Securities still held by the investors in all other cases.

If the SEC informs us that all of the securities required to be registered on the Investor Registration Statement cannot, as a result of the application of Rule 415 under the Securities Act, be registered for resale as a secondary offering on a single registration statement, we will use our commercially reasonable efforts to file amendments to the Initial Registration Statement as required by the SEC, covering the maximum number of such securities permitted to be registered by the SEC. In such case, we will not be required to make payments in cash to the investors in the 2012 Financing with respect to securities exceeding such maximum number if the registration statement is not declared effective within the time periods listed above.

We agreed to make such filings as are necessary to keep the Investor Registration Statement effective until the date on which all of the Registrable Securities have been sold or are saleable pursuant to Rule 144 ("Rule 144") or its other subsections (or any successor thereto) under the Securities Act. We are obligated to bear registration expenses (exclusive of transfer taxes, underwriters' discounts and commission) of all such registrations required.

The stockholders of Former ADMA also have registration rights with respect to the shares of common stock issued in the Merger in exchange for shares of Former ADMA's common stock and shares of common stock issuable upon exercise of options they hold, pursuant to the Investors' Rights Agreement. They have agreed to waive their piggy back registration rights with respect to the Investor Registration Statement; however, they will be entitled to require the filing of a resale registration statement pursuant to the Investors' Rights Agreement.

Under the terms of the Securities Purchase Agreement, we are obligated to cause securities to be delivered to non-affiliates without any restrictive legends if the resale of such securities has been registered, such securities have been sold pursuant to Rule 144 or, in certain circumstances, if such securities are eligible for sale under Rule 144. If we fail to do so, we are obligated to pay to the investor, for each $1,000 of shares, $1 per trading day, increasing to $2 per trading day five trading days after such damages have begun to accrue, until unrestricted certificates are delivered. In addition, if the Company fails to satisfy the current public information requirement under Rule 144(c), then the Company is obligated to pay to an investor, for any delay in or reduction of its ability to sell the securities, an amount equal to 1% of the aggregate subscription amount of such investor's securities on the date of such current public information failure and on every 30th day thereafter (prorated for shorter periods) until the failure is cured or public information is no longer required for a Rule 144 sale.

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Rodman & Renshaw, LLC (the "Placement Agent") acted as the exclusive placement agent in connection with the 2012 Financing. Former ADMA paid the Placement Agent a cash fee for its services equal to $843,501 (of which 50% is held in escrow until no later than September 30, 2012). As additional compensation, Former ADMA issued to the Placement Agent and its designees (all of which are selling stockholders) the Placement Agent Warrants (the "Placement Agent Warrants") to purchase 87,865 shares of common stock of Former ADMA. The Placement Agent Warrants, which were exchanged for warrants to purchase our common stock in the Merger, are exercisable at $9.60 per share of common stock at any time beginning on August 11, 2012 and ending on February 13, 2017. Former ADMA also reimbursed the Placement Agent for $100,000 in expenses it incurred in connection with the 2012 Financing and agreed to indemnify it against certain liabilities in connection with the 2012 Financing.

In connection with the 2012 Financing, the Lead Investors each entered into a lock-up agreement with the Placement Agent in reference to a Placement Agency Agreement, dated February 12, 2012 by and between the Company and the Placement Agent, and agreed that until August 11, 2012, it will not offer, pledge, sell, contract to sell, grant any option or contract to purchase, purchase any option or contract to sell, or otherwise dispose of, directly or indirectly, any shares of common stock or securities convertible into or exchangeable or exercisable for any shares of common stock, or enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of common stock, whether any such transaction is to be settled by delivery of common stock or such other securities, in cash or otherwise. Such restrictions do not apply, subject to certain conditions, to transactions relating to (i) bona fide gifts, (ii) shares of common stock acquired in the open market on or after the completion of the Merger, (iii) the transfer of shares of common stock to a family member or a trust for the benefit of the restricted party or a family member (including by will or intestacy) or (iv) a distribution to the partners, members or shareholders of the restricted party, provided that the recipient agrees in writing prior to such transfer to be bound by the foregoing restrictions. The form of lock-up agreement is attached as an exhibit hereto and is incorporated herein by reference.

The descriptions of the Securities Purchase Agreement and the Registration Rights Agreement are not complete and are qualified by reference to the texts of such agreements attached as exhibits to our current report on Form 8-K filed on February 13, 2012.

The issuance and sale of Former ADMA's common stock in the 2012 Financing, and the issuance of the Placement Agent Warrants, was made pursuant to a privately negotiated transaction that did not involve a public offering of securities and, accordingly, was exempt from the registration requirements of the Securities Act pursuant to Section 4(2) thereof and the rules promulgated thereunder. Each of the investors in the 2012 Financing represented that they were "accredited investors" (as defined by Rule 501 under the Securities Act) and were acquiring the shares for investment and not distribution, that they could bear the risk of loss of the investment and that they could hold the securities for an indefinite period of time. The investors received written disclosures that the securities had not been registered under the Securities Act and that any resale must be made pursuant to a registration or an available exemption from such registration.

Issuance of Common Stock in the Merger

The issuance of the common stock to the shareholders of Former ADMA in the Merger was exempt from registration under the Securities Act pursuant to Section 4(2) thereof and the rules promulgated thereunder. Each of the Former ADMA shareholders represented that they were "accredited investors" (as defined by Rule 501 under the Securities Act) and were acquiring the shares for investment and not distribution, that they could bear the risk of loss of the investment and that they could hold the securities for an indefinite period of time. The investors received written disclosures that the securities had not been registered under the Securities Act and that any resale must be made pursuant to a registration or an available exemption from such registration. All of the foregoing securities are deemed restricted securities for purposes of the Securities Act.

Historical Business of R&R Acquisition VI, Inc. and Former ADMA

R&R Acquisition VI, Inc. ("ParentCo") was incorporated in 2006 in Delaware with the objective to acquire, or merge with, an operating business. Prior to the Merger, R&R Acquisition VI, Inc. was a "blank check" company, i.e., "a development stage company" that had no specific business plan or purpose, or had indicated that its business plan is to engage in a merger or acquisition with an unidentified company or companies, or other entity or person; and issued "penny stock," as defined in Rule 3a 51-1 under the Exchange Act. R&R Acquisition VI, Inc. was organized as a vehicle to investigate and, if such investigation warrants, acquire a target company or business seeking the perceived advantages of being a publicly held corporation. Its principal business objective was to achieve long-term growth potential through a combination with an operating business.

After the Merger, ParentCo changed its corporate name to ADMA Biologics, Inc.

Former ADMA was incorporated on July 9, 2007 in Delaware. On July 16, 2007, the company, formerly named ADMA Temp, Inc., entered into an agreement and plan of merger (the "Agreement") with ADMA Biologics, Inc. ("ADMA NJ"), which was incorporated on June 24, 2004 in New Jersey. ADMA NJ was a development stage company engaged in developing and commercializing human plasma-derived products, with its first and second product being a human immunoglobulin.

After the Merger, Former ADMA changed its corporate name to ADMA Plasma Biologics, Inc.

Corporate Information

Our principal executive offices are located at 65 Commerce Way, Hackensack, New Jersey, 07601. The telephone number at our principal executive offices is 201-478-5552. Our website address is expected to be www.admabio.com. Information contained on our website is not deemed part of this prospectus.

The Offering

Common stock currently outstanding	4,654,303 shares (1) (2)
Common stock offered by us	None

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Common stock offered by the selling stockholders	1,969,026 shares
Use of Proceeds	We will not receive any proceeds from the sale or other disposition of the shares of common stock offered by the selling stockholders. We will, however, receive the exercise price of any warrants exercised for cash. To the extent that we receive cash upon exercise of any warrants, we expect to use that cash for working capital and general corporate purposes.
Risk Factors	See “Risk Factors” and other information included in this prospectus for a discussion of factors that you should consider before deciding to invest in shares of our common stock.
Principal Trading Market	None.

(1) As of June 4, 2012 .

(2) Does not include 87,865 shares issuable upon exercise of outstanding warrants and 470,615 shares of common stock issuable upon exercise of outstanding options.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements. This prospectus includes statements regarding our plans, goals, strategies, intentions, beliefs or current expectations. These statements are expressed in good faith and based upon a reasonable basis when made, but there can be no assurance that these expectations will be achieved or accomplished. These forward looking statements can be identified by the use of terms and phrases such as "believe," "plan," "intend," "anticipate," "target," "estimate," "expect," and the like, and/or future-tense or conditional constructions "ma "could," "should," etc. Items contemplating or making assumptions about, actual or potential future sales, market size, collaborations, and trends or operating results also constitute forward-looking statements.

These forward-looking statements are only predictions, are uncertain and involve substantial known and unknown risks, uncertainties and other factors which may cause our (or our industry's) actual results, levels of activity or performance to be materially different from any future results, levels of activity or performance expressed or implied by these forward-looking statements. The "Risk Factors" section of this prospectus sets forth detailed risks, uncertainties and cautionary statements regarding our business and these forward-looking statements.

Forward-looking statements are subject to many risks and uncertainties that could cause our actual results to differ materially from any future results expressed or implied by the forward-looking statements, including, but not limited to, the risks listed under the heading "Risk Factors" as well as the following:

- the effect of competition and proprietary rights of third parties;
- the availability of additional financing and access to capital with respect to the Company and the period of time for which the proceeds from the recent private placements will enable the Company to fund its operations.

In addition to the risks identified under the heading "Risk Factors" and above, many important factors affect the Company's ability to achieve its plans and objectives and to successfully develop and commercialize any product candidates, including, among other things the ability:

- to obtain substantial additional funds;
- to obtain and maintain all necessary trade secrets;
- to demonstrate the safety and efficacy of product candidates at each stage of development;
- to meet applicable regulatory standards and receive required regulatory approvals;
- to manufacture and distribute products in commercial quantities at reasonable costs; and
- to compete successfully against other products and to market products in a profitable manner.

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Therefore, current and prospective security holders are cautioned that there also can be no assurance that the forward-looking statements included in this Report will prove to be accurate. In light of the significant uncertainties inherent to the forward-looking statements included herein, the inclusion of such information should not be regarded as a representation or warranty by the Company or any other person that the objectives and plans of the Company will be achieved in any specified time frame, if at all. Except to the extent required by applicable laws or rules, the Company does not undertake any obligation to update any forward looking statements or to announce revisions to any of the forward-looking statements.

RISK FACTORS

There are numerous and varied risks that may prevent ADMA from achieving its goals. The Company believes that the following are the material risks that it faces. If any of the following risks actually occurs, our business, financial condition or results of operation may be materially adversely affected. In such case, the trading price of our common stock could decline and investors in our common stock could lose all or part of their investment.

Risks Relating to our Business

To date, we have generated limited product revenues and will need to raise additional capital to operate our business, which may not be available on favorable terms, if at all. We may not be able to continue as a going concern.

To date, we have generated limited revenues. All of our revenues to date have been derived from the sale of plasma collected by ADMA BioCenters, as well as our other plasma inventory sales. Unless and until we receive approval from the FDA and other regulatory authorities for our RI-001 product candidate, we will be unable to sell and generate revenues from that product. Therefore, for the foreseeable future, we will have to fund all of our operations and capital expenditures from the revenues that may be generated by the sale of plasma collected by ADMA Biocenters, as well as cash on hand and potential future capital raises. While ADMA BioCenters is committed to maintain compliance with all applicable regulations, we cannot assure you that we would be able to retain the FDA license for our plasma collection center, which we need in order to sell plasma collected by the plasma collection center. We also cannot assure you that the net proceeds from the 2012 Financing will be sufficient to enable us to complete the FDA approval process for our RI-001 product candidate.

Our ability to continue as a going concern depends on our ability to raise additional capital, to fund our research and development and commercial programs and meet our obligations on a timely basis. If we are unable to successfully raise sufficient additional capital we will likely not have sufficient cash flow and liquidity to fund our business operations, forcing us to curtail our activities and, ultimately, potentially cease operations. Even if we are able to raise additional capital, such financings may only be available on unattractive terms, resulting in significant dilution of stockholders' interests and, in such event, the value and potential future market price of our common stock may decline.

Based upon our projected revenue and expenditures for 2012 and 2013, we estimate that our cash currently on hand is sufficient to enable us to fund our operating expenses, research and development expenses and capital expenditures only through the third quarter of 2013. If our assumptions underlying our estimated expenses prove to be wrong, we may have to raise additional capital sooner than anticipated, and we currently do not have arrangements to obtain additional financing. Any such financing could be difficult to obtain or only available on unattractive terms and could result in significant dilution of stockholders' interests. Failure to secure any necessary financing in a timely manner and on favorable terms could have a material adverse effect on our business plan and financial performance and could delay, discontinue or prevent product development and clinical trial activities or the approval of any of our potential products. In addition, we could be forced to reduce or forego sales and marketing efforts and forego attractive business opportunities.

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Continued instability in the credit and financial markets may negatively impact our business, results of operations, and financial condition.

Financial markets in the United States, Canada, Europe and Asia continue to experience disruption, including, among other things, significant volatility in security prices, declining valuations of certain investments, as well as severely diminished liquidity and credit availability. Business activity across a wide range of industries and regions continues to be greatly reduced and local governments and many businesses are still suffering from the lack of consumer spending and the lack of liquidity in the credit markets. As a clinical-stage biotechnology company, we rely on third parties for several important aspects of our business, including contract manufacturing of drug product, plasma collection supplies, transportation and storage of plasma, and conduct of our clinical trials. These third parties may be unable to satisfy their commitments to us due to tightening of global credit from time to time, which would adversely affect our business. The continued instability in the credit and financial market conditions may also negatively impact our ability to access capital and credit markets and our ability to manage our cash balance. While we are unable to predict the continued duration and severity of the adverse conditions in the United States and other countries, any of the circumstances mentioned above could adversely affect our business, financial condition, operating results and cash flow or cash position.

We are not currently profitable and may never become profitable.

We have a history of losses and expect to incur substantial losses and negative operating cash flow for the foreseeable future, and we may never achieve or maintain profitability. For the year ended December 31, 2011, we had a net loss of $5.9 million and from our inception in 2004 through December 31, 2011, we have incurred a net loss of $29.8 million. Even if we succeed in developing and commercializing one or more product candidates, we expect to incur substantial losses for the foreseeable future and may never become profitable. We also expect to continue to incur significant operating and capital expenditures and anticipate that our expenses will increase substantially in the foreseeable future as we:

- continue to undertake development and clinical trials for RI-001;
- seek regulatory approval(s);
- implement additional internal systems, controls and infrastructure; and
- hire additional personnel.

We also expect to experience negative cash flow for the foreseeable future as we fund our operating losses and capital expenditures. As a result, we will need to generate significant revenues in order to achieve and maintain profitability. We may not be able to generate these revenues or achieve profitability in the future. Our failure to achieve or maintain profitability could negatively impact the value of our securities.

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We have a limited operating history upon which to base an investment decision.

We have not demonstrated an ability to perform the functions necessary for the successful commercialization of RI-001. The successful commercialization of any product candidate will require us or our collaborators to perform a variety of functions, including:

- undertaking product development and clinical trials;
- participating in regulatory approval processes;
- formulating and manufacturing products; and
- conducting sales and marketing activities once authorized.

Our operations thus far provide a limited basis for you to assess our ability to commercialize our product candidates and the advisability of investing in our securities.

Our independent registered public accounting firm has identified material weaknesses in our financial reporting process.

ADMA's independent registered public accounting firm (which has been appointed our independent registered public accounting firm in conjunction with the Merger) has identified material weaknesses in ADMA's financial reporting process. Specifically, the independent registered public accounting firm identified material weaknesses with respect to:

- the financial statement closing process, in that it did not identify all journal entries that needed to be recorded;
- currently inadequate segregation of duties by management in the financial reporting area; and
- currently inadequate level of accounting expertise among management to properly ensure that accounting transactions are properly recorded, such as the preparation of financial statements and recording of beneficial conversion charges.

We have recently hired a Chief Financial Officer with the requisite accounting expertise to ensure proper recording of accounting transactions and intend to take the following additional measures to address the material weaknesses identified by our independent registered public accounting firm and improve our periodic financial statement reporting process:

- limit access to the accounting and information systems and related data to strengthen segregation of duties; and
- implement procedures and controls in the financial statement closing process to improve the accuracy and timeliness of the preparation of quarterly and annual financial statements.

There can be no assurance that we will be able to successfully implement our plans to remediate the material weaknesses in our financial reporting process. Our failure to successfully implement our plans to remediate these material weaknesses could cause us to fail to meet our reporting obligations, to produce timely and reliable financial information, and to effectively prevent fraud. Additionally, such failure could cause investors to lose confidence in our reported financial information, which could have a negative impact on our financial condition and stock price.

Currently, our only viable product candidate is RI-001. If we do not obtain the necessary U.S. or worldwide regulatory approvals to commercialize RI-001, or any other product candidate, we will not be able to sell RI-001.

At the present time, our entire focus is obtaining regulatory approval for RI-001, our only product candidate. If we cannot obtain regulatory approval for RI-001, our only source of revenue will be plasma collection and sales. We cannot assure you that we will receive the approvals necessary to commercialize RI-001 or any other product candidate we may acquire or develop in the future. In order to obtain FDA approval of RI-001 or any other product candidate requiring FDA approval, our clinical development must demonstrate that the product candidate is safe for humans and effective for its intended use, and we must submit a BLA. To attain required FDA approval of any other product candidate generally requires significant research and testing, referred to as pre-clinical studies, as well as human tests, referred to as clinical trials. Satisfaction of the FDA's regulatory requirements typically takes many years, depends upon the type, complexity and novelty of the product candidate and requires substantial resources for research, development and testing. We cannot predict whether our research and clinical approaches will result in products that the FDA considers safe for humans and effective for indicated uses. The FDA has substantial discretion in the product approval process and may require us to conduct additional pre-clinical and clinical testing or to perform post-marketing studies. The approval process may also be delayed by changes in government regulation, future legislation or administrative action or changes in FDA policy that occur prior to or during our regulatory review. Delays in obtaining regulatory approvals may:

- delay commercialization of, and our ability to derive product revenues from, our product candidate;
- impose costly procedures on us; and
- diminish any competitive advantages that we may otherwise enjoy.

Even if we comply with all FDA requests, the FDA may ultimately reject our BLA. We may never obtain regulatory clearance for RI-001 or any other potential product candidate. Failure to obtain FDA approval of any of our product candidates will severely undermine our business by leaving us without a saleable product beyond the plasma collected by ADMA BioCenters, and therefore without any source of additional revenues if and until another product candidate can be developed and commercialized. There is no guarantee that we will ever be able to develop or acquire another product candidate.

In foreign jurisdictions, we must receive approval from the appropriate regulatory authorities before we can commercialize any products. Foreign regulatory approval processes generally include all of the risks associated with the FDA approval procedures described above. We cannot assure you that we will receive the approvals necessary to commercialize any product candidate for sale outside the United States.

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Our current product candidate, RI-001, requires extensive additional clinical testing. If we are unsuccessful in obtaining regulatory approval for RI-001, we may be required to delay or abandon development of such product, which would have a material adverse impact on our business.

Although we have completed a Phase II trial for RI-001, continuing product development requires additional and extensive clinical testing. We cannot provide any assurance or certainty regarding when we might complete the clinical trial process or submit a BLA for regulatory approval for RI-001 or whether any such BLA will be accepted or approved. In the event we do not ultimately receive regulatory approval for RI-001, we may be required to terminate development of our only product candidate. Unless we acquire or develop other product candidates that are saleable, our business will be limited to plasma collection and sales.

Clinical trials are very expensive, time-consuming and difficult to design and implement. If clinical trials for any of our product candidates don't provide positive results, we may be required to abandon or repeat such clinical trials.

Human clinical trials are very expensive and difficult to design and implement, in part because they are subject to rigorous regulatory requirements. The clinical trial process is also time consuming. We estimate that clinical trials of our product candidate will take at least 18 months to several years to complete. Furthermore, failure can occur at any stage of the trials, and we could encounter problems that cause us to abandon or repeat clinical trials. The commencement and completion of clinical trials may be delayed by several factors, including:

- unforeseen safety issues;
- determination of dosing issues;
- lack of effectiveness during clinical trials;
- slower than expected rates of patient recruitment;
- inability to monitor patients adequately during or after treatment; and
- inability or unwillingness of medical investigators to follow our clinical protocols.

In addition, we or the FDA may suspend our clinical trials at any time if it appears that we are exposing participants to unacceptable health risks or if the FDA finds deficiencies in our IND submissions or the conduct of these trials. Therefore, we cannot provide any assurance or predict with certainty the schedule for future clinical trials. We completed clinical trials in 2008 and 2009, during which we enrolled 21 subjects. The focus of our planned Phase III clinical trial has been designed in accordance with the FDA Guidance for Industry and we believe that the revised design will increase the probability of successful trial enrollment. No assurance can be given that we will be able to enroll sufficient subjects to complete a successful Phase III clinical trial.

If the results of our clinical trials do not support our product candidate claims, completing the development of such product candidates may be significantly delayed or we may be forced to abandon development of such product candidates altogether.

Even if our clinical trials are completed as planned, we cannot be certain that their results will support our product candidate claims. Success in pre-clinical testing and early clinical trials does not ensure that later clinical trials will be successful, and we cannot be sure that the results of later clinical trials will replicate the results of prior clinical trials and pre-clinical testing. The clinical trial process may fail to demonstrate that our product candidates are safe for humans and effective for indicated uses. This failure would cause us to abandon a product candidate and may delay development of other product candidates. Any delay in, or termination of, our clinical trials will delay the filing of a BLA with the FDA and, ultimately, our ability to commercialize our product candidates and generate product revenues. In addition, our clinical trials involve a relatively small patient population. Because of the small sample size, the results of these clinical trials may not be indicative of future results. In addition, certain portions of the clinical trial for RI-001 were performed outside the United States, and therefore, may not have been performed in accordance with standards normally required by the FDA and other regulatory agencies.

If physicians and patients do not accept and use our product, our ability to generate revenue from sales will be materially impaired.

Even if the FDA approves RI-001, physicians and patients may not accept and use it. Acceptance and use of our product will depend on a number of factors including:

- perceptions by members of the health care community, including physicians,
- about the safety and effectiveness of our product;
- cost-effectiveness of our product relative to competing products;
- availability of reimbursement for our product from government or other healthcare payers; and
- effectiveness of marketing and distribution efforts by us and our licensees and distributors, if any.

Because we expect sales of RI-001, if approved, to generate substantially all of our product revenues other than the revenue attainable from the sale of plasma collected by ADMA BioCenters, the failure of this product to find market acceptance would harm our business and could require us to seek additional financing or make such financing difficult to obtain on favorable terms, if at all.

Our long-term success may depend on our ability to supplement our existing RI-001 product candidate through new product development or the in-license or acquisition of other new products, and if our business development efforts are not successful, our ability to achieve profitability may be negatively impacted.

Our current product development portfolio consists solely of RI-001. We intend to seek to expand our current portfolio through new product development efforts or to in-license or acquire additional products. If we are not successful in developing or acquiring additional products, we will depend on our ability to raise capital for, and the successful development and commercialization of, RI-001 and the revenue we may generate from the sale of plasma attributable to the operations of ADMA BioCenters.

We depend on third-party researchers and developers to develop RI-001, and such parties are, to some extent, outside of our control.

We depend on independent investigators and collaborators, such as universities and medical institutions, to conduct our pre-clinical and clinical trials under agreements with us. These collaborators are not our employees and we cannot control the amount or timing of resources that they devote to our programs. These investigators may not assign as great a priority to our programs or pursue them as diligently as we would if we were undertaking such programs ourselves. If outside collaborators fail to devote sufficient time and resources to our product-development programs, or if their performance is substandard, the approval of our FDA application(s), if any, and our introduction of new products, if any, will be delayed. These collaborators may also have relationships with other commercial entities, some of whom may compete with us. If our collaborators assist our competitors at our expense, our competitive position would be harmed.

Relying exclusively on third parties to manufacture our product candidates exposes us to risks that may delay testing, development, regulatory approval and commercialization of our product candidates.

We have limited experience in manufacturing and do not intend to establish our own manufacturing facilities. We lack the resources to manufacture RI-001. Although we have agreements pertaining to the manufacture, supply, storage and distribution of product supplies of RI-001 for clinical development purposes, we do not have any agreements for the commercial scale manufacture of RI-001, and upon commercialization, it is possible that our manufacturing requirements may exceed the available supply allotments under our existing agreements. We will rely on one or more third-party contractors to manufacture our products. Our anticipated future reliance on a limited number of third-party manufacturers exposes us to the following risks:

- We may be unable to identify manufacturers on acceptable terms or at all because the number of potential manufacturers is limited and the FDA must approve any replacement contractor. This approval would require new testing and compliance inspections. In addition, a new manufacturer would have to be educated in, or develop substantially equivalent processes for, production of our products after receipt of FDA approval, if any.

- Third-party manufacturers might be unable to manufacture our products in the volume and of the quality required to meet our clinical needs and commercial needs, if any.

- Contract manufacturers may not perform as agreed or may not remain in the contract manufacturing business for the time required to supply our clinical trials or to successfully produce, store and distribute our products.

- Product manufacturers are subject to ongoing periodic unannounced inspection by the FDA, the Drug Enforcement Administration, and corresponding state agencies to ensure strict compliance with good manufacturing practice and other government regulations and corresponding foreign standards. We do not have control over third-party manufacturers' compliance with these regulations and standards.

- If any third-party manufacturer makes improvements in the manufacturing process for our products, we may not own, or may have to share, the intellectual property rights to the innovation. We may be required to pay fees or other costs for access to such improvements.

Each of these risks could delay our clinical trials, the approval, if any, of our product candidates by the FDA or the commercialization of our product candidates or result in higher costs or deprive us of potential product revenues.

Developments by competitors may render our products or technologies obsolete or non-competitive.

The biotechnology and pharmaceutical industries are intensely competitive and subject to rapid and significant technological change. Should we obtain regulatory approval for RI-001 or any future product we may develop, we will have to compete with existing therapies. In addition, other companies may pursue the development of pharmaceuticals that target the same diseases and conditions that we are targeting. We face competition from pharmaceutical and biotechnology companies in the United States and abroad. In addition, companies pursuing different but related fields represent substantial competition. Many of these organizations competing with us have substantially greater capital resources, larger research and development staffs and facilities, longer product development history in obtaining regulatory approvals and greater manufacturing and marketing capabilities than we do. These organizations also compete with us to attract qualified personnel and parties for acquisitions, joint ventures or other collaborations.

We do not own any issued patents and we do not have any patent applications in process. If we are unable to protect our trade secrets or other proprietary rights, our competitiveness and business prospects may be materially damaged.

We do not own any issued patents and we do not have any patent applications currently pending. Rather, we rely exclusively on a combination of trade secrets and nondisclosure and non-competition agreements to protect our proprietary intellectual property, and we will continue to do so. While we intend to defend against any threats to our intellectual property, there can be no assurance that our trade secret policies and practices or other agreements will adequately protect our intellectual property. We seek to preserve the integrity and confidentiality of our data and trade secrets by maintaining physical security of our premises and physical and electronic security of our information technology systems. These processes, systems, and/or security measures may be breached, and we may not have adequate remedies as a result of any such breaches. In addition, our trade secrets may otherwise become known or be independently discovered by competitors. We also seek to protect our proprietary technology and processes, in part, by confidentiality agreements with our employees, consultants, scientific advisors and contractors. Although we rely, in part, on confidentiality, nondisclosure and non-competition agreements with employees, consultants and other parties with access to our proprietary information to protect our trade secrets, proprietary technology, processes and other proprietary rights, there can be no assurance that these agreements or any other security measures relating to such trade secrets, proprietary technology, processes and proprietary rights will be adequate, will not be breached, that we will have adequate remedies for any breach, that others will not independently develop substantially equivalent proprietary information or that third parties will not otherwise gain access to our trade secrets or proprietary knowledge. To the extent that our consultants, contractors or collaborators use intellectual property owned by others in their work for us, disputes may arise as to the rights in related or resulting know-how and inventions.

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Third parties could obtain patents that may require us to negotiate licenses to conduct our business, and there can be no assurance that the required licenses would be available on reasonable terms or at all.

We may not be able to operate our business without infringing third-party patents. Numerous U.S. and foreign patents and pending patent applications owned by third parties exist in fields that relate to the development and commercialization of immune globulins. In addition, many companies have employed intellectual property litigation as a way to gain a competitive advantage. It is possible that infringement claims may occur as the number of products and competitors in our market increases. In addition, to the extent that we gain greater visibility and market exposure as a public company, we face a greater risk of being the subject of intellectual property infringement claims. We cannot be certain that the conduct of our business does not and will not infringe intellectual property or other proprietary rights of others in the United States and in foreign jurisdictions. If our products, methods, processes and other technologies are found to infringe third party patent rights, we could be prohibited from manufacturing and commercializing the infringing technology, process or product unless we obtain a license under the applicable third party patent and pay royalties or are able to design around such patent. We may be unable to obtain a license on terms acceptable to us, or at all, and we may not be able to redesign our products or processes to avoid infringement. Even if we are able to redesign our products or processes to avoid an infringement claim, our efforts to design around the patent could require significant time, effort and expense and ultimately may lead to an inferior or more costly product and/or process. Any claim of infringement by a third party, even those without merit, could cause us to incur substantial costs defending against the claim and could distract our management from our business. Furthermore, if any such claim is successful, a court could order us to pay substantial damages, including compensatory damages for any infringement, plus prejudgment interest and could, in certain circumstances, treble the compensatory damages and award attorney fees. These damages could be substantial and could harm our reputation, business, financial condition and operating results. A court also could enter orders that temporarily, preliminarily or permanently prohibit us, our licensees (if any) and our customers from making, using, selling, offering to sell or importing one or more of our products or practicing our proprietary technologies or processes, or could enter an order mandating that we undertake certain remedial activities. Any of these events could seriously harm our business, operating results and financial condition.

If we are unable to successfully manage our growth, our business may be harmed.

Our success will depend on the expansion of our operations and the effective management of our growth, which will place a significant strain on our management and on our administrative, operational and financial resources. To manage this growth, we must expand our facilities, augment our operational, financial and management systems and hire and train additional qualified personnel. If we are unable to manage our growth effectively, our business would be harmed.

We rely on our chief executive officer, and his knowledge of our business and technical expertise would be difficult to replace.

We depend to a great extent on our principal executive officer. We do not have “key person” life insurance policies for any of our officers. The loss of the technical knowledge and management and industry expertise of any of our key personnel could result in delays in product development, loss of potential customers and sales, and diversion of management resources, which could adversely affect our business and operating results. See also “Risks relating to our securities - Our President and Chief Executive Officer has no experience managing a public company, which could adversely impact our ability to comply with the reporting requirements of U.S. securities l"font-family:arial" SIZE="2">Galdino J. Claro, Executive Vice President and Group CEO, Harsco Metals & Minerals;

Ivor J. Harrington, Executive Vice President and Group CEO, Harsco Infrastructure;

Stephen J. Schnoor, Senior Vice President, Chief Financial Officer and Treasurer; and

Mark E. Kimmel, Senior Vice President, Chief Administrative Officer, General Counsel and Corporate Secretary.

On February 23, 2012, Mr. Fazzolari resigned as Chairman, President and Chief Executive Officer of the Company and as a director of the Company. Henry W. Knueppel, a director of the Company, began serving as the Company s Interim Chairman and CEO as of February 23, 2012.

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2011 Financial and Operational Performance

Harsco provides industrial services and engineered products to global industries that are fundamental to worldwide economic growth and infrastructure development. The Company s operations fall into four reportable segments: Harsco Metals & Minerals; Harsco Infrastructure; Harsco Rail and Harsco Industrial. The Company has locations in over 50 countries, including the United States, and was incorporated in 1956.

Harsco entered 2011 with cautious optimism. Fiscal year 2011 instead brought yet another series of economic challenges, particularly in Europe. We responded by changing our path as the year progressed so that we could achieve improved performance despite the economic reality.

The Company s 2011 revenues from continuing operations were $3.3 billion. Revenues increased in 2011 by 9% over 2010 as a result of increased global steel production, increased demand for products in our Harsco Industrial segment and increased volumes in our Harsco Infrastructure segment. Operating income for 2011 of $87.6 million was up over $13 million from 2010. This increase was the result of improved markets in the natural gas and industrial grating markets and realization of cost savings from the restructuring initiatives implemented in the fourth quarter of 2010.

While overall 2011 results were generally in line with our expectations, the economic turmoil in Europe did not allow us to achieve the improvement in our Harsco Infrastructure segment for which we had hoped. Nonetheless, in 2012 we will continue to address the still-fragile U.S. economy and continued uncertainties throughout several major global economies, particularly in non-residential construction markets in the United Kingdom and certain Western European countries. Our strong balance sheet, available liquidity and ability to generate strong operating cash flows serve to give us a strong base from which to tackle economic issues and create the increased value our stockholders expect.

2011 Compensation

Overview of Payouts and Grants

Pursuant to our pay for performance philosophy, when our overall financial results are not to the level we expect, our executives receive payouts from performance-based compensation that are below targeted levels.

Annual Awards: Our annual incentive program is tied to achievement of specified Economic Value Added (EVA®) levels. EVA performance for 2011 resulted in an 84% payout of our annual incentives on a consolidated basis, which represented progress from 2010. Messrs. Claro and Harrington received different payouts at 145% and 130% of target, as more fully described below. Target opportunities were increased modestly in 2011 to better reflect opportunities at market median for commensurate performance.

Long-Term Awards: Several cycles of long-term incentive awards that would have been payable in shares based on EVA (the 2008 2010 and the 2009 2011 cycles) were not paid out at all (0%) based on EVA achieved over the respective time periods. Long-term incentives for the 2010-2011 performance period paid out at only 7%. For the 2011 2013 cycle, half of the shares vest in three years if the NEO remains with the Company, and half will only vest to the extent that certain free cash flow and relative total shareholder return (TSR) measures are met. As executives received limited value from past cycles, the Compensation Committee deemed it necessary to grant stock options during 2011 to retain critical management skills in an effort to effect the

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turnaround described above. These options align executive interests with stockholder interest because if the Company s stock price does not increase, they will be of no value to the executives. As with annual awards, target long-term awards in 2011 were increased modestly to better reflect opportunities at market median for commensurate performance.

In 2011, the non-performance based elements of our former CEO s compensation grew minimally, or not at all. Specifically:

Base Salary: 2011 base salary was increased by only 2.8%, after a freeze since 2009, and was frozen again for 2012;

All Other Compensation: Reduced compared to 2010 and was modest in its levels; and

Change in Pension Value and Nonqualified Deferred Compensation Earnings (as reported in the 2011 Summary Compensation Table): Amounts reported do not reflect increase in compensation or additional service credit, but instead reflect a change in the present value of the former CEO s pension that in fact has been fully frozen since 2008. Thus, the change was driven not by any accrual of service credits for service since 2008 nor by any increase in final average compensation resulting from compensation earned since 2008, but instead resulted mainly from a reduction in prevailing interest rates used to calculate the present value of Mr. Fazzolari s pension benefit at the end of 2011 (and to a small extent by the fact that present value increased as Mr. Fazzolari aged). Changes in Mr. Fazzolari s pension value for 2010 and 2009 likewise resulted entirely from changes to present values and not from accruals of service credit or increases in compensation used to calculate the pension.

Governance Programs

Ongoing Policies

Our compensation programs focus on good corporate governance and pay for performance, and incentivize and reward management to achieve our annual performance goals, which are specifically designed to reinforce the creation and enhancement of stockholder value. The programs utilize short-term and long-term compensation arrangements which are payable only if certain financial and individual business objectives are achieved and/or our stock price appreciates. At target performance levels, these performance-based arrangements represented at least 65% of CEO compensation and on average 58% of compensation for our other NEOs. See Compensation Mix section, page 30.

Our compensation programs emphasize stockholder value by encouraging stock ownership. One hundred percent (100%) of Long-Term Incentive (LTI) annual value delivery for NEOs is in the form of equity instruments. This encourages managing from an owner s perspective and aligns the interests of our executives with our stockholders.

Our compensation programs target all elements to provide compensation at the market median if target company performance is achieved.

The Committee exercises discretion in taking compensation actions when necessary as a result of extraordinary changes in the economy, unusual events or significant changes in overall Company performance.

The severance agreements with NEOs do not provide for Internal Revenue Code Section 280G tax gross-ups.

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2011 and 2012 Actions Taken to Improve Our Executive Compensation Program and Related Governance

We conducted our first advisory vote on NEO compensation in April 2011 and received 69.2% approval for our NEO compensation program. During 2011 and early 2012, the Compensation Committee took significant actions to ensure our executive compensation programs foster good governance and pay-for-performance, focus on the long term and align NEO interests with those of stockholders, including:

- **Base salaries:** The NEOs base salaries were frozen through all of fiscal year 2010 and the first half of 2011. In July 2011, moderate increases were provided to the NEOs as approved by the Committee. Two executives received more significant raises as the Committee sought to align their salaries with market practices. A further 18-month freeze through January 2013 following the July 2011 increases was also put in effect;

- **Long-term equity awards:** After a thorough and thoughtful review by the Committee, the decision was made for the three-year cycle beginning in 2011, to retain time-based and performance-based vesting periods for our annual grants, and to retain the performance metrics of free cash flow and relative total shareholder return. The Committee felt that this would maintain the linkage between long-term incentives, performance, executive retention and the creation of long-term stockholder value;

- **Former CEO s compensation:** The Committee undertook a comprehensive review of Mr. Fazzolari s compensation to ensure it was aligned with stockholder return;

- **Stockholder outreach:** We initiated and conducted correspondence and direct interaction with our largest institutional stockholders with the goal of communicating improvements to our executive compensation practices;

- **Clawback policy:** We adopted on a voluntary basis in advance of final Dodd-Frank Act clawback rules a clawback policy that applies to our incentive compensation;

- **Repricing/Reloads:** We adopted changes to our equity plan on a voluntary basis that prohibit the repricing of underwater stock options and SARs without stockholder approval and expressly prohibiting reload options; and

- **Specific performance goals:** We will continue to provide robust disclosure about our programs and have committed to disclose certain current-year performance goals in upcoming Proxy Statements to demonstrate what we believe are strong linkages between our incentive pay programs and performance.

More information on these and other governance practices, how we considered the results of our first advisory vote on NEO compensation and the impact on our compensation policies and decisions, is included on pages 66 through 71.

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Former CEO Compensation and Stockholder Return

This CD&A and the tables and narrative that follow explain our former CEO s compensation in compliance with required SEC reporting. However, such compensation disclosures may obscure the degree to which pay and performance are linked. In assessing our pay programs and making compensation determinations, it is important to note that the Compensation Committee evaluates the pay for performance link by assessing the relationship of pay actually realized especially equity awards actually earned for the year, to our business performance for the corresponding year. The Committee believes this view is more appropriate and accurate than relying on pay numbers generated, for example, by rigid accounting values established upfront for our equity awards, or yearly increases in potential pension amounts largely driven by changes in interest rates. The Committee believes that realized pay shows our stockholders with more precision the extent to which we have paid our executives in recent years commensurate with the performance experienced by the Company for those years. The following chart demonstrates this view with respect to Mr. Fazzolari s recent compensation, which has been aligned with our performance:

Although our relative TSR results for the 2008-2010 and 2009-2011 performance periods have lagged that of most of our Peer Group companies (see Impact of the Consideration of Market Data section for Peer Group details), Mr. Fazzolari s realized compensation also lagged that of his Peer Group CEOs. This alignment of pay and performance demonstrates that the Committee s compensation decisions are intended to motivate our CEO and our other NEOs to achieve meaningful results regarding our key metrics and goals and long-term stockholder value. However, when our executives have been unable to deliver superior results, as has been the case in recent years, their realized pay has tracked this performance at a level well below their potential pay opportunities.

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Core Compensation Philosophy and Objectives

The major objectives of our executive compensation program and the ways these objectives are achieved are described in the following table:

Compensation Objective	How Objective is Achieved
Rewarding executives for sustained financial performance	Annual incentive plan, or AIP, is tied to EVA, to closely align pay with performance
	Long-term incentive plan, or LTIP, has pre-established targets at a Company level
	An increasing portion of the officers total compensation is based on performance as their position increases
Aligning the interests of executives with the interests of stockholders	Performance-based portion of LTIP represents a large portion of long-term incentives
	Stock ownership requirements are in place for all NEOs
	Recent option grants assure that stockholders will attain value before any benefits are recognized by management
Attracting and retaining highly motivated and talented executives	All compensation elements are targeted at the general industry market median
	Pay-for-performance emphasis attracts executives that are innovative and willing to risk a larger share of their compensation on their respective business unit s performance and the performance of the Company overall
	Performance based portion of LTIP and option grants have multi-year time vesting elements with forfeiture of unvested awards if an executive leaves

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Elements of 2011 Compensation Program

The elements of our 2011 executive compensation program are described in the following table.

Component	Description
Base Salary	Fixed annual cash amount based on competitive salary data
Annual Incentive Compensation	Variable annual cash payments based on the achievement of independently pre-established EVA targets, both at a Company and division level
Long-Term Incentive Compensation	Time-based and performance-based incentive awards provided at levels determined based on overall Company achievement
Perquisites	Non-cash compensation designed to attract and retain executives and provide a competitive compensation package
Retirement Benefits	Defined contribution plans and pension plan benefits similar in form to benefits available to our other employees
Post-Employment Payments	Contingent in nature and payable only if an NEO s employment is terminated as specified under the arrangements of various plans

Compensation Mix

In 2011, as reflected in the following charts, the Committee awarded the majority of each NEO s total direct pay opportunity in the form of:

Long-term compensation (time-based and performance-based awards and stock options) as compared to annual or short-term compensation (salary and annual incentive); and

Performance-based compensation (annual incentive, performance-based RSUs and stock options) as compared to non performance-based compensation (salary and time-based RSUs).

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The charts above include 2011 base salary as disclosed in the 2011 Summary Compensation Table and 2011 target annual incentive, 2011 award of performance-based awards (at target) and time-based awards and the value of the 2011 special time-based stock options as disclosed in the 2011 Grants of Plan-Based Awards Table.

Determining 2011 Named Executive Officer Compensation

Based on our compensation philosophy, we initially establish pay levels at or near the 50th percentile of market for executives in similar positions. We compete against companies in many industries for executive talent. Because we believe that our most direct competitors for executive talent are not necessarily all of the companies that would be included in our Peer Group, we focus on general industry national survey data of companies which are of a similar size to us based on revenue to establish market pay levels (Survey Data) and review compensation programs and compensation levels of 14 publicly-traded companies that the Committee and management agreed are peer companies (Peer Group) to provide another perspective on pay competitiveness. Survey Data was gathered and prepared by Towers Watson and Peer Group data was prepared by Pearl Meyer & Partners (see Role of Compensation Consultants below).

General Process.

Executive compensation decisions at Harsco are the product of several factors, modified by judgment and discretion as necessary. The predominant factors include:

- key financial measurements consisting of revenue, operating EVA and free cash flow;
- strategic initiatives such as business restructurings and implementation of lean process improvements;
- achievement of specific operational goals relating to the sphere of influence led by the executive; and
- compensation reflected in Survey Data and Peer Group data.

Role of Compensation Committee. All members of the Committee are independent directors, enabling them to be objective representatives of our stockholders. The Committee

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oversees the overall design and development of our executive compensation program. The Committee evaluates the performance of the CEO and determines CEO compensation consistent with the objectives of the compensation program. The Committee also approves all incentive compensation plans and approves or revises recommendations made by the CEO for compensation decisions affecting the other NEOs.

Role of CEO. Our former CEO, assisted by our Human Resources department, was responsible for the implementation and administration of the Committee-developed compensation program throughout the organization. The CEO evaluated the performance of the other NEOs and, consistent with the objectives of the compensation program, met regularly with the Committee and consultants to consider and recommend compensation programs, set and evaluate plan metrics, and make specific recommendations on the form and amount of compensation for the other NEOs. The ultimate decisions regarding NEO compensation are, however, always made by the Committee.

Role of Compensation Consultants.

Independent Committee Consultant

Our Compensation Committee engaged an outside, independent executive compensation consultant, Pearl Meyer & Partners (PM&P), to advise and counsel the Committee for 2011. PM&P was selected and engaged by the Committee because of their broad expertise in many executive compensation areas as well as for their fit with the philosophy and personality of the Committee. In 2011, PM&P provided the Committee with an overview of executive compensation trends and regulatory developments. PM&P provides no services to us other than those provided directly to or on behalf of the Committee.

At the Compensation Committee s direction, management provides all Committee materials to PM&P and discusses all materials and recommendations with the consultant in advance of each Committee meeting or communication. PM&P considers the information and reports to the Committee chairperson, specifically identifying any issues or concerns. The Committee considers PM&P s input as part of its decision-making processes. The Committee s independent consultant attended each of the 2011 Committee meetings, either in person or via teleconference.

Management Consultant

Our Human Resources department retained Towers Watson during 2011 to provide compensation services to us because of their broad level of expertise in the compensation and benefits area and their expansive knowledge of relevant market data in these areas. Towers Watson provided various calculations and survey data used by the Compensation Committee in its decision-making processes. Towers Watson also provided consulting, actuarial and other compensation and employee benefits-related services to us. Towers Watson did not meet with the Committee in 2011.

EVA Consultant

Stern Stewart was selected and engaged by management for 2011 because of their expertise in working with economic value-added programs, and they advised us in developing both annual and long-term EVA goals. From a compensation standpoint, this information was utilized as part of our Annual Incentive Plan. Stern Stewart does not attend Compensation Committee meetings on a regular basis.

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Fees Paid for Non-Compensation Related Services

In 2011, Towers Watson, management s consultant, received aggregate fees in the amount of $15,874 for compensation related services it provided to the Company. Towers Watson also provides pension plan-related and other advice to our Human Resources and Finance groups and measurement support for various casualty exposures. In 2011 Towers Watson was compensated for these services in the amount of $1,650,739. The decision to engage Towers Watson for these non-compensation related services was made by management. The Committee and the Board did not approve these services. Neither PM&P nor Stern Stewart performed any services for the Company other than executive compensation-related services.

Impact of the Consideration of Market Data

Survey Data and Peer Group Data

We review benchmarking data prepared by PM&P. Specifically, NEO compensation is benchmarked annually against the Peer Group which, for 2011, consisted of a group of 14 publicly-traded companies that the Compensation Committee and management agreed were peer companies when looking at similarities to Harsco in types of business, annual revenue and revenue from outside the United States (in other words, their multinational status). As we are a diversified industrial services company, no other company perfectly matches our profile. Companies included in the Peer Group are companies that had one or more business aspects that correspond with one or more of the following aspects of our business: Metals & Minerals, Infrastructure, Rail and Industrial. For the Peer Group, median revenues for 2011 was $4.1 billion (as compared to Harsco s revenues of $3.3 billion) and median market capitalization as of December 31, 2011 was $2.7 billion (as compared to Harsco s $1.7 billion).

Performance and compensation data for the Peer Group was tracked by PM&P and provided to the Compensation Committee as part of the 2011 executive compensation review process. In addition to competitive pay levels, the Committee also considers Peer Group data when determining compensation practices.

The 14 Peer Group companies are:

AMETEK Inc.	Kennametal Inc.
Commercial Metals Co.	The Manitowoc Company Inc.
Cooper Industries Plc.	Minerals Technologies Inc.
Dover Corp.	Sauer-Danfoss Inc.
EMCOR Group Inc.	SPX Corp.
Flowserve Corp.	Teleflex Inc.
Jacobs Engineering Group Inc.	United Rentals Inc.

The Committee also uses annual Survey Data provided by Towers Watson as a component in their executive compensation decisions. The Towers Watson data utilizes a broad industry-wide benchmarking database of approximately 740 companies. In completing its analysis for each of our NEOs, Towers Watson begins by screening its database for compensation data related to positions with duties and responsibilities similar to those of our executives. Towers Watson then subjects that data to a regression analysis (which helps define the relationship between revenue and an executive s compensation). The regression analysis is then used to calculate a compensation level for the executive consistent with our total revenues. Compensation paid to executives at individual companies participating in these surveys were not material to ultimate decisions made by the Committee.

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The Compensation Committee targets each NEO s total direct annual compensation to the median range for comparable positions in the Survey Data and in our Peer Group, and seeks to drive company financial performance that is in the upper quartile of our Peer Group. The Committee structures our officer compensation program so that outstanding performance measured against our compensation plans metrics and associated goals generates total direct annual compensation at or above the median range; conversely, achievement below compensation plan goals generates total direct annual compensation below the median range, all in support of our pay-for-performance philosophy.

The Compensation Committee adjusts a component of an NEO s pay or total direct annual compensation above or below the market median range to acknowledge the experience and value he or she brings to the role, sustained high-level performance and demonstrated success in meeting key financial as well as other business objectives. The differences in compensation levels among our NEOs are attributable to the differences in the median range of compensation for similar positions in the Survey Data and our Peer Group data, as well as the Committee s assessment of each position s internal value. In addition, Harsco provides all NEOs, except for Mr. Harrington, with a target long-term incentive award as a percentage of the salary market mid-point for the designated NEO. Per the terms of his offer letter, Harsco provides Mr. Harrington with a target long-term incentive award as a percentage of his actual base salary. This has resulted in some minor differentiation in long-term incentive target values among our NEOs.

The Committee, on a periodic basis, also reviews the competitiveness of aspects of our benefits package.

Initial Benchmarking

In reviewing salaries, total cash compensation and total direct compensation, the Compensation Committee initially established each NEO s compensation opportunity at the 50th percentile of the Survey Data. We chose to reference the 50th percentile based on our belief that our executive officers should be compensated at neither the high nor the low end of compensation as compared to the market, but should receive a reasonable level of compensation based on both our performance and their individual performance when target performance levels are achieved.

Our Compensation Committee then set final compensation amounts either above or below the initial benchmarks, taking into account:

- Differences in the scope of responsibilities held by the NEOs;
- Performance (specifically the effect of what the Committee viewed as exceptional performance) of duties during a named executive officer s tenure with us;
- Market requirements; and
- Length of service with us in specific positions.

While past performance is considered by the Compensation Committee in setting current year compensation opportunities, the effect of performance is much more significant in determining the level at which those compensation opportunities are earned and paid out. Our program provides to each executive an opportunity to earn a competitive level of compensation each year if we achieve our pre-established objectives, with an opportunity to earn greater amounts by helping us exceed those targets or lesser amounts when performance falls short of targets. The Committee believes that we will be impaired in our

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ability to recruit and retain quality executives if compensation opportunities are not set at levels near market medians, and therefore the extent to which we reduce compensation opportunities based on below-target performance in a past year is limited. Rather, our total compensation opportunities are designed to reduce the actual compensation earned and paid out if performance in a given year or multi-year period is below target levels.

Impact of NEO Individual Performance

As described above, the Compensation Committee considers both our overall corporate performance and individual performance by each of the NEOs during the course of the year, as evaluated by the Committee in the case of the CEO, and by the CEO and the Compensation Committee in the case of our other NEOs, as further discussed below. The Committee also considers the performance of our divisions in the case of the NEOs who lead such divisions.

Individual performance generally has an impact on the grant level long-term incentive compensation awards and involves the significant use of discretion on the part of the Compensation Committee. The Board has discretion to reduce payouts for individuals who are under-performers. Discretion is to reduce, but not increase, the finals awards for the NEOs. For 2011, the Committee specifically considered the following individual performance and other quantifiable and non-quantifiable factors (including financial performance factors involving particular divisions within a named executive officer s area of responsibility) when making compensation decisions for the following named executive officers:

- *For Mr. Fazzolari:* leadership of our Company by developing, articulating and communicating a clear strategy; disciplined execution of that strategy; our overall growth in revenues, earnings, EVA and cash flow; and our successful completion of significant transactions;

- *For Mr. Schnoor:* our overall growth in revenues, earnings and EVA and improved performance, looking primarily to financial measures and overall strategic development goals;

- *For Mr. Claro:* EVA improvement, overall growth in revenues and earnings for our Harsco Metals & Minerals group; reorganization of certain operations and methods of doing business within our Harsco Metals & Minerals group; and management succession and development for our Harsco Metals & Minerals group;

- *For Mr. Harrington:* EVA improvement, overall growth in revenues and earnings for our Harsco Infrastructure group; the restructuring of the operations and methods of doing business within our Harsco Infrastructure group; and management succession and development for our Harsco Infrastructure group; and

- *For Mr. Kimmel:* guidance of the legal function to provide proactive actions as well as to provide sound risk mitigation for the many and varied actions taken by the Company; leadership of the Company s mergers and acquisitions efforts; and oversight of the global human resources function prior to the appointment of our Vice President and Chief Human Resource Officer in mid-2011.

Analysis of 2011 Executive Compensation Decisions and Actions

2011 Base Salaries

The following base salary adjustments were approved in 2011 and were effective as of July 2011.

- Our former CEO s annual base salary was adjusted from $890,000 to $915,000 based on the competitive general industry market practice analysis described above.

Mr. Claro s annual base salary was adjusted from $650,000 to $675,000.

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Mr. Harrington s annual base salary was adjusted from $525,000 to $550,000.

Mr. Schnoor s 2010 annual base salary was positioned below market median of the Survey Data, so the Committee approved an increase in his salary from $400,000 to $450,000 to bring him in line with market median levels.

Mr. Kimmel s 2010 annual base salary was positioned below market median of the Survey Data, so the Committee approved an increase in his salary from $383,000 to $445,000 to bring him in line with market median levels.

Annual Incentive Compensation

Setting Target Annual Incentive Payouts

We used a formula to calculate 2011 annual incentive payouts. For each NEO, this formula multiplies each NEO s annual base salary by a bonus percentage, and then multiplies this amount by the percentage of target performance achieved in 2011. For purposes of the formula, the dollar amount calculated as annual base salary times the bonus percentage represents the NEO s target annual incentive opportunity. This annual incentive opportunity is established by the Compensation Committee based on the NEO s level of responsibilities and his ability to impact our overall results.

For 2011, the performance goal for annual incentives was based on improvement in our EVA. The target levels of performance required which would correspond to a 100% payout of the target annual incentive opportunity represented aggressive EVA target goals established based on the recommendation of our outside consultant, Stern Stewart. The Committee has relied on Stern Stewart s EVA recommendations, recognizing that those recommendations are not easy to achieve. Achievement of less than 100% of the pre-established EVA target goals would result in a limited payout or no payout of annual cash incentives for that calendar year. Achievement of EVA improvement at levels exceeding the EVA target levels would result in a payout of up to 200% of the target annual incentive opportunity. The 2011 performance goals for Mr. Fazzolari, Mr. Schnoor and Mr. Kimmel were based 100% on Company-wide EVA performance, while the 2011 performance goals for Mr. Claro and Mr. Harrington were based 20% on Company-wide EVA performance and 80% on the EVA performance of the business divisions for which they are directly responsible.

Zero and 200% were set as the threshold and maximum payout levels based on recommendations by Stern Stewart, and our desire to keep incentive payments within a particular range. We set the performance goals with the intent that there be approximately a 15% probability that either an award of zero or 200% will be achieved. The Compensation Committee also has discretion to reduce, but not increase, the final payout amount for the NEOs.

The target annual incentive percentages (as a percent of base salary) for the NEOs for 2011 were as follows:

Executive	Minimum	Target	Maximum
S. D. Fazzolari	1.1%	110%	220%
S. J. Schnoor[1]	.70%	70%	140%
I. J. Harrington[2]	.70%	70%	130%
G. J. Claro[3]	.70%	70%	140%
M. E. Kimmel	.65%	65%	130%

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(1) Mr. Schnoor s bonus target increased 65% to 70% effective January 1, 2011.
(2) Mr. Harrington s bonus target increased to 70% effective July 1, 2011.
(3) Mr. Claro s bonus target increased 65% to 70% effective January 1, 2011.

The Committee increased bonus opportunities for four out of the five NEOs to bring their target bonus percentages in line with general industry market median levels. As such, the following 2011 target annual incentive opportunities (as a percent of base salary) were approved by the Committee:

Our former CEO s annual incentive target was adjusted from 100% to 110% of base salary; and

Annual incentive targets for Messrs. Claro, Harrington and Schnoor were adjusted from 65% to 70% of base salary.

For the period 2007 2011, we used EVA improvement as the sole financial performance metric for annual incentive awards. The table below shows actual EVA performance since 2007 on an overall Company basis. While performance has lagged since the global financial crisis which began in 2008, payouts for officers have been in line with that performance, as was the design of the AIP:

Calendar Year	EVA Performance	Annual Bonus Payout for Corporate-Level Officers
2007	193%	193% of Target
2008	19%	19% of Target
2009	0%	0% of Target
2010	15%	15% of Target
2011	84%	84% of Target

Actual annual incentive award payouts to the NEOs are also detailed in the 2011 Summary Compensation Table. Messrs. Harrington and Claro received certain guaranteed annual incentive award payouts in 2010 (Mr. Claro) and 2010 and 2011 (Mr. Harrington) in accordance with the terms of their employment offer letters.

Performance Metric and Goals for Annual Incentive Compensation Plan and Fiscal 2011 Performance Results

EVA is a measure of after-tax profit that takes into account the cost of capital used by management to achieve the profit. We believe that EVA, as a performance metric, is advantageous in identifying the extent to which management has effectively used the capital invested by stockholders. In this regard, EVA is an operating mindset that is instilled in our employees and used in the operation of our businesses. In light of this, the Compensation Committee viewed EVA as an appropriate measure by which to judge results for 2011 annual incentive purposes.

EVA is calculated by subtracting from net operating profit after tax (which is similar to operating earnings less taxes) a charge for capital employed in the particular business. The charge for capital is the amount of capital used by the business multiplied by our cost of capital.

Our annual incentive EVA goals are set as a level of year-over-year improvement in EVA. EVA improvement is a measure related to the future growth of Harsco, which growth prospects are reflected in Harsco s current market value and, in effect, anticipated by

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stockholders. EVA improvement at a given level represents an amount that EVA must improve each year in order for our current operations value to increase in line with the expected growth reflected in our market value. The market value of current operations is calculated as the sum of our current EVA capital plus the value that would be produced if EVA (i.e., economic profit) were maintained at its current level (in other words, no growth in EVA) forever.

Thus, in simple terms, EVA is a measure of profitability that takes into account capital costs; this provides an effective measurement of the inputs other than capital that contribute to profit. EVA improvement is an EVA-based performance goal that is set with a recognition that existing levels of profitability are reflected in the market value of Harsco, so we set EVA improvement goals at levels that give an incentive to management to make effective use of our capital to add to profitability, which should increase the market value of Harsco and enhance returns to stockholders.

The 2011 EVA improvement targets were developed by Stern Stewart and approved by the Compensation Committee based on the principles outlined above. Annual incentives could be earned for 2011 based on the amount of economic value created for the Company as a whole and, for two NEOs, for the business unit for which each officer had principal responsibility. The Company-wide level of EVA improvement for 2011 which would result in a target annual incentive payout was $15,800,000. The EVA improvement level which would result in a target annual incentive payout (for a portion of the annual incentive opportunity) for the business units for which Mr. Claro was responsible was $7,652,000 and for the business unit for which Mr. Harrington was responsible was $6,266,000.

The threshold and maximum EVA improvement goals were established as equal amounts (referred to as an EVA interval) below and above the target EVA improvement amount. As stated above, achievement of EVA improvement below the threshold level would result in no annual incentive payout, while achievement at the maximum level would result in a 200%-of-target payout. For 2011, the EVA interval for the Company as a whole was $45,000,000. The EVA interval for those business units for which Mr. Claro had responsibility was $26,800,000 and the EVA interval for the business units for which Mr. Harrington had responsibility was $28,500,000. An example of how the EVA improvement goals correspond to threshold, target and maximum annual incentive payouts is as follows:

Degree of Company-Wide EVA Improvement	Annual Incentive Payout
$(29.2) million or below	0%
Greater than $(29.2) million but less than $15.8 million	Interpolated payout between 0% and 100% of target payout amount
$15.8 million (target)	100% target payout amount
Greater than $15.8 million but less than $60.8 million	Interpolated payout between 100% and 200% of target payout amount
$60.8 million or above (maximum)	200% of target payout amount

In 2011, Harsco as a whole produced $8,412,000 in EVA improvement, which was $37,612,000 above the threshold performance level but $7,388,000 below the applicable EVA improvement target. This performance was 84% of the EVA improvement target, resulting in a bonus percentage of 84 percent for annual incentive awards (or portions thereof) based on Company-wide performance. The business units for which Mr. Claro was responsible generated $23,677,000 in EVA improvement, $16,025,000 above the applicable EVA improvement target, which resulted in a bonus percentage of 160% for this business

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unit. When combined with the 20% of his payout that is based on consolidated performance, Mr. Claro received a bonus of 145% of target. The business unit for which Mr. Harrington was responsible generated $18,288,000 in EVA improvement, $12,022,000 above the applicable EVA target, which resulted in a bonus percentage of 142% for Mr. Harrington for this business unit. When combined with the 20% of his payout that is based on consolidated performance, Mr. Harrington received a bonus of 130% of target. Mr. Harrington was guaranteed for 2011 one-half of his target level payout (65%) under the annual incentive plan pursuant to the terms of his employment offer letter with us, but his actual annual incentive payout exceeded the guaranteed level due to the strong performance of his business unit.

Long-Term Incentive Awards

LTI Awards A Key Component of Our Compensation Program

Long-term incentive awards (LTI Awards) are a key part of our executive compensation program. These awards provide executives with an opportunity to earn cash or shares (or restricted stock units (RSUs) in past years) by achieving pre-set performance goals over a multi-year period (an award cycle) and, since 2010, an opportunity to earn shares based on service during the award cycle.

Our primary purpose in granting LTI Awards is to drive outstanding stockholder returns, to closely align the interests of management with the interests of stockholders, and to motivate key executives to remain with us over a long-term period. We believe our long-term incentive program achieves our goals by:

- Rewarding the NEOs for the creation of sustained stockholder value, with compensation varying in line with performance;
- Encouraging ownership of our stock by management, including via our stock ownership guidelines;
- Fostering teamwork; and
- Providing us with a means to retain and motivate high-caliber executives.

Award cycles are three-year periods, with a new cycle commencing each year. In 2010, however, we granted LTI Awards for a two-year cycle in addition to the usual award for a three-year cycle.

Compensation Opportunities and Compensation Realized

For the LTI Award cycle beginning in 2011, our Compensation Committee and Board determined the target level for grants of LTI Awards as a cash amount calculated as a percentage of the market mid-point salary for the designated NEO (an NEO s actual salary may vary from the market mid-point). However, in the case of one NEO, Mr. Harrington, his LTI Award for the 2011 2013 cycle was based on a percentage of actual salary as a result of the terms of his employment offer letter. Market mid-point for salary was based on general industry market survey data provided by Towers Watson. Pro rated settlement of the LTI Awards will be made if the NEO retires, dies or is disabled during the award cycle.

As discussed above at page 26, the Committee and Board set the target level for the LTI Awards for the 2011 2013 cycle with the intent that each NEO s total direct compensation ***opportunity*** approximate the market median for the NEO s position.

The distinction between compensation ***opportunity*** and compensation ***realized*** is crucial to an understanding of our compensation program. In order for Harsco to be able to

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hire highly capable executives and retain them in long-term service, we must offer to them each year an ***opportunity*** to earn compensation that is comparable to the compensation of other executives with similar skills and similar responsibilities. We provide these opportunities, but do so with incentive awards (including performance-based LTI Awards) that will enable the executive to ***realize*** the compensation only to the degree that Harsco s performance is strong.

Our program needs to provide forward-looking opportunities that give strong incentives to our management team and that will reward executives at pay levels competitive with industry peers if these executives lead Harsco well and achieve good results for our stockholders. Our compensation opportunities are intended to provide median level pay if target level performance is achieved by Harsco. Our performance goals are challenging and, if achieved, should correspond to a good return to stockholders. Therefore, whether our program aligns executive pay with performance should not be judged by looking at the performance achieved in 2010 or 2011 and concluding that pay ***opportunities*** should have been reduced, but should be judged by looking at the performance achieved and how that was very much in line with the compensation actually ***realized*** by our NEOs.

Our LTIP Award payouts in the past five years have closely tracked performance. From 2008 on, our performance has lagged, a reflection of the effects of the world-wide financial crisis and continuing turmoil in key end markets for our products and services. Payouts of LTIP Awards in this period have corresponded closely to that performance, including in the case of the 2010-2011 LTIP Award that was intended as a supplemental award to promote retention. We believe these results demonstrate the clear linkage between pay and performance for the LTIP program.

Our use of cumulative EVA improvement as a performance goal for award cycles beginning in the period 2007 2009 and for one of the award cycles beginning in 2010 has proven to be unusually challenging during this period. With goals set at the beginning of an award cycle, weak performance in any year (particularly in an early year) is difficult to reverse. Thus, for example, for the 2010 2011 award cycle, the performance result in 2010 of 15%, when combined with a much stronger 84% performance in 2011, resulted in only a 7% achievement for the two-year cycle.

Thus, due to the extreme turbulence experienced across the world s economies during 2008 and 2009, and due to the continued weakness in some of the key end markets for our products and services, our performance during those years was negatively impacted and the performance goals for LTI Awards in effect during the 2008 2011 period were substantially not achieved. As a result, payouts to our NEOs have been zero for many award cycles, including 7% for one award cycle.

Performance-Based LTI Awards, Including Performance Metrics and Results

2009 2011 Award Cycle. For the 2009 2011 award cycle, the performance goal for the entire LTI Award was cumulative EVA improvement. EVA also was used in this period as the primary performance goal for annual incentive awards. The performance goals for cumulative EVA improvement and the actual results achieved over the 2009 2011 award cycle were as follows:

	(In millions)		**Results Achieved**	
Performance Goal	**Threshold (0% Payout)**	**Target (100% Payout)**	**Performance**	**Payout**
Cumulative EVA Improvement 2009 2011	$ 68.8	$ 144.8	$ (322.4)	0%

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Because the cumulative EVA improvement achieved for 2009 2011 was below the threshold, no RSUs were earned or paid out to NEOs for that LTI Award cycle.

2010 2011 Award Cycle. We initiated LTI Awards for a one-time two-year award cycle covering 2010 2011. The Compensation Committee and the Board authorized this special LTI Award due to their concerns regarding retention of key executives and senior level employees. The Board determined that, without the new two-year program, we would have been at a competitive employment disadvantage compared to companies that base all or a portion of their long-term incentive awards on individual performance goals or on time-based vesting. These LTI Awards were denominated in and payable in shares of Harsco common stock. The Committee and Board particularly took into account the below market median levels of equity award opportunities, and our low share utilization burn rate and the low overhang represented by our equity compensation plans. Despite the focus on retention, the Board determined that this award opportunity would be performance-based.

For the 2010 2011 award cycle, the performance goal was cumulative EVA improvement, with the threshold and target performance levels set based on recommendations of Stern Stewart. The performance goals for cumulative EVA improvement and the actual results achieved over the 2010 2011 award cycle were as follows:

	(In millions)		Results Achieved	
Performance Goal	**Threshold (0% Payout)**	**Target (100% Payout)**	**Performance**	**Payout**
Cumulative EVA Improvement 2010 2011	$ (235.5)	$ (130.5)	$ (228.3)	7%

The cumulative EVA improvement achieved for 2010 2011 was relatively low, 7% of target, primarily attributable to improved results in 2011. As a result, unrestricted shares were earned by the NEOs for this award cycle at a rate of 7% of target levels.

2010 2012 Award Cycle. For the 2010 2012 award cycle, the performance goal for the performance-based portion of the LTI Award (50% of the award) is cumulative EVA improvement, with the threshold and target performance levels set based on recommendations of Stern Stewart. Compensation earnable under this LTI Award is denominated in cash and payable in shares (except an NEO whose share ownership met company guidelines would receive a cash payout).

The performance goals for cumulative EVA improvement and the interim results achieved over the 2010 2012 award cycle were as follows:

	(In millions)		Interim Results Achieved in
Performance Goal	**Threshold (0% Payout)**	**Target (100% Payout)**	**2010 2011(1)**
Cumulative EVA Improvement 2010 2012	$ (324.9)	$ (171.9)	$ (228.3)

(1) This shows the cumulative EVA improvement through two years of the award cycle.

2011 2013 Award Cycle. For the 2011 2013 award cycle, the performance goal for the performance-based portion of the LTI Award (50% of the Award) is based one-half on free cash flow and one-half on Harsco s total shareholder return (TSR) as compared to the TSR of companies in the S&P MidCap 400 index, provided that no awards may be paid out if GAAP earnings per share over the award cycle is not positive. If positive GAAP EPS is achieved, the Committee will assess the performance on the principal performance goals as guidance for its exercise of discretion; the Committee will retain discretion to approve payouts that may be lower than the precise payout level corresponding to the free cash flow

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and relative TSR performance achieved. Compensation earnable under this LTI Award is denominated in cash and payable in shares (except an NEO whose share ownership met company guidelines would receive a cash payout).

In reviewing our LTI Awards, the Committee has come to view cumulative EVA improvement goals as having some disadvantages. Specifically, where three-year goals are set at the beginning of an award cycle, a poor performance in an early year is unusually difficult to overcome through improved performance in later years. Where financial results have been adversely impacted by world-wide financial conditions and market turmoil, circumstances not controlled by management, the LTI Awards have tended to cease serving as significant incentives and their retention effects somewhat early in the award cycle. The Committee determined that free cash flow and relative TSR performance would better serve to measure Harsco s performance in light of the turbulence in its end-markets and reflecting positive effects of management s on-going turnaround measures. The structure of the award also should allow improved performance in later years in the award cycle to impact the award s payout value and also give the Committee more discretion to determine the final payouts in light of overall performance during the award cycle.

Free cash flow is defined as cash from operations less capital expenditures, adding back proceeds from sale of assets and a strategic partners portion of capital expenditures related to major strategic venture investments. TSR reflects annualized stock price growth over a three-year period (with beginning and end points based on a single day s closing price) with dividends reinvested monthly. Relative TSR is based on Harsco s three-year TSR percentile performance relative to each Company s three-year TSR performance within the S&P MidCap 400 Index. For example, if Harsco s TSR is better than the TSR of 59.9% of those other companies over the award cycle, it will be at the 60th percentile, representing an above-target performance.

The performance goals for free cash flow and relative TSR performance and the interim results achieved to date were as follows:

Performance Goal	**Threshold (0% Payout)**	**Target (100% Payout)**	**Maximum (150% Payout)**	**Interim Results Achieved In 2011(1)**
Free cash flow 2011-2013	$400 million	$600 million	$800 million	$29.6 million
Relative TSR 2011-2013	25th percentile	50th percentile	75th percentile	below 25th percentile

(1) This shows the free cash flow through one year of the award cycle as well as Harsco s relative TSR positioning versus the companies in the S&P MidCap 400 index for 2011.

Service-Based LTI Awards

The Compensation Committee and Board of Directors have taken steps to provide LTI Awards that promote retention. This refers to another important function of long-term incentives, which is to provide vehicles that encourage talented NEOs to remain in service to Harsco rather than seek other positions elsewhere. As noted above, the Committee has been concerned that LTI Awards in recent years have not functioned well regarding retention because, where performance was weak in the first year of a cycle, the awards stood little chance of recovering value in later years. The Committee also examined the structure of pay at competitors, and concluded that Harsco s program differed from the norm by failing to include a significant component of service-vesting long-term incentive awards.

Therefore, beginning with the three-year award cycle in 2010, LTI Awards have provided that 50% of the dollar-denominated target award value would be earned by service over the

award. The service-based portion of an LTI Award is to be paid out in shares of Harsco common stock. As discussed above, the LTI Awards are denominated as a cash amount, which is then converted into shares by dividing the cash amount by the fair market value of Harsco common stock at the date the Committee certifies the performance results, shortly after the end of the award cycle.

Stock Option Awards

In 2011, the Committee awarded stock options to the NEOs and certain other key officers and employees. The Committee chose to award stock options based on retention concerns regarding the key executives and employees that would be most responsible for implementing the changes needed to return the Company to previous levels of performance. The Committee also viewed the stock option awards as further incentive for the NEOs and other key executives and employees to work to drive a long-term increase in stockholder value. As discussed above, the Committee has been concerned that the long-term retention value of our LTI Awards was inadequate; to address this, in view of our critical need for experienced executives to lead Harsco forward, the Committee considered various ways it could retain the executives most needed for implementation of our business strategy to improve Harsco s performance.

The Committee and Board viewed the January 2011 stock option awards as limited in scope, and not a regular component of annual compensation. This represents the first option grant to executives since 2002. The Committee ultimately approved the size of the grants taking into account the recommendations by the former CEO (other than for his own grant) and other criteria as determined in the judgment of the Committee. For each NEO, the Committee targeted a specific number of options rather than a specific option value. Although the Committee did not calculate the fair value of the grant as a component of total direct compensation to position each NEO s compensation against market medians, the Committee considered market information noting that even if the annualized grant-date fair value of the option grants were treated as part of the former CEO s 2011 total direct compensation target opportunity, that total direct compensation opportunity was only slightly (less than 5%) above the median level.

The Committee and Board selected stock options over other types of awards because their design inherently rewards executives only if the stock price increases. Because the ultimate value received by the optionees will be directly tied to increases in the Company s stock price, stock options also serve to link the interests of management and stockholders and to motivate executive officers to make decisions that will increase the long-term total return to stockholders. Additionally, the 2011 grants include vesting requirements requiring three years of service and termination provisions that the Committee believes will encourage stock option holders to remain long-term employees of the Company. The table below demonstrates that Harsco executives will not realize any value from the 2011 option grants unless the stock price increases over the $31.75 exercise price.

Stock Ownership Guidelines

We maintain stock ownership guidelines that apply to the NEOs. Our stock ownership guidelines encourage the retention of stock acquired through our long-term award program. In 2011, the stock ownership requirements were updated and revised so that no shares may be sold by participants until their applicable ownership guidelines are satisfied, subject to a hardship exception that will be administered by the Compensation Committee.

The stock ownership guidelines are established as a multiple of each NEO s base salary and were benchmarked against the stock ownership guidelines for similarly situated executives at Peer Group companies. They were also based on the Board s determination of appropriate share ownership levels based on our compensation system. Under the guidelines, each NEO is required to own a specific amount of our common stock and is restricted from selling shares until the guideline has been satisfied. The share ownership levels (based on fair market value as measured periodically) for each named executive officer are as follows:

Named Executive Officer	Multiple of Salary
S. D. Fazzolari	Five times salary
S. J. Schnoor	Three times salary
I. J. Harrington	Three times salary
G. J. Claro	Three times salary
M. E. Kimmel	Three times salary

Our NEOs have five years from the date they are first granted LTIPs to comply with the guidelines. All common stock held by the NEOs, whether acquired as a result of an LTIP grant or otherwise, is included in determining whether they have achieved the applicable ownership guideline. Stock options are not included in calculating whether the guidelines have been met. Failure to meet the guidelines within the applicable five-year period will result in a review by the Committee to determine the cause of such failure and to develop an appropriate corrective action plan. The Committee believes that this is a reasonable approach in light of the recent economic downturn and its impact on our stock price.

At March 2, 2012, none of the named executive officers owned shares fully meeting the guidelines, and those who did not were within the five-year phase-in period and therefore were in compliance with the guidelines.

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Other Compensation Elements

We also provide our NEOs with the following broad-based employee benefits on the same terms that apply to our non-executive U.S. employees:

- Health insurance;
- Disability insurance;
- A term life insurance benefit equal to two times the individual s salary up to a maximum benefit of $500,000;
- Defined benefit pension plan participation (frozen as to all NEOs); and
- 401(k) Savings Plan participation.

The relative degree of the life insurance benefit we offer and the amount contributed to the individual s 401(k) account depends on the individual s salary level, among other factors. In addition, three of the NEOs are eligible to participate in the Supplemental Retirement Benefit Plan (which we refer to as the SERP) as described under the section Retirement Plans below, which supplements the qualified pension plan. The pension plan and the SERP are frozen so that the retirement benefit payable under those programs is not increasing after 2008. However, as described further in this Proxy Statement, the present value of such benefit changes each year due to changes in prevailing interest rates and other factors outside our control. Our named executive officers also are eligible to participate in the non-qualified Retirement Savings and Investment Plan (referred to as the RSIP), which supplements our 401(k) Savings Plan with respect to contributions that could not be made because of Internal Revenue Service compensation and contribution limitations.

We also provide other benefits to certain of the NEOs, including coverage under the change in control severance agreements described below. Mr. Fazzolari and Mr. Claro were entitled during 2011 to the use of a car provided by us, and the Board of Directors operates a policy regarding the CEO s personal use of our aircraft. The CEO is taxed on the imputed income attributable to personal aircraft use and does not receive tax assistance from us with respect to those amounts. Messrs. Claro and Harrington also received modest relocation assistance from us during 2011, including a housing allowance. This relocation assistance was provided for a limited period of time for the executives transition to our corporate headquarters. For more information on the perquisites and certain other benefits provided for 2011, see the All Other Compensation Table that serves as a supplement to the 2011 Summary Compensation Table below.

Our philosophy is to position the aggregate of these other benefit amounts at a level that is competitive with our size and performance relative to other leading Peer Group companies, as well as a larger group of general industry companies. We believe that other benefits we provided to our named executive officers were necessary to help us attract and retain our senior executive team, and that the values of these benefits were reasonable, competitive and consistent with the overall executive compensation program.

Potential Payments upon Change in Control and Other Potential Post-Employment Payments

Change in Control Severance Agreements

We are currently a party to change in control severance agreements with each of our named executive officers. These change in control agreements reflect what we believe is a

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market-based approach to a potential change in control scenario and reflect stockholder-favored compensation practices, including:

- double-trigger payment provisions that require a qualifying termination of employment after a change in control before benefits and payments are received; and
- no excise tax gross-ups on severance benefits (each named executive officer will either pay the excise taxes on his severance benefits or the severance benefits will be reduced to a point where the excise tax does not apply, depending on which result is more favorable to the executive).

In general, under the change in control agreements, Mr. Fazzolari was to receive double-trigger severance benefits equal to three times his highest base salary during the period beginning 90 days prior to the change in control through the date of termination, plus three times his target annual bonus for the year of termination, and each of Messrs. Schnoor, Kimmel, Claro and Harrington receive two times his highest base salary during the period beginning 90 days prior to the change in control through the date of termination, plus two times his target annual bonus for the year of termination. The term of the change in control agreements automatically renews every three years, subject to certain exceptions.

The change in control severance arrangements are reviewed on a regular basis, but not necessarily as part of the annual compensation review.

The Compensation Committee believes that the change in control severance agreements serve the following purposes:

- assuring that we have the continued dedication and full attention of certain key employees prior to and after the consummation of a change in control event;
- ensuring that, if a possible change in control should arise and a change in control officer should be involved in deliberations or negotiations in connection with the possible change in control, such officer would be in a position to consider as objectively as possible whether the possible change in control transaction is in our best interests and those of our stockholders, without concern for his position or financial well-being; and
- protecting us by retaining key talent in the face of corporate changes.

Other Potential Post Employment Payments

Upon certain types of terminations of employment not related to a change in control, payments under various Company policies and plans may be paid to the named executive officers. These events and amounts are more fully explained in the Termination or Change in Control Arrangements section below.

Policy Regarding Tax and Accounting Impact on Executive Compensation

Deductibility of Executive Compensation

Section 162(m) of the Internal Revenue Code generally limits to $1 million the U.S. federal tax deductibility of compensation paid in one year by publicly-traded corporations to the CEO and certain other executives. So-called qualified performance-based compensation under Section 162(m) is not subject to the limits on deductibility, provided such compensation meets certain requirements, including stockholder approval of the material terms of the compensation.

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We intend, to the extent practicable, to preserve this deductibility under the Internal Revenue Code of compensation paid to our NEOs while maintaining compensation programs that effectively attract and retain exceptional executives in a highly competitive environment and, accordingly, compensation paid under our incentive compensation plans is generally tax-deductible. However, on occasion it is not possible to satisfy all conditions of the Internal Revenue Code for deductibility and still meet our compensation needs, and in such limited situations, we may choose to pay compensation that would otherwise not be deductible under Section 162(m) if we believe that it is appropriate and in our best interest.

Compensation Committee Report

The Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis with management. Based on this review and discussion, the Committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2011 and our Proxy Statement for our 2012 Annual Meeting of Stockholders, for filing with the SEC.

SUBMITTED BY THE MANAGEMENT DEVELOPMENT AND COMPENSATION COMMITTEE OF THE BOARD OF DIRECTORS:

T. D. Growcock, Chairman

D. C. Everitt

A. J. Sordoni, III

R. C. Wilburn

The foregoing report shall not be deemed to be soliciting material or to be filed with the SEC or subject to Regulation 14A promulgated by the SEC or Section 18 of the Securities Exchange Act of 1934.

Compensation Policies and Practices as They Relate to Risk Management

In 2011, a cross-functional task force reviewed our compensation policies and practices for all employees. As a result of that review, the task force, and ultimately our management team, concluded that any risks arising from our policies and programs are not reasonably likely to have a material adverse effect on us. In addition, this team reviewed the relationship between our risk management policies and practices and the incentive compensation we provide to our NEOs and other key employees to confirm that our incentive compensation does not encourage unnecessary and excessive risks.

It is our view that:

- our compensation programs provide a balance between our short-term and long-term goals and objectives;
- under our compensation program, the highest amount of compensation can be achieved through consistent superior performance over sustained periods of time, which discourages short-term risk taking;
- our goals are appropriately set to avoid targets that, if not achieved, result in a large percentage loss of compensation;
- rolling three-year performance targets for our long-term incentive plan discourage short-term risk taking;

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incentive awards are capped by the Committee; and

equity ownership guidelines discourage excessive risk taking.

Furthermore, as described above, compensation decisions include subjective considerations, which have the ability to restrain the influence of formulae or objective factors on excessive risk taking.

2011 Summary Compensation Table

The following table presents the compensation provided to our named executive officers for services rendered to us in 2009, 2010, and 2011.

Name and Principal Position	Year	Salary ($)	Bonus ($)(1)	Stock Awards ($)(2)	Option Awards ($)(3)	Non-Equity Incentive Plan Compensation ($)(4)	Change in Pension Value and Nonqualified Deferred Compensation Earnings($)(5)	All Other Compensation ($)	Total ($)
S. D. Fazzolari	2011	902,597	-0-	2,502,500	1,798,500	833,999	426,702	46,157	6,510,455
Former Chairman, President and	2010	890,000	-0-	3,199,856	-0-	133,500	332,404	61,353	4,617,113
	2009	890,000	-0-	503,000	-0-	-0-	190,026	45,879	1,628,905
Chief Executive Officer(6)									
S. J. Schnoor	2011	425,192	-0-	742,500	490,500	250,013	113,637	24,936	2,046,778
Senior Vice President, Chief	2010	400,000	-0-	941,785	-0-	39,000	83,929	21,346	1,486,060
Financial Officer and	2009	400,000	-0-	125,750	-0-	-0-	45,603	22,437	593,790
Treasurer(7)									
G. J. Claro	2011	662,596	-0-	675,000	490,500	672,535	-0-	19,797	2,520,428
Executive Vice President and	2010	650,000	-0-	1,236,990	-0-	688,675	-0-	69,982	2,645,647
Group CEO, Harsco Metals &	2009	357,885	490,000	478,500	-0-	-0-	-0-	7,372	1,333,757
Minerals(8)									
I. J. Harrington	2011	537,596	274,719	787,500	490,500	297,431	-0-	30,935	2,418,681
Executive Vice President	2010	250,385	441,250	1,374,250	-0-	-0-	-0-	50,271	2,116,156
and Group CEO, Harsco Infrastructure(9)									
M. E. Kimmel	2011	414,239	-0-	623,000	490,500	226,174	16,672	25,079	1,795,664
Senior Vice President, Chief	2010	383,000	-0-	767,130	-0-	37,343	11,417	23,147	1,222,037
Administrative	2009	383,000	-0-	251,500	-0-	-0-	5,713	22,437	662,650
Officer, General Counsel and Corporate Secretary									

(1) The amount shown in this column for 2011 for Mr. Harrington represents a portion ($100,000) of his signing bonus paid pursuant to and his guaranteed annual incentive plan award amount ($174,719) under the terms of his employment offer letter.

(2)

The amounts shown in this column for 2011 represent the grant date fair value (computed in accordance with FASB ASC Topic 718) for the time-based LTI Awards, plus the service inception date fair value (computed in accordance with FASB ASC Topic 718 and applicable SEC guidance) for the target amount of performance-based LTI Awards, granted during 2011. LTI Awards are long-term incentive awards granted under the 1995 Incentive Plan (constituting restricted stock units under the Plan); for 2011, these were dollar-denominated awards to be settled by delivery of unrestricted shares (or cash in some cases) following completion of the 2011-2013 award cycle. These amounts do not represent actual compensation realized by the officers with respect to their awards, but instead represent the fair value of the awards for accounting purposes, as required by SEC rules. Any amounts that may become payable to the executives with respect to these awards

are subject to the performance- and service-based vesting criteria for one-half of the LTI Awards and the service-based vesting criteria for the other one-half of the LTI Awards, and other terms and conditions, described above under the heading Long-Term Equity Compensation in the Compensation Discussion and Analysis. The amounts shown in this column for 2010 have been changed, based on SEC guidance, to reflect the grant date and service inception date fair values in accordance with FASB ASC Topic 718 for the LTI Awards granted in 2010. The fair values of the LTI Awards shown in this column for 2011 are equal to the dollar value (at target for the performance-based portion of the award) that may be earned over the award cycle. The above information does not reflect an estimate for forfeitures. As of March 23, 2012, the LTI Awards for Mr. Fazzolari had been forfeited due to his departure from Harsco. The maximum fair values for the performance-based LTI Awards reported for 2011 are as follows: Mr. Fazzolari, $1,876,875; Mr. Schnoor, $556,875; Mr. Claro, $506,250; Mr. Harrington, $590,625; and Mr. Kimmel, $467,250. See Note 13, Stock-Based Compensation, to the Notes to Consolidated Financial Statements in our Annual Report on Form 10-K for the year ended December 31, 2011 for a discussion of the assumptions used by us to calculate share-based employee compensation expense under FASB ASC Topic 718.

(3) The amounts shown in this column for 2011 represent the grant date fair value (computed in accordance with FASB ASC Topic 718) for the option awards granted under the 1995 Incentive Plan during 2011. These amounts do not represent actual compensation realized by the officers with respect to their awards, but instead represent the grant date fair value of the awards for accounting purposes, as required by SEC rules. In order for each executive to realize the value shown in this column upon exercise of the option, the market price of our common stock must rise to at least $42.65 per share. Any amounts that may become payable to the executives with respect to these awards are subject to the vesting criteria and other terms and conditions described above under the heading Long-Term Equity Compensation in the Compensation Discussion and Analysis. See Note 13, Stock-Based Compensation, to the Notes to Consolidated Financial Statements in our Annual Report on Form 10-K for the year ended December 31, 2011 for a discussion of the assumptions used by us to calculate this grant date fair value.

(4) The amounts shown in this column for 2011 constitute the annual cash incentive compensation paid to each officer under the 1995 Incentive Plan based on the achievement of pre-determined goals. Mr. Harrington also earned the guaranteed portion of this award shown in the Bonus column.

(5) The amounts shown in this column for 2011 represent changes in pension values between 2010 and 2011, determined using interest rate and mortality rate assumptions consistent with those used in our financial statements, and including amounts which the named executive officers may not currently be entitled to receive because such amounts are not vested. The pension plan has been frozen since 2009, so participants do not accrue any additional years of service or increases in the final average compensation used in calculating pension benefits. Thus, the 2011 changes to the pension values for the executives shown in this column resulted mostly from lower prevailing interest rates used to calculate present value at the end of the plan year, and the remainder of the changes generally resulted from the executive being one year closer to the time benefit payments could commence, which had a smaller effect of increasing the present value of the benefits. There were no above-market or preferential earnings on deferred compensation during fiscal year 2011.

(6) Mr. Fazzolari resigned as Chairman, President and CEO effective February 23, 2012. Mr. Fazzolari was appointed to the position of President of the Company effective July 6, 2010. Mr. Fazzolari also served as Chairman of the Company since April 22, 2008 and as CEO of the Company since January 1, 2008.

(7) Mr. Schnoor was appointed to the position of Treasurer effective July 6, 2010. Mr. Schnoor has also served as Senior Vice President and Chief Financial Officer since January 1, 2008 and served as Vice President and Controller of the Company from May 15, 1998 to December 31, 2007.

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(8) Mr. Claro was appointed to the position of Executive Vice President and Group CEO Harsco Metals & Minerals effective July 6, 2010. Mr. Claro served as Group CEO, Harsco Metals & Minerals Groups, between September 1, 2009 and July 6, 2010. Mr. Claro has also served as Group CEO of our Metals Group from June 1, 2009 to September 1, 2009.

(9) Mr. Harrington was appointed to the position of Executive Vice President and Group CEO Harsco Infrastructure effective July 13, 2010.

All Other Compensation

We also provide certain perquisites and other payments or benefits to the named executive officers. The following table summarizes the incremental cost of perquisites and other benefits for the named executive officers in 2011 and describes the other benefits included in the All Other Compensation column for 2011.

		S. D. Fazzolari	S. J. Schnoor	G. J. Claro	I. J. Harrington	M. E. Kimmel
Personal use of corporate aircraft(a)	2011	$ 10,916	$ -0-	$ -0-	$ -0-	$ -0-
Personal use of automobile	2011	10,305	-0-	3,000	-0-	-0-
Relocation and temporary housing expenses(b)	2011	-0-	-0-	2,021	15,600	-0-
Our contributions to defined contribution plans	2011	9,800	9,800	-0-	9,800	9,800
Dollar value of life insurance premiums paid by us or on our behalf	2011	1,020	1,020	1,020	1,020	1,020
Dollar value of health insurance premiums paid by us or on our behalf	2011	13,746	13,746	13,386	4,145	13,889
Dollar value of long-term disability premiums paid by us or on our behalf	2011	370	370	370	370	370
Total	**2011**	**$ 46,157**	**$ 24,936**	**$ 19,797**	**$ 30,935**	**$ 25,079**

(a) The value of personal use of corporate aircraft reflects the calculated incremental cost to us of such use. Incremental costs have been calculated based on the variable operating costs to us. Variable costs consist of trip-specific costs including fuel, catering, mileage, maintenance, labor and parts, reserve for engines and other service-life limited parts, crew expenses, universal weather monitoring, landing/ramp fees and other miscellaneous variable costs. Incremental cost calculations do not include fixed costs associated with owning our aircraft since we would incur these costs anyway. On certain occasions, an executive s spouse or other family member may accompany the executive on a flight.

(b) The amounts reported in the table consist of reimbursement for short-term living expenses such as rent and utilities, paid to an executive on a short-term assignment or as part of their transition to a new work location.

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2011 Grants of Plan-Based Awards Table

The following table sets forth information concerning grants of plan-based awards made to the named executive officers during 2011:

		Estimated Possible Payouts Under Non-Equity Incentive Plan Awards(1)			Estimated Future Payouts Under Equity Incentive Plan Awards(2)							
Name	Grant Date	Threshold ($)	Target ($)	Maximum ($)	Threshold ($)	Target ($)	Maximum ($)	All Other Stock Awards: Number of Shares of Stock or Units (#)	All Other Option Awards: Number of Securities Underlying Options (#)(4)	Exercise or Base Price Of Option Awards ($)	Closing Market Price on Grant Date ($)	Grant Date Fair Value of Stock and Option Awards ($)
S. D. Fazzolari		9,929	992,856	1,985,712								
	01/25/11					1,251,250	1,876,875					1,251,250
	01/25/11							(3)				1,251,250
	01/25/11								165,000	31.75	31.99	1,798,500
S. J. Schnoor		2,976	297,635	595,270								
	01/25/11					371,250	556,875					371,250
	01/25/11							(3)				371,250
	01/25/11								45,000	31.75	31.99	490,500
G. J. Claro		4,638	463,817	927,634								
	01/25/11					337,500	506,250					337,500
	01/25/11							(3)				337,500
	01/25/11								45,000	31.75	31.99	490,500
I. J. Harrington		3,632	363,192	726,384								
	01/25/11					393,750	590,625					393,750
	01/25/11							(3)				393,750
	01/25/11								45,000	31.75	31.99	490,500
M. E. Kimmel		2,693	269,255	538,510								
	01/25/11					311,500	467,250					311,500
	01/25/11							(3)				311,500
	01/25/11								45,000	31.75	31.99	490,500

(1) These columns reflect possible awards under our annual incentive plan for 2011, which awards were made pursuant to our 1995 Incentive Plan and are described more fully on page 36 of this Proxy Statement. Threshold amounts represent 1% of the target values, maximum amounts represent 200% of target values, and target values are equal to the following percentages of each named executive officer s base salary: Mr. Fazzolari, 110%; Mr. Schnoor, 70%; Mr. Claro, 70%; Mr. Harrington, 70%; and Mr. Kimmel, 65%. Actual payouts with respect to these awards for 2011 are disclosed in the Non-Equity Incentive Plan Compensation column of the 2011 Summary Compensation Table.

(2) These columns reflect potential future payouts for the performance-based half of the 2011-2013 LTI Awards granted to the named executive officers in 2011, which awards were granted under our 1995 Incentive Plan and are described more fully under the heading Long-Term Incentive Awards in the Compensation Discussion and Analysis. Target levels for these awards were denominated in U.S. dollars as a pre-specified percentage of the market midpoint base salary for Messrs. Fazzolari, Schnoor, Claro and Kimmel as follows: Mr. Fazzolari, 137.5% of $910,000; Mr. Schnoor, 82.5% of $450,000; Mr. Claro, 75% of $450,000; and Mr. Kimmel, 70% of $445,000. For Mr. Harrington, due to the terms of his offer letter with us, this award was denominated as 75% of his actual 2011 base salary of $525,000

in effect at the time of this grant. Since payouts for these awards can be reduced through negative discretion to essentially zero, there are no threshold amounts for these awards, but these awards may be earned at a maximum value equal to 150% of the target values listed in the table. These LTI Awards will be settled in shares shortly after the end of the award cycle, unless the officer has then satisfied applicable stock ownership guidelines, in which case the LTI Award will be settled in cash. The number of shares that would be delivered in settlement of the LTI Award will be calculated by dividing the dollar amount of the LTI Award earned by the closing price per share of our common stock on the date the Compensation Committee determines the award payout. Accordingly, the applicable number of shares that may be actually earned and delivered in settlement of these LTI Awards after the end of the three-year award cycle is not presently determinable.

(3) This column reflects the time-based half of the 2011-2013 LTI Awards granted to the named executive officers in 2011, which awards were granted under our 1995 Incentive Plan and are described more fully under the heading

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Long-Term Incentive Awards in the Compensation Discussion and Analysis. These awards were denominated in U.S. dollars as a pre-specified percentage of the market midpoint base salary for Messrs. Fazzolari, Schnoor, Claro and Kimmel as follows: Mr. Fazzolari, 137.5% of $910,000; Mr. Schnoor, 82.5% of $450,000; Mr. Claro, 75% of $450,000; and Mr. Kimmel, 70% of $445,000. For Mr. Harrington, due to the terms of his offer letter with us, this award was denominated as 75% of his actual 2011 base salary of $525,000 in effect at the time of this grant. These LTI Awards will be settled in shares shortly after the end of the award cycle. The number of shares that would be delivered in settlement of the LTI Award will be calculated by dividing the dollar amount of the LTI Award by the closing price per share of our common stock on the date the Compensation Committee determines the award payout. Accordingly, the applicable number of shares that may be actually delivered in settlement of these LTI Awards after the end of the three-year award cycle is not presently determinable.

(4) This column reflects the time-based stock option awards granted to the named executive officers in 2011, which awards were granted under our 1995 Incentive Plan and are described more fully under the heading Long-Term Incentive Awards in the Compensation Discussion and Analysis. These stock options will vest in full and become exercisable generally three years after the grant date. These options were determined to have a grant date fair value of $10.90 per option.

Annual Incentive Plan; Long-Term Incentive Plan

For additional details of our annual incentive plan and long-term incentive plan payments, please see the descriptions set forth under the heading Long-Term Incentive Awards in the Compensation Discussion and Analysis. For additional details about the relationship of salary, bonus and long-term compensation to total compensation, please see the Compensation Discussion and Analysis section of this Proxy Statement.

Outstanding Equity Awards at 2011 Fiscal Year-End Table

The following table sets forth information concerning the outstanding equity awards of the named executive officers as of December 31, 2011.

	Option Awards(1)					Stock Awards(2)			
Name	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)	Option Exercise Price ($)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)(3)	Market Value of Shares or Units of Stock That Have Not Vested ($)(4)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)(5)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($)(4)
S. D. Fazzolari	-0-	165,000		31.75	01-24-18	6,667	137,207	234,113	4,818,046
S. J. Schnoor	-0-	45,000		31.75	01-24-18	1,667	34,307	68,827	1,416,460
G. J. Claro	-0-	45,000		31.75	01-24-18	-0-	-0-	80,805	1,662,967
I. J. Harrington	-0-	45,000		31.75	01-24-18	15,000	308,700	76,530	1,574,987
M. E. Kimmel	-0-	45,000		31.75	01-24-18	3,333	68,593	56,881	1,170,611

(1) For 2011, the named executive officers were awarded stock options with an exercise price equal to the fair market value of our common stock on the date of grant. Fair market value was defined as the average of the high and low price of the stock on the date of grant. The grants were made pursuant to the 1995 Incentive Plan. These stock options will vest and become exercisable three

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years after the January 25, 2011 grant date, subject to accelerated vesting in the event of a change in control, and will expire January 24, 2018, subject to earlier expiration in the event of certain terminations of employment.

(2) Our Compensation Committee awarded RSUs to certain of the named executive officers following the three-year award cycles beginning in each of 2001, 2002, 2003, 2004, 2005 and 2006 under the 1995 Incentive Plan. No RSUs were issued in settlement of the 2007-2009 and 2008-2010 award cycles to any named executive officer. Our long-term incentive plan is more fully described under the heading Long-Term Incentive Awards in the Compensation Discussion and Analysis.

(3) The RSUs in this column held by Messrs. Fazzolari, Schnoor and Kimmel resulted from LTI Awards under our long-term incentive program, which RSUs became vested on January 27, 2012. The 15,000 RSUs held by Mr. Harrington were granted in 2010 (as part of a grant of 25,000 RSUs) in accordance with the terms of his employment offer letter. These 15,000 RSUs became vested on January 22, 2012.

(4) The market value was computed by multiplying the closing market price of our stock on December 30, 2011 ($20.58) by the number of RSUs or shares in the previous column.

(5) The number of stock awards in this column includes the actual number of shares earned by performance in the 2010-2011 award cycle, as follows: Mr. Fazzolari, 2,237; Mr. Schnoor, 678; Mr. Claro, 630; and Mr. Kimmel, 555. These LTI Awards vested and were settled by delivery of shares on January 24, 2012. The remainder of the stock awards in this column represent an estimate of the shares issuable in settlement of LTI Awards for the 2010-2012 and 2011-2013 award cycles. During the award cycle, all of these LTI Awards are denominated in dollars rather than in a pre-set number of shares. The additional number of shares included in this column was determined by dividing the dollar amount of the LTI Award (at target for the portion of the LTI Award earned based on performance) by $20.58, the closing market price of our stock on December 30, 2011. For the 2010-2012 award cycle, for which LTI Awards are expected to vest at the time the Compensation Committee meets in early 2013, the unearned shares included in this column are as follows: Mr. Fazzolari, 110,277; Mr. Schnoor, 32,070; Mr. Claro, 47,376; Mr. Harrington, 38,265 and Mr. Kimmel, 26,054. For the 2011-2013 award cycle, for which LTI Awards are expected to vest at the time the Compensation Committee meets in early 2014, the unearned shares included in this column are as follows: Mr. Fazzolari, 121,599; Mr. Schnoor, 36,079; Mr. Claro, 32,799; Mr. Harrington, 38,265 and Mr. Kimmel, 30,272. The ultimate number of shares earned and vested for these LTI Awards, assuming performance- and service-based vesting requirements are met, will be determined following the end of the award cycle by dividing the cash amount of the LTI Award by the then prevailing market price of our stock. A portion of the LTI Awards will be settled in cash rather than be delivery of shares if the named executive officer at that time has met applicable stock ownership guidelines. No LTI Awards for the 2009-2011 award cycle are included in this column because none of such LTI Awards were earned and vested for the award cycle.

2011 Option Exercises and Stock Vested Table

	Option Awards		Stock Awards	
Name	**Number of Shares Acquired on Exercise (#)**	**Value Realized on Exercise ($)**	**Number of Shares Acquired on Vesting (#)**	**Value Realized on Vesting ($)**
S. D. Fazzolari	48,000	178,320	13,333(1)	427,800(1)
S. J. Schnoor	-0-	-0-	3,000(1)	96,525(1)
G. J. Claro	-0-	-0-	7,500(1)	234,563(1)
I. J. Harrington	-0-	-0-	10,000(2)	312,750(2)
M. E. Kimmel	4,000	68,197	6,667(3)	213,900(3)

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(1) One-third of the RSUs granted in 2008 vested on January 22, 2011, and one-third of the RSUs granted in 2009 vested on January 27, 2011. The fair market value of the portion of the 2008 grant that vested on January 22, 2010 was $31.275 per share on the vesting date, based on the average of the high and low sales price of our common stock on January 22, 2011. The fair market value of the portion of the 2009 grant that vested on January 27, 2011 was $32.895 per share on the vesting date, based on the average of the high and low sales price of our common stock on January 27, 2011.

(2) Mr. Claro received a grant of RSUs in 2009, pursuant to the terms of his employment offer letter. 7,500 RSUs associated with that grant vested in 2011. The fair market value of the portion of the 2009 grant that vested in 2011 was $31.275 per share on the vesting date based on the average of the high and low sales price of our common stock on January 22, 2011.

(3) Mr. Harrington received a grant of RSUs in 2010, pursuant to the terms of his employment offer letter. 10,000 RSUs associated with that grant vested in 2011. The fair market value of the portion of the 2010 grant that vested in 2011 was $31.25 per share on the vesting date based on the average of the high and low sales price of our common stock on January 22, 2011.

2011 Pension Benefits Table

The following table describes pension benefits provided to the named executive officers.

Name	Plan Name	Number of Years Credited Service (#)	Present Value of Accumulated Benefit ($)(1)	Payments During Last Fiscal Year ($)
S. D. Fazzolari	Harsco Employees Pension Plan	23.333	753,004	-0-
	Supplemental Retirement Benefit Plan	23.333	2,214,002	-0-
S. J. Schnoor	Harsco Employees Pension Plan	15.667	403,772	-0-
	Supplemental Retirement Benefit Plan	15.667	285,775	-0-
G. J. Claro	Harsco Employees Pension Plan	-0-	-0-	-0-
	Supplemental Retirement Benefit Plan	-0-	-0-	-0-
I. J. Harrington	Harsco Employees Pension Plan	-0-	-0-	-0-
	Supplemental Retirement Benefit Plan	-0-	-0-	-0-
M. E. Kimmel	Harsco Employees Pension Plan	2.417	49,585	-0-
	Supplemental Retirement Benefit Plan	2.417	34,262	-0-

(1) The disclosed amounts are estimates only and do not necessarily reflect the actual amounts that will be paid to the named executive officers, which will only be known at the time that they become eligible for payment.

Retirement Plans

All of the named executive officers, with the exception of Messrs. Claro and Harrington, are covered under the Harsco Employees Pension Plan (referred to as the HEPP) and the Supplemental Retirement Benefit Plan (referred to as the Supplemental Plan). As described below, pension

benefits were frozen effective December 31, 2008 under the HEPP and Supplemental Plan. Messrs. Claro and Harrington and all other U.S.-based officers are now covered by the Retirement Savings and Investment Plan established January 1, 2004 and as described in the narrative disclosure to the 2011 Nonqualified Deferred Compensation Table. Prior to January 1, 2003, the Supplemental Plan replaced the 401(k) Company match lost

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due to government limitations on such contributions. The replacement was in the form of phantom shares as more fully described in the narrative disclosure to the 2011 Nonqualified Deferred Compensation Table. The Supplemental Plan was amended effective January 1, 2003 to eliminate any further granting of phantom shares.

The HEPP and the Supplemental Plan, or the Plans, are defined benefit plans providing for normal retirement at age 65. Early retirement may be taken commencing with the first day of any month following the attainment of age 55, provided at least 15 years of service have been completed. Early retirement benefits commencing prior to age 65 are reduced. The Plans also provide for unreduced pension benefits if retirement occurs after age 62, provided at least 30 years of service have been completed. The Plans also provide for a pre-retirement death benefit payable to a beneficiary designated by the participant for participants who die after qualifying for benefits. The Supplemental Plan also includes provisions which fully vest participants upon termination of employment following a change in control of the Company, as defined in the Supplemental Plan.

Total pension benefits are based on final average compensation and years of service. The normal retirement benefit under the Supplemental Plan is equal to a total of 0.8% of final average compensation up to the Social Security Covered Compensation multiplied by years of service up to a maximum of 33 years as defined in the Supplemental Plan plus 1.6% of the final average compensation in excess of the Social Security Covered Compensation multiplied by up to 33 years of service, reduced by the benefits under the HEPP. Final average compensation is defined as the aggregate compensation (base salary plus nondiscretionary incentive compensation) for the 60 highest consecutive months out of the last 120 months prior to the date of retirement or termination of employment.

The Supplemental Plan was amended in 2002 to provide that for any retirements on or after January 1, 2003, the 1.6% factor in the benefit formula is reduced to 1.5% and the definition of final average compensation was amended to reduce the amount of nondiscretionary incentive compensation included in the benefit calculation from 100% to 50% for such amounts paid on or after January 1, 2003. Notwithstanding these amendments, no participant s retirement benefit shall be reduced by reason of these amendments, below the benefit accrued at December 31, 2002.

The normal retirement benefit under the HEPP is equal to 1.2% times final average compensation times years of service, up to a maximum of 33 years (the initial product), plus 1.5% times the initial product times benefit service in excess of 33 years, but not in excess of 40 years of service. This amount cannot be less than the minimum benefit determined at December 31, 2002, which was determined based on a normal retirement benefit under the HEPP equal to 1.3% times final average compensation (the final product) times the final product times years of service, up to a maximum of 33 years, plus 1.5% times benefit service in excess of 33 years, but not in excess of 40 years of service. Final average compensation is defined as the aggregate compensation (base salary plus non-discretionary incentive compensation) for the 60 highest consecutive months out of the last 120 months prior to the date of retirement or termination of employment. Effective January 1, 2003, the HEPP was amended to reduce the amount of nondiscretionary incentive compensation included in the benefit calculation from 100% to 50% for such amounts paid on or after that date.

The Plans were amended on December 31, 2003 to provide that pension benefit accrual service would not be granted to any of our salaried employees after December 31, 2003, provided, however, that compensation earned for services performed for us for current Plan

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participants through December 31, 2013 shall be included in determining their Final Average Compensation under the Plans.

The Plans were further amended effective December 31, 2008 to provide that compensation earned after December 31, 2008 would not be included in determining Final Average Compensation. As a result of this action and the December 31, 2003 freeze on pension benefit accrual service, the Plans accrued pension benefits were frozen as of December 31, 2008. In conjunction with this change and effective January 1, 2009 for covered employees, the Plans were amended to include a full lump sum form of payment. We do not provide retiree medical or retiree life insurance benefits to our executive officers.

2011 Nonqualified Deferred Compensation Table

The following table describes the nonqualified deferred compensation of the named executive officers.

Name	Plan Name	Executive Contributions in Last FY ($)	Registrant Contributions in Last FY ($)(1)	Aggregate Earnings in Last FY ($)(2)	Aggregate Withdrawals/ Distributions ($)	Aggregate Balance at Last FYE ($)(3)
S. D. Fazzolari	Supplemental Retirement Benefit Plan	-0-	2,282	(27,851)	-0-	76,337
	Non-Qualified Restoration Plan	-0-	31,644	(88,036)	-0-	175,216
S. J. Schnoor	Supplemental Retirement Benefit Plan	-0-	514	(6,275)	-0-	17,199
	Non-Qualified Restoration Plan	-0-	8,768	(226)	-0-	82,813
G. J. Claro(4)	Supplemental Retirement Benefit Plan	-0-	-0-	-0-	-0-	-0-
	Non-Qualified Restoration Plan	-0-	-0-	-0-	-0-	-0-
I. J. Harrington(4)	Supplemental Retirement Benefit Plan	-0-	-0-	-0-	-0-	-0-
	Non-Qualified Restoration Plan	-0-	29,354	(4,019)	-0-	25,335
M. E. Kimmel	Supplemental Retirement Benefit Plan	-0-	-0-	-0-	-0-	-0-
	Non-Qualified Restoration Plan	-0-	8,263	(19,712)	-0-	43,278

(1) Ongoing contributions by us to the phantom share accounts of the named executive officers established under the Supplemental Plan ceased on December 31, 2002. As a result, this column reflects (A) dividend reinvestment contributions by us during fiscal year 2011 to the phantom share accounts of each executive officer established under the Supplemental Plan and (B) phantom contributions by us to the non-qualified restoration plan accounts of each named executive officer during fiscal year 2011. None of the amounts reported in this column are reported as compensation for 2011 in the 2011 Summary Compensation Table.

(2) The RSUs in this column held by Messrs. Fazzolari, Schnoor and Kimmel resulted from LTI Awards under our long-term incentive program, which RSUs became vested on January 27, 2012. The 15,000 RSUs held by Mr. Harrington were granted in 2010 (as part of a grant of 25,000 RSUs) in accordance with the terms of his employment offer letter. These 15,000 RSUs became vested on January 22, 2012.

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(3) Numbers shown with respect to phantom stock awards are based on a closing stock price on December 31, 2011 of $20.58 per share (payout for phantom shares would be based on the price of our stock on the date of termination of the relevant officer). Earnings would have included any increase in value of the phantom shares during 2011. None of the amounts reported in this column were reported as compensation in prior Summary Compensation Tables.

(4) Messrs. Claro and Harrington are not participants in any of our U.S.-based nonqualified deferred compensation plans.

Nonqualified Deferred Compensation

Phantom Shares

We maintain the Harsco Corporation Savings Plan (which we refer to as the HCSP), which includes the Salary Reduction feature afforded by Section 401(k) of the Internal Revenue Code. Our officers participated in the above plan until December 31, 2002. Prior to January 1, 2003, we made matching contributions under the HCSP for the account of each participating employee equal to 50% of the first 1% to 6% of such employee s Salary Reduction contribution. In addition, prior to January 1, 2003, the Supplemental Plan replaced the 401(k) match lost due to government limitations on such contributions. The replacement was in the form of phantom shares to a non-qualified plan. Our officers participated in the Supplemental Plan until December 31, 2002. The HCSP and the Supplemental Plan were amended effective January 1, 2003 to eliminate any future replacement of lost Company match and any further granting of phantom shares. As a result, no Company matches were made during calendar year 2003 and no phantom shares were granted for calendar year 2003.

Retirement Savings and Investment Plan

A new, non-qualified restoration plan (which we refer to as the NQ RSIP) was established on January 1, 2004, as part of our new 401(k) savings plan, the Retirement Savings and Investment Plan (which we refer to as the RSIP). The plans were implemented, among other reasons, to provide coverage for individuals affected by the amendments to the HCSP and the Supplemental Plan, including by establishing new 401(k) matching and Company discretionary contributions to be made by us. Under the RSIP, we make matching contributions for the account of each participating employee equal to 100% of the first 3% of such employee s contributions and 50% of the next 2% contributed by such employee. In addition, the RSIP provides for a discretionary contribution of 2% of allowable earnings as decided by the Company each year to the account of each eligible employee who is an active employee as of December 31 of each plan year. The NQ RSIP provides for the discretionary and matching contributions that would be otherwise provided under the qualified portion of the RSIP for salaried employees contributions made as of January 1, 2004, but for Internal Revenue Code limitations under Section 402(g), Section 401(a)(17), Section 415 or Section 401(m). Pursuant to the NQ RSIP, we make phantom contributions to an employee s (including the executive officers) account in an amount equal to the above-described Company matching and discretionary contributions under the RSIP, which we were not otherwise able to make for a participant as a result of that participant reaching the limitations imposed by the Internal Revenue Code.

Termination or Change in Control Arrangements

We have entered into certain agreements with the named executive officers and maintain certain plans that will require us to provide compensation to certain of our named

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executive officers in the event of a termination of employment, including as the result of a change in control.

Set forth below are tables, one for each named executive officer, showing our payment obligations following the termination of the officer s employment with us, including as the result of a change in control. The amounts disclosed below in each table are estimates only and do not necessarily reflect the actual amounts that would be paid to the officers, which would only be known at the time that they become eligible for payment and, in the case of payments related to a change in control, would only be payable if a change in control were to occur. The tables reflect the amounts that would be payable under the various arrangements assuming that the termination event occurred on December 30, 2011.

			Termination as a Result of		
	Change in Control (2)	**For Cause or Voluntary (4)**	**Involuntary not for Cause (5)**	**Death or Disability (6)**	**Retirement (7)**
Compensation:					
Unpaid base salary through date of termination	X(2)	X	X	X	X
Unpaid non-equity incentive plan compensation	X(2)		X	X	X
Unpaid long-term incentives:					
LTI Awards (service-based)	X(2)				
Restricted Stock Units					
Vested	X(2)	X	X	X	X
Acceleration of Unvested	X(8)			X(8)	X(8)
Stock Options					
Vested	X	X	X	X	X
Unvested and Accelerated(1)	X				
Unpaid Deferred Compensation	X(2)	X	X	X	X
Multiple of Base Salary and Target Incentive Awards	X(2)(3)				
Benefits and Perquisites:					
Defined benefit pension plan	X	X	X	X	X
401(k) savings plan	X	X	X	X	X
Supplemental retirement benefit plan	X	X	X	X	X
Life insurance proceeds				X	
Accrued but unpaid vacation	X(7)	X	X	X	X

(1) The Board of Directors ceased granting stock options during calendar years 2003-2010 following a review of the appropriateness of the use of stock options as the vehicle for long-term compensation. Stock options were again granted to certain officers and key employees of the Company in 2011. These options automatically accelerate and become vested upon a change in control.

(2) In accordance with the terms of the change in control agreements entered into by us and each named executive officer (which we refer to as the CIC Agreements), Messrs. Fazzolari, Schnoor, Kimmel, Claro and Harrington will be entitled to the payments described below if the executive s employment is terminated by us or by them under certain circumstances described below during

the three-year period following the date on which a change in control (as defined in the CIC Agreement) occurs (which we refer to as the Protection Period):

Termination due to death or disability (as defined in the CIC Agreement): the CIC Agreement will terminate without further obligations other than those accrued or earned and vested (if applicable) as of the date of termination, including:

- the executive s full base salary through the date of termination at the rate in effect on the date of termination or, if higher, at the highest rate in effect at any time from the 90-day period preceding the effective date of the change in control through the date of termination (which we refer to as the Highest Base Salary);
- a pro-rata target annual bonus for the year of termination; and
- any compensation previously deferred by the executive (together with any accrued interest) and not yet paid by us and any accrued vacation pay not yet paid by us (we refer to the amounts in these three sub-bullets as the Accrued Obligations);

Termination for cause (as defined in the CIC Agreement): the CIC Agreement will terminate without further obligations other than the obligation to pay to the executive the Highest Base Salary through the date of termination plus the amount of any compensation previously deferred by the executive (together with accrued interest);

Termination by the executive other than for good reason (including retirement (as defined in the CIC Agreement)): the CIC Agreements will terminate without further obligations other than those obligations accrued or earned and vested (if applicable) by the executive through the date of termination, including the executive s base salary through the date of termination at the rate in effect on the date of termination plus the amount of any compensation previously deferred by the executive (together with accrued interest); and

Termination by us (other than for cause, death or disability) or termination by the executive for good reason : we shall pay the executive in a lump sum the aggregate of the following amounts:

- the executive s full base salary and vacation pay accrued through the date of termination at the rate in effect on the date of termination plus pro-rated incentive compensation under our annual incentive compensation plan through the date of termination at the same percentage rate applicable to the calendar year immediately prior to the date of termination, plus all other amounts to which the executive is entitled under any of our compensation plans, programs, practices or policies in effect at the time such payments are due;
- the amount of any compensation previously deferred by the executive (together with accrued interest); and
- a lump sum severance payment in an amount equal to two times (three times in the case of Mr. Fazzolari) the executive s highest base salary, plus two times (three times in the case of Mr. Fazzolari) the target annual incentive compensation.

The payment may be subject to reduction to avoid certain adverse tax consequences.

The individual tables below for each named executive officer set forth the present value of lump sum payments for Accrued Obligations and the other payments described above based on 2011 salaries (and 2011 target annual incentive compensation, if applicable), assuming the triggering event occurs on December 30, 2011 and during the Protection Period. Except as described below, none of the amounts shown below are accrued as a result of the triggering event occurring during the Protection Period, and such amounts would have been paid to the named executive officers under existing plans and arrangements regardless of the CIC Agreements or the occurrence of a change in control:

The vesting of each officer s restricted stock units and stock options accelerates, in accordance with the terms of his award agreements, upon the occurrence of a change in control;

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The vesting of LTI Awards with service-based vesting (i.e., not performance-based) accelerates upon the occurrence of a change in control, under the terms of the 1995 Incentive Plan (LTI Awards with performance-based vesting are not subject to automatic acceleration); and

The following amounts of severance payments, made up of each officer s multiple of base salary payment plus target annual incentive compensation, would directly result from the termination occurring during the Protection Period: for Mr. Fazzolari, $5,723,568; Mr. Claro, $2,277,634; Mr. Harrington, $1,826,384; Mr. Kimmel, $1,428,510; and Mr. Schnoor, $1,495,270.

(3) The multiple is three times base salary and target incentive compensation in the case of Mr. Fazzolari and two times base salary and target incentive compensation in the case of Messrs. Schnoor, Kimmel, Claro and Harrington.

(4) The individual tables below for each named executive officer set forth the present value of the lump sum payments for each executive officer assuming (A) the executive officer was terminated for cause or voluntarily on December 30, 2011 and (B) that such termination took place either prior to a change in control or following the Protection Period (as defined above and as applicable to the named executive). In the case of a voluntary termination, both the qualified pension plan and the SERP benefits are payable.

(5) The individual tables below for each named executive officer set forth the present value of the lump sum payments for each executive officer assuming (A) the executive officer was terminated involuntarily without cause on December 30, 2011 and (B) that such termination took place either prior to a change in control or following the Protection Period (as defined above and as applicable to the named executive).

(6) The individual tables below for each named executive officer set forth the present value of the lump sum payments for each executive officer assuming (A) the executive s death occurs on December 30, 2011 and (B) that such death took place either prior to a change in control or following the Protection Period (as defined above and as applicable to the named executive).

The tables below also set forth the present value of the lump sum payments for each executive officer assuming (A) the executive s disability occurs on December 30, 2011 and (B) that such disability took place either prior to a change in control or following the Protection Period (as defined above and as applicable to the named executive).

(7) The individual tables below for each named executive officer set forth the present value of the lump sum payments for each executive officer assuming (A) the executive officer retires on December 30, 2011 and (B) that such retirement took place either prior to a change in control or following the Protection Period (as defined above and as applicable to the named executive).

(8) The provisions of each restricted stock units agreement provide that the restricted stock units immediately vest and become non-forfeitable upon the grantee s death, disability, a change in control (as defined in the 1995 Incentive Plan) or upon the grantee s retirement at the specified retirement age (age 62).

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The following table describes the potential compensation upon termination or a change in control for Salvatore D. Fazzolari, our former Chairman, President and CEO, assuming such events occurred at December 30, 2011. Mr. Fazzolari resigned as Chairman, President and CEO effective February 23, 2012 and has entered into a Separation Agreement with the Company that is described in a recently filed Form 8-K.

	Termination as a Result of						
	Change in Control Voluntary ($)	**Change in Control Involuntary not for Cause / for Good Reason ($)**	**For Cause or Voluntary ($)(1)**	**Involuntary not for Cause ($)**	**Death ($)**	**Disability ($)**	**Retirement ($)**
Executive Benefits and Payments Upon Termination							
Compensation							
Unpaid Base Salary	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Unpaid Non-Equity Incentive Plan Compensation	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Unpaid Long-Term Incentives(2):							
LTI Awards (service-based)	2,432,037	2,432,037	-0-	-0-	-0-	-0-	-0-
Restricted Stock Units	137,207	137,207	-0-	-0-	137,207	137,207	-0-
Stock Options	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Multiple of Base Salary	-0-	2,745,000	-0-	-0-	-0-	-0-	-0-
Multiple of Non-Equity Incentive Plan Compensation	-0-	2,978,568	-0-	-0-	-0-	-0-	-0-
Nonqualified Deferred Compensation							
NQ RSIP and Unpaid Deferred Compensation	241,553	241,553	241,553	241,553	241,553	241,553	241,553
RSIP	929,525	929,525	929,525	929,525	929,525	929,525	929,525
Benefits and Perquisites							
Pension	3,087,771	3,087,771	795,815	3,087,771	2,698,653	3,087,771	3,087,771
Life Insurance Proceeds	-0-	-0-	-0-	-0-	500,000	-0-	-0-
Total:	**6,828,093**	**12,551,661**	**1,966,893**	**4,258,849**	**4,506,938**	**4,396,056**	**4,258,849**

(1) The amounts payable to Mr. Fazzolari due to his death or disability during the Protection Period would match the amounts payable to him for such occurrences outside of the Protection Period. If Mr. Fazzolari were terminated during the Protection Period for cause, he would receive the payment shown above for termination for cause in a non-change in control scenario, plus payout of long-term incentives as shown above for a Change in Control Voluntary termination. In the case of a Voluntary termination, the total pension present value is $3,087,771.

(2) Vesting of these awards accelerates upon a change in control without regard to termination of employment.

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The following table describes the potential compensation upon termination or a change in control for Stephen J. Schnoor, our Senior Vice President, Chief Financial Officer and Treasurer, assuming such events had occurred at December 30, 2011.

	Termination as a Result of						
	Change in Control Voluntary ($)	Change in Control Involuntary not for Cause/for Good Reason ($)	For Cause or Voluntary ($)(1)	Involuntary not for Cause ($)	Death ($)	Disability ($)	Retirement ($)
Executive Benefits and Payments Upon Termination							
Compensation							
Unpaid Base Salary	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Unpaid Non-Equity Incentive Plan Compensation	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Unpaid Long-Term Incentives(2):							
LTI Awards (service-based)	715,203	715,203	-0-	-0-	-0-	-0-	-0-
Restricted Stock Units	34,307	34,307	-0-	-0-	34,307	34,307	-0-
Stock Options	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Multiple of Base Salary	-0-	900,000	-0-	-0-	-0-	-0-	-0-
Multiple of Non-Equity Incentive Plan Compensation	-0-	595,270	-0-	-0-	-0-	-0-	-0-
Nonqualified Deferred Compensation							
NQ RSIP and Unpaid Deferred Compensation	100,012	100,012	100,012	100,012	100,012	100,012	100,012
RSIP	828,024	828,024	828,024	828,024	828,024	828,024	828,024
Benefits and Perquisites							
Pension	777,654	777,654	456,357	777,654	554,944	777,654	777,654
Life Insurance Proceeds	-0-	-0-	-0-	-0-	500,000	-0-	-0-
Total:	**2,455,200**	**3,950,470**	**1,384,393**	**1,705,690**	**2,017,287**	**1,739,997**	**1,705,690**

(1) The amounts payable to Mr. Schnoor due to his death or disability during the Protection Period would match the amounts payable to him for such occurrences outside of the Protection Period. If Mr. Schnoor were terminated during the Protection Period for cause, he would receive the payment shown above for termination for cause in a non-change in control scenario, plus payout of long-term incentives as shown above for a Change in Control-Voluntary termination. In the case of a Voluntary termination, the total pension present value is $777,654.

(2) Vesting of these awards accelerates upon a change in control without regard to termination of employment.

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The following table describes the potential compensation upon termination or a change in control for Galdino J. Claro, our Executive Vice President and Group CEO, Harsco Metals & Minerals, assuming such events had occurred at December 30, 2011.

			Termination as a Result of				
	Change in Control Voluntary ($)	Change in Control Involuntary not for Cause/for Good Reason ($)	For Cause or Voluntary ($)(1)	Involuntary not for Cause ($)	Death ($)	Disability ($)	Retirement ($)
Executive Benefits and Payments Upon Termination							
Compensation							
Unpaid Base Salary	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Unpaid Non-Equity Incentive Plan Compensation	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Unpaid Long-Term Incentives(2):							
LTI Awards (service-based)	837,965	837,965	-0-	-0-	-0-	-0-	-0-
Restricted Stock Units	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Stock Options	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Multiple of Base Salary	-0-	1,350,000	-0-	-0-	-0-	-0-	-0-
Multiple of Non-Equity Incentive Plan Compensation	-0-	927,634	-0-	-0-	-0-	-0-	-0-
Nonqualified Deferred Compensation							
NQ RSIP and Unpaid Deferred Compensation	-0-	-0-	-0-	-0-	-0-	-0-	-0-
RSIP	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Benefits and Perquisites							
Pension	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Life Insurance Proceeds	-0-	-0-	-0-	-0-	500,000	-0-	-0-
Total:	**837,965**	**3,115,599**	**-0-**	**-0-**	**500,000**	**-0-**	**-0-**

(1) The amounts payable to Mr. Claro due to his death or disability during the Protection Period would match the amounts payable to him for such occurrences outside of the Protection Period. If Mr. Claro were terminated during the Protection Period for cause, he would receive the payment shown above for termination for cause in a non-change-in-control scenario, plus payout of long-term incentives as shown above for a Change in Control Voluntary termination.

(2) Vesting of these awards accelerates upon a change in control without regard to termination of employment.

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The following table describes the potential compensation upon termination or a change in control for Ivor J. Harrington, our Executive Vice President and Group CEO, Harsco Infrastructure, assuming such events had occurred at December 30, 2011.

	Termination as a Result of						
	Change in Control Voluntary ($)	**Change in Control Involuntary not for Cause/for Good Reason ($)**	**For Cause or Voluntary ($)(1)**	**Involuntary not for Cause ($)**	**Death ($)**	**Disability ($)**	**Retirement ($)**
Executive Benefits and Payments Upon Termination							
Compensation							
Unpaid Base Salary	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Unpaid Non-Equity Incentive Plan Compensation	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Unpaid Long-Term Incentives(2):							
LTI Awards (service-based)	787,500	787,500	-0-	-0-	-0-	-0-	-0-
Restricted Stock Units	308,700	308,700	-0-	-0-	308,700	308,700	-0-
Stock Options	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Multiple of Base Salary	-0-	1,100,000	-0-	-0-	-0-	-0-	-0-
Multiple of Non-Equity Incentive Plan Compensation	-0-	726,384	-0-	-0-	-0-	-0-	-0-
Nonqualified Deferred Compensation							
NQ RSIP and Unpaid Deferred Compensation	25,335	25,335	25,335	25,335	25,335	25,335	25,335
RSIP	28,465	28,465	28,465	28,465	28,465	28,465	28,465
Benefits and Perquisites							
Pension	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Life Insurance Proceeds	-0-	-0-	-0-	-0-	500,000	-0-	-0-
Total:	**1,150,000**	**2,976,384**	**53,800**	**53,800**	**862,500**	**362,500**	**53,800**

(1) The amounts payable to Mr. Harrington due to his death or disability during the Protection Period would match the amounts payable to him for such occurrences outside of the Protection Period. If Mr. Harrington were terminated during the Protection Period for cause, he would receive the payment shown above for termination for cause in a non-change in control scenario, plus payout of long-term incentives as shown above for a Change in Control Voluntary termination.

(2) Vesting of these awards accelerates upon a change in control without regard to termination of employment.

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The following table describes the potential compensation upon termination or a change in control for Mark E. Kimmel, our Senior Vice President, Chief Administrative Officer, General Counsel and Corporate Secretary, assuming such events had occurred at December 30, 2011.

	Termination as a Result of						
	Change in Control Voluntary ($)	Change in Control Involuntary not for Cause/for Good Reason ($)	For Cause or Voluntary ($)(1)	Involuntary not for Cause ($)	Death ($)	Disability ($)	Retirement ($)
Executive Benefits and Payments Upon Termination							
Compensation							
Unpaid Base Salary	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Unpaid Non-Equity Incentive Plan Compensation	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Unpaid Long-Term Incentives(2):							
LTI Awards (service-based)	591,022	591,022	-0-	-0-	-0-	-0-	-0-
Restricted Stock Units	68,593	68,593	-0-	-0-	68,593	68,593	-0-
Stock Options	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Multiple of Base Salary	-0-	890,000	-0-	-0-	-0-	-0-	-0-
Multiple of Non-Equity Incentive Plan Compensation	-0-	538,510	-0-	-0-	-0-	-0-	-0-
Nonqualified Deferred Compensation							
NQ RSIP and Unpaid Deferred Compensation	43,278	43,278	43,278	43,278	43,278	43,278	43,278
RSIP	620,379	620,379	620,379	620,379	620,379	620,379	620,379
Benefits and Perquisites							
Pension	68,336	68,336	40,452	68,336	52,643	68,336	68,336
Life Insurance Proceeds	-0-	-0-	-0-	-0-	500,000	-0-	-0-
Total:	**1,391,608**	**2,820,118**	**704,109**	**731,993**	**1,284,893**	**800,586**	**731,993**

(1) The amounts payable to Mr. Kimmel due to his death or disability during the Protection Period would match the amounts payable to him for such occurrences outside of the Protection Period. If Mr. Kimmel were terminated during the Protection Period for cause, he would receive the payment shown above for termination for cause in a non-change in control scenario, plus payout of long-term incentives as shown above for a Change in Control Voluntary termination. In the case of a Voluntary termination, the total pension present value is $68,336.

(2) Vesting of these awards accelerates upon a change in control without regard to termination of employment.

Severance Benefits Payable Outside of a Change in Control

Upon certain types of terminations of employment (other than a termination during the Protection Period) severance benefits may be paid to the named executive officers. However, the named executive officers are not covered by any type of arrangement or general severance plan that would pay severance benefits to any of them outside of a change in control situation and any severance benefits payable to them would (1) in the case of the CEO, be determined by the Compensation Committee in its discretion and (2) in the case of the other named executive officers, be determined by us in our discretion, subject to review and approval by the Compensation Committee.

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Benefits and Perquisites

Pension benefits, perquisites and other compensation and benefits payable to the named executive officers are discussed in greater detail in the section entitled Compensation Discussion and Analysis in this Proxy Statement.

PROPOSAL 3: ADVISORY VOTE TO APPROVE NAMED EXECUTIVE OFFICER COMPENSATION

At the Annual Meeting, you will be asked to vote, on an advisory basis, to approve the compensation of our NEOs. This advisory vote, commonly known as a say-on-pay vote, is a non-binding vote on the compensation paid to our named executive officers as disclosed pursuant to Regulation S-K, including in the Compensation Discussion and Analysis, the accompanying compensation tables and the corresponding narrative discussion and footnotes set forth on pages 24 through 66 of this Proxy Statement.

Last year, stockholders voted to approve our compensation of the named executive officers in a similar advisory vote. Stockholders also voted last year in favor of annual frequency for these say-on-pay advisory votes, which frequency the Board of Directors had recommended and has adopted. Accordingly, our next say-on-pay vote will be held at our 2013 Annual Meeting of Stockholders.

Response to Last Year s Say-on-Pay Vote

At Harsco s 2011 Annual Meeting, the say-on-pay proposal was approved by 69.2% of the votes cast by our stockholders. The Board, Compensation Committee, and management regard that level of opposition to the 2011 proposal as unacceptably high. In response to that vote, the Board and Committee have sought to identify the concerns of stockholders regarding our executive compensation program and have taken actions in response to those concerns.

The Board, the Committee and management took actions in the following areas:

- Reviewed aspects of the Harsco executive compensation program that had been questioned or criticized.
- Engaged in outreach efforts.
- Evaluated and implemented improvements to our program, addressing both areas of concern to stockholders and critical issues identified by the Board and Committee.

The actions of the Board, the Committee and management are discussed in much greater detail in the Compensation Discussion and Analysis. We urge you to read that portion of the Proxy Statement and the related compensation tables closely. A brief summary of specific actions to address key issues is as follows:

- Board, Committee and management review:
  - ¡ We closely reviewed the 2011 reports by proxy advisory firms analyzing our compensation program and making voting recommendations on our say-on-pay proposal. (Of the three leading firms, two recommended votes in favor and one recommended a vote against our 2011 say-on-pay proposal).
  - ¡ We consulted with the Compensation Committee s independent compensation consultant, Pearl Meyer & Partners, and outside counsel to identify issues causing opposition to our say-on-pay proposal.

- We reviewed the proxy advisory firms new or updated voting guidelines for 2012.

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Outreach efforts:

- We sought out the views of our larger institutional stockholders on our compensation program by speaking with a number of them in the lead up to the 2011 Annual Meeting. We intend to hold further discussions with institutional stockholders between the release of this Proxy Statement and the 2012 Annual meeting.

- We sought to better explain our compensation program and our reasons for compensation decisions, through presentations to investors and by publishing those presentations in filings with the SEC.

Principal concern regarding our compensation program:

- The strongest complaint of stockholders who opposed our 2011 say-on-pay proposal was that compensation of our former CEO was disconnected from our corporate performance. We seek to strongly link our CEO s realizable pay to performance, and we believe that a close examination of CEO compensation confirms that this has been the case. We have taken several steps to improve our CEO compensation in light of stockholder concerns, but we also believe that a better explanation of how our compensation is structured will answer much of the criticism.

Improvements to our program relating to perceived pay-for-performance disconnect:

- We increased named executives salaries in 2011 only after an 18-month freeze. For 2012, we again froze salaries. Our former CEO s salary rose only 2.8% since 2009.

- A long-term incentive award was initiated in 2010 with a two-year performance cycle that included stretch goals, in addition to our regular long-term incentive with a three-year performance cycle. This was criticized as an increase in pay opportunity with weakened performance goals, though it was designed so that it would only deliver additional pay if performance warranted it, which it ultimately did not since the award paid out at only 7%. Subsequently in 2011 and 2012, with the exception of a one-time retention-based, stock option grant, our long-term incentive awards continue to provide for a three-year award cycle.

- We are currently reviewing the metrics to be utilized for future annual and long-term incentive awards.

Compensation disclosures can obscure the degree to which pay and performance are linked:

- Our long-term incentive awards provide that, if multi-year performance goals are achieved, awards will be paid out in shares or cash (if a participant meets their stock ownership guidelines), or, for cycles beginning before 2010, restricted stock units. Much of the criticism that our former CEO s pay was disconnected from performance has been based on the target (or grant date) value of performance-based long-term incentive awards, measured at the beginning of the award cycle, rather than the realized value actually paid to the CEO following completion of the award cycle.

- We believe that any assessment of the linkage of pay to performance must assess amounts earned and realized as payouts rather than target values of the award opportunities at the beginning of an award cycle. The value of Stock Awards for

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2011 and 2010 in the Summary Compensation Table represents grant date values of the award opportunities.

¡ Similarly, the stock option value shown in the Summary Compensation Table is a grant-date fair value. In order for the named executives to in fact realize that amount of value shown in the Summary Compensation Table by exercising the option, our stock price would need to rise to $42.65.

¡ The pensions of our former CEO and two other named executives have been effectively frozen since 2008. The Summary Compensation Table nevertheless shows substantial pension compensation for 2011; such amounts result almost entirely from lower prevailing interest rates, which we must use to calculate the end-of-year present value of the frozen pension benefits but which are outside of our control. None of the increase in present value of the executives pensions in 2011 resulted from additional service credits or increases in an executives fixed average compensation.

To assess the linkage of CEO pay and performance, the Compensation Committee authorized its independent compensation consultant, Pearl Meyer & Partners, to review the relationship between the former CEO s realizable compensation and our total shareholder return performance. While total shareholder return in the 2008 2010 and 2009 2011 periods was well below the median of our Peer Group, our former CEO s total realizable compensation was likewise well below the median and closely correlated with our performance. See Compensation Discussion and Analysis, page 24.

Annual incentives to the CEO since 2008 have paid out well below target levels (2008 19%; 2009 0%; 2010 15%; 2011 84%), corresponding exactly to the level of achievement of EVA improvement goals.

Long-term incentives for four performance cycles completed in the last three years paid out at 0%, 0%, 0% and 7%. The 7% payout was achieved for the 2010 2011 performance cycle that was particularly criticized as demonstrating a pay-for-performance disconnect.

As of the end of 2011, our one-, three- and five-year total shareholder return performance was unsatisfactory. However, results were improving by the fourth quarter of 2011.

¡ All business segments reported improved results as compared to the fourth quarter of 2010, particularly our Harsco Rail and Harsco Industrial segments.

¡ Full-year 2011 sales were up 9% over 2010.

¡ Improved 2011 performance led to increased payouts of annual incentives, although these remained below target for named executive officers with Company-wide responsibilities.

The critical issue of retention:

¡ The Board and Compensation Committee believe that retaining key members of our senior executive team is extremely important if Harsco is to grow its businesses and return value to stockholders. We have taken steps to strengthen retention, including (i) providing a portion of long-term incentive awards are granted as shares earned based on service over the three-year award cycle (beginning in 2010); (ii) increasing

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target levels of annual and long-term incentive awards modestly in 2011, and (iii) granting a special, one-time award of stock options in 2011 to certain executives and key employees, with cliff vesting at the end of a three-year period. Executives were required to agree to non-competition covenants and other provisions for the protection of our business as a condition to the grant of the stock options.

- For our former CEO, target total direct compensation opportunity including the target value of annual and long-term incentives (excluding the 2011 special option grant)-was at median levels of comparable CEO pay based on Survey Data and Peer Group data. Including the value of the 2011 special stock option grant, the former CEO s target total direct compensation opportunity was positioned between market median and the 75th percentile levels. The proportion of our former CEO s total direct compensation opportunity (including the special stock option grant) that was performance based was consistent with market practices.

- Enhancements to our former CEO compensation opportunities mostly have been in the form of awards that will compensate the CEO only if substantial performance occurs that also provides benefits to stockholders.

Other responses to concerns identified in the 2011 say-on-pay vote:

- The Board and Compensation Committee reviewed the terms of the 1995 Executive Incentive Compensation Plan in light of commentary from a proxy advisory firm; the Board amended the Plan to require stockholder approval of any repricing of stock options, including a cash buyout of underwater stock options, consistent with the advisory firm s policy.

- The Board adopted other stockholder-friendly amendments to the 1995 Executive Incentive Compensation Plan, as follows:

  - Prohibition of reload stock options

  - Awards granted will be subject to our clawback policy, and to any additional clawback provisions that we may adopt in the future in accordance with regulations to be issued under the Dodd-Frank Wall Street Reform Act

  - Prohibit transfers of equity awards to third parties for value

- In response to concerns raised by advisory firms regarding the quality of disclosures of our executive compensation program:

  - We have enhanced our disclosure in the Compensation Discussion and Analysis in this Proxy Statement to disclose more information on our performance goals and related performance results for annual incentive awards and long-term incentive awards.

  - The Summary Compensation Table and Grants of Plan-Based Awards Tables have been revised to show grant-date and service-inception date values of long-term incentive awards. Additional explanation has been added to the Summary Compensation Table footnotes to help stockholders understand how our long-term incentive awards are structured.

We should note that 69.2% of our stockholders approved our say-on-pay proposal last year. Commentators have suggested that approval of a say-on-pay proposal by less than 70% of stockholders raises concerns, and as stated above we view the level of opposition last year as significant. As one of our nation s oldest companies, Harsco

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has a diverse stockholder base, with our directors and management controlling less than one percent of the outstanding stock. Commentators have noted that a say-on-pay vote of less than 70% is of greater concern where directors and management control a significant percentage of the voting power.

Our Executive Compensation Program

Harsco is focused on compensating our executive officers fairly and in a manner that promotes our compensation philosophy. Specifically, our compensation program for executive officers has the following principal objectives:

- Align executive compensation with stockholder interests;
- Attract and retain talented personnel by offering competitive compensation packages;
- Motivate employees to achieve strategic and tactical corporate objectives and the profitable growth of Harsco; and
- Reward employees for individual, functional, business segment and corporate performance.

Our Board of Directors believes that Harsco s executive compensation program meets these objectives, properly aligns the interests of our executive officers with those of our stockholders, and is worthy of stockholder support. In determining whether to approve this proposal, we believe that stockholders should consider the following:

- *Independent Compensation Committee.* Executive compensation is reviewed and established by the Compensation Committee consisting solely of independent directors. The Compensation Committee meets in executive session, without executive officers present, when determining annual compensation. The Compensation Committee receives data, analysis and input from an independent compensation consultant that is not permitted to perform any additional services for Harsco management.
- *Realizable Pay Aligned with Performance.* As discussed above and in the Compensation Discussion and Analysis, the compensation realizable by named executive officers has been properly aligned with Harsco s performance. This includes payouts of 0% and 7% on long-term incentive programs completed in 2011. Annual incentives payable for company-wide performance were below target for 2011. For named executive officers responsible for those business segments that had strong results in 2011, annual incentive awards were paid out above target levels based on achievement of above-target levels of EVA improvement.
- *Pay for Performance.* The proportion of named executive officers compensation opportunities tied to financial and/or stock price performance is near and in some cases above the median for their position as compared to our Peer Group companies.
- *Compensation Opportunities Not Excessive.* The levels of total direct compensation that our named executives have the opportunity to earn, at target levels for annual and long-term incentives, is generally near the median for their position as compared to our Peer Group companies.
- *Other Non-Direct Compensation and Retirement Compensation is Limited.*
- *No Employment Agreements.* Our executive officers do not have employment agreements.

- *Double Trigger Change-in-Control Severance Agreements*. Harsco s change in control severance agreements with executive officers require an actual or constructive termination of employment based on an actual adverse change in the executive s employment conditions before benefits are paid following any change in control of Harsco. In 2010, we modified the change-in-control agreements with the effect of limiting or eliminating some provisions that were favorable to executives, including certain walk-at-will rights following a change in control.

- *No Change-in-Control Gross-Ups.* We have made no commitments to our named executive officers to provide gross-up payments in connection with a change in control or a termination relating to a change in control.

- *Frozen Pension Plans.* Our named executive officers have either frozen pensions or no pension, so that no additional pension credit has been earned since 2008. Pension amounts shown in the Summary Compensation Table are solely the result of changes in present values of a fixed level of retirement benefits payable as an annuity, such changes mainly resulting from changes in prevailing interest rates.

- *Equity Plans.* Our equity plans include three-year minimum vesting periods for time-based awards for employees, require options be granted with exercise prices at fair market value and do not include any liberal share recycling provisions. Our long-term incentive plans do not provide for accrual of dividends on share-denominated awards.

Stock Ownership Guidelines. Our executive officers are subject to stock ownership guidelines described in the Compensation Discussion and Analysis.

Clawback Policy. We have adopted a clawback policy for the recovery of incentive-based compensation from executive officers (i) in the event of an accounting restatement due to material noncompliance by the Company with the financial reporting requirements of federal securities laws and (ii) where the willful fraud, dishonesty or recklessness of the executive officer contributed to such noncompliance.

Policy Prohibiting Hedging. We have amended our Insider Trading Policy to prohibit directors, officers and employees from engaging in hedging or monetization transactions involving Harsco securities, such as prepaid variable forward contracts, equity swaps, collars or exchange funds.

Accordingly, the Board recommends that our stockholders vote in favor of the say-on-pay proposal by voting to approve the following resolution:

RESOLVED, that stockholders approve, on an advisory basis, the compensation paid to our named executive officers, as disclosed in this Proxy Statement pursuant to Item 402 of Regulation S-K, including in the Compensation Discussion and Analysis, the accompanying compensation tables and the related narrative discussion and footnotes.

As this is an advisory vote, the outcome of the vote is not binding on us with respect to future executive compensation decisions, including those relating to our named executive officers, nor does it otherwise compel the Company to take any particular action. As discussed above, our Compensation Committee and Board have considered the results of last year s say-on-pay vote in making executive compensation decisions since the 2011 Annual Meeting, and expect to take into account the outcome of this vote when considering future executive compensation decisions.

Board Recommendation

The Board of Directors unanimously recommends a vote FOR the advisory vote to approve named executive officer compensation.

TRANSACTIONS WITH RELATED PERSONS

Henry W. Knueppel served as Chairman and CEO of Regal Beloit Corporation, a multi-national organization serving the HVAC, industrial motor, power transmission and power generation markets. During calendar year 2011, our Harsco Rail segment paid Regal Beloit Corporation $1,289,000 for products purchased from Regal Beloit Corporation. The amounts are insignificant for both companies and were incurred in the normal course of business. Our full Board has reviewed and approved these transactions under the policies and procedures described below.

One of our directors, Stuart E. Graham, serves as Vice Chairman of Skanska AB, a leading provider of world-class construction services, and previously served as President and CEO of Skanska AB, one of the world s largest construction groups, until his retirement in April 2008 and as Chairman of Skanska AB until January 2010. During calendar year 2011, our Harsco Infrastructure business was paid $2,633,000 and our Harsco Industrial segment was paid $213,000 by various Skanska entities in connection with the rental of equipment and provision of services to such entities. The amounts are insignificant for both companies and were incurred in the normal course of business. Our full Board has reviewed and approved these transactions under the policies and procedures described below.

One of our directors, David C. Everitt, serves as Co-Leader of the Agriculture and Turf Division of Deere & Company (the world s largest manufacturer of agricultural equipment and a major U.S. producer of construction, forestry and lawn and grounds care equipment). During calendar year 2011, our Harsco Rail segment paid Deere & Company $1,513,000 for products purchased from Deere & Company. The amounts are insignificant for both companies and were incurred in the normal course of business. Our full Board has reviewed and approved these transactions under the policies and procedures described below.

For the fiscal year ended December 31, 2011, there were no other transactions with the Company in which any related person had a direct or indirect material interest that would need to be disclosed pursuant to Item 404 of Regulation S-K nor were there any planned transactions.

Policies and Procedures Regarding Transactions with Related Persons

Our policies and procedures regarding related person transactions are set forth in writing in the Nominating Committee Charter and in our Code of Conduct. As set forth in its charter, the Nominating Committee of the Board is responsible for reviewing and approving all material transactions with any related person. Related persons include any of our Directors, Director nominees or executive officers and certain of our stockholders, and their immediate family members. A copy of the Nominating Committee s Charter and our Code of Conduct are available at the Corporate Governance section of our website at *www.harsco.com/about-us.* Approval of related-party transactions by our full Board may also be warranted under certain circumstances (for example, to allow for approval of a related-party transaction by a majority of disinterested Directors).

To identify related-person transactions, each year, we submit and require our directors and officers to complete Directors and Officers Questionnaires identifying any and all transactions with us in which the officer or Director or their family members have an interest. We review related-person transactions due to the potential for a conflict of interest. A conflict

of interest occurs when an individual s private interest interferes, or appears to interfere, in any way with our interests. We expect our Directors, officers and employees to act and make decisions that are in our best interests and encourage them to avoid situations which present a conflict between our interests and their own personal interests.

Our Directors, officers and employees are prohibited from using their position of employment or other relationship with us to influence decisions concerning business transactions between us and a company in which they or a member of their immediate family has a personal interest through ownership, with the exception of investments in publicly-held corporations when the investment results in less than a one percent ownership interest. In addition, directors, officers and employees must not accept personal favors or benefits from those dealing with us that could influence or could give the impression of influencing their business judgment. Our Code of Conduct applies to each of our directors and employees as, among other things, the primary guide for what we expect regarding handling potential and actual conflicts of interest. The section of the Code of Conduct entitled Serving our Markets with Integrity covers the concept of conflicts of interest and our view about when an inappropriate undertaking may be occurring.

EXECUTIVE DEVELOPMENT AND SUCCESSION

The executive development process ensures continuity of leadership over the long-term, and it forms the basis on which we make ongoing executive assignments. Through the integration of the performance assessment and executive development processes, position assignments are based on the most qualified and ready executives. Our future leaders are developed through these carefully selected assignments. We believe that consistent and ongoing application of this process meets the long-range requirements of the business and achieves competitive advantage.

Each year, our Compensation Committee reviews our leadership talent development program to ensure good performance and alignment between business strategies and operating plans. The Board annually reviews the results of the leadership capability and succession process with the Chairman and CEO in executive session.

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

Messrs. Everitt, Growcock, Sordoni and Wilburn served as members of our Compensation Committee during 2011. None of them was one of our officers or employees or an officer or employee of any of our subsidiaries during that time or in the past, and none of them or any other director served as an executive officer of any entity for which any of our executive officers serve as a director or a member of its compensation committee.

No member of our Compensation Committee has had any relationship with us requiring disclosure under Item 404 of Regulation S-K under the Exchange Act. See the above section entitled Transactions with Related Persons for a description of this relationship.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Exchange Act requires our executive officers, Directors and more than 10% stockholders to file with the SEC and the NYSE Euronext reports of ownership and changes in ownership in their holdings of our stock. Copies of these reports also must be furnished to us. Based on an examination of these reports and information furnished by these stockholders, all such reports have been timely filed, except that a Form 4 report that should have been filed in January 2011 on behalf of Scott Jacoby was inadvertently filed late.

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OTHER MATTERS

The cost of this solicitation of proxies will be borne by us. In addition to solicitation by use of mail, our employees may solicit proxies personally or by telephone or facsimile but will not receive additional compensation for these services. Arrangements may be made with brokerage houses, custodians, nominees and fiduciaries to send proxies and proxy materials to their principals and we may reimburse them for their expense in so doing. We have retained Morrow & Co. to assist in the solicitation at a cost that is not expected to exceed $11,500, plus reasonable out-of-pocket expenses.

Householding of Proxy Materials

We and some brokers household the Annual Report to Stockholders and proxy materials, delivering a single copy of each to multiple stockholders sharing an address unless contrary instructions have been received from the affected stockholders. Once you have received notice from your broker or us that they or we will be householding materials to your address, householding will continue until you are notified otherwise or until you revoke your consent. If at any time you no longer wish to participate in householding and would prefer to receive a separate copy of the proxy materials, including the Summary Annual Report to Stockholders, or if you are receiving multiple copies of the proxy materials and wish to receive only one, please notify, whether in writing or orally, your broker if your shares are held in a brokerage account or us if you hold registered shares, at which time we will promptly deliver separate copies of the materials to each of the affected stockholders or discontinue the practice, according to your wishes. You can notify us by sending a written request to Harsco Corporation, 350 Poplar Church Road, Camp Hill, PA 17011 or by calling (717) 763-7064.

STOCKHOLDER PROPOSALS AND NOMINATIONS FOR PRESENTATION AT 2013 ANNUAL MEETING OF STOCKHOLDERS

The 2013 annual meeting of stockholders is expected to be held on April 23, 2013. If one of our stockholders wishes to submit a proposal for consideration at the 2013 annual meeting of stockholders, such proposal must be received at our executive offices no later than November 23, 2012 to be considered for inclusion in our Proxy Statement and Proxy Card relating to the 2013 annual meeting. Although a stockholder proposal received after such date will not be entitled to inclusion in our Proxy Statement and Proxy Card, a stockholder can submit a proposal for consideration at the 2013 annual meeting in accordance with our By-laws if written notice is given to the Secretary of the Company not less than 60 days nor more than 90 days prior to the annual meeting. In the event that we give less than 70 days notice of the annual meeting date to stockholders, the stockholder must give notice of the proposal within ten days after the mailing of notice or announcement of the annual meeting date. In order to nominate a candidate for election as a Director at the 2013 annual meeting, a stockholder must provide written notice and supporting information to the Secretary of the Company by personal delivery or mail not later than January 24, 2013.

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YOUR VOTE IS IMPORTANT. PLEASE VOTE TODAY.

We encourage you to take advantage of Internet or telephone voting.

Both are available 24 hours a day, 7 days a week.

Internet and telephone voting are available through 11:59 PM Eastern Time the day prior to the annual meeting day.

Harsco Corporation

INTERNET

http://www. proxyvoting.com/hsc

Use the Internet to vote your proxy. Have your proxy card in hand when you access the web site.

OR

TELEPHONE

1-866-540-5760

Use any touch- tone telephone to vote your proxy. Have your proxy card in hand when you call.

If you vote your proxy by Internet or by telephone, you do NOT need to mail back your proxy card.

To vote by mail, mark, sign and date your proxy card and return it in the enclosed postage-paid envelope .

Your Internet or telephone vote authorizes the named proxies to vote your shares in the same manner as if you marked, signed and returned your proxy card.

WO#

18613

q **FOLD AND DETACH HERE** q

Please mark your votes as indicated in this example X

THIS PROXY WILL BE VOTED AS DIRECTED, OR IF NO DIRECTION IS INDICATED, WILL BE VOTED FOR THE ELECTION OF ALL DIRECTOR NOMINEES LISTED AND FOR ITEMS 2 AND 3.

	FOR	WITHHELD FOR ALL	*EXCEPTIONS
ITEM 1. Election of eight Directors to serve until the next annual meeting of stockholders:	..	..	..

Nominees:
01 K. G. Eddy,
02 D. C. Everitt,
03 S. E. Graham,
04 T. D. Growcock,
05 H. W. Knueppel,
06 J. M. Loree,
07 A. J. Sordoni, III, and
08 R. C. Wilburn

(INSTRUCTIONS: To withhold authority to vote for any individual nominee, mark the Exceptions box and write that nominee s name in the space provided below.)

* Exceptions______________________________________

	FOR	AGAINST	ABSTAIN
ITEM 2. Ratification of the appointment of PricewaterhouseCoopers LLP as independent auditors.	..	..	..
ITEM 3. Advisory vote to approve named executive officer compensation.	..	..	..

Mark Here for Address Change or Comments SEE REVERSE ..

NOTE: Please sign as name appears hereon. Joint owners should each sign. When signing as attorney, executor, administrator, trustee or guardian, please give full title as such.

Signature **Signature** **Date**

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Choose **MLink**SM for fast, easy and secure 24/7 online access to your future proxy materials, investment plan statements, tax documents and more. Simply log on to **Investor ServiceDirect**® at www.bnymellon.com/shareowner/equityaccess where step-by-step instructions will prompt you through enrollment.

Important notice regarding the Internet availability of proxy materials for the Annual Meeting of Shareholders. The Notice of 2012 Annual Meeting and Proxy Statement, our Proxy Card, our 2011 Annual Report on Form 10-K and the 2011 Summary Annual Report to Shareholders are available at: **http://bnymellon.mobular.net/bnymelon/hsc**

q **FOLD AND DETACH HERE** q

PROXY

THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS OF

HARSCO CORPORATION

The undersigned hereby appoints K.G. Eddy, H.W. Knueppel and S.E. Graham, and each of them, with power to act without the other and with power of substitution, as proxies and attorneys-in-fact and hereby authorizes them to represent and vote, as provided on the other side, all the shares of Harsco Corporation Common Stock which the undersigned is entitled to vote, and, in their discretion, to vote upon such other business as may properly come before the Annual Meeting of Shareholders to be held April 24, 2012 or at any adjournment or postponement thereof, with all powers which the undersigned would possess if present at the Annual Meeting of Shareholders.

(Continued and to be marked, dated and signed, on the other side)

Address Change/Comments
(Mark the corresponding box on the reverse side)

SHAREOWNER SERVICES
P.O. BOX 3550
SOUTH HACKENSACK, NJ 07606-9250