

**HARSCO**  
Insight onsite.™



WE HELP BUILD THE WORLD

**HARSCO**  
METALS

**HARSCO**  
MINERALS

**Galdino J. Claro**

Executive VP and Group CEO Harsco Metals and Harsco Minerals

**Annual Analysts Conference**

New York City | December 10, 2010

# Harsco Metals and Harsco Minerals



## Harsco Metals

Provides environmental and logistics solutions to metals producers in the steel, aluminum, zinc, nickel and copper industries. Operations at over 160 sites in more than 30 countries

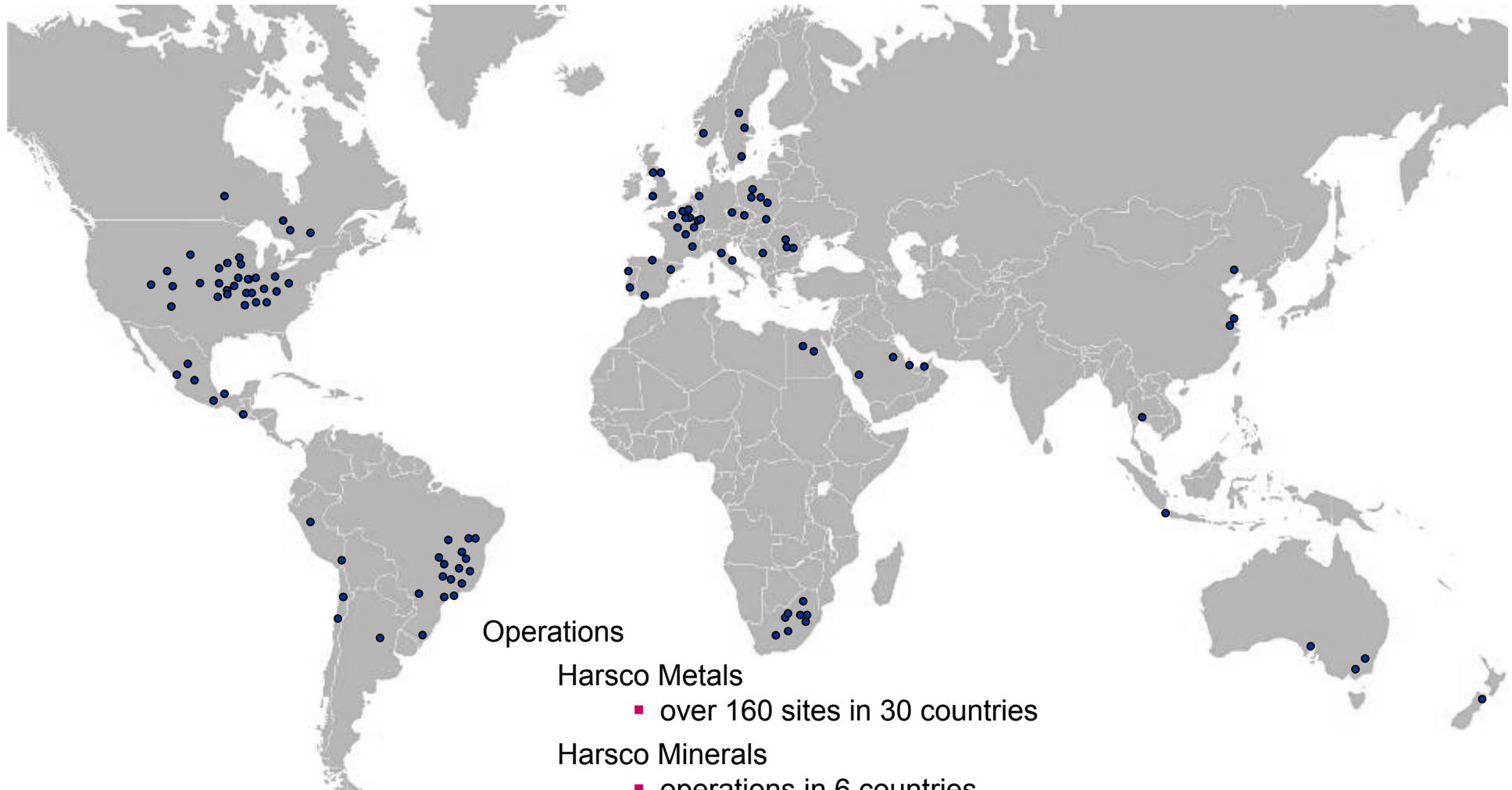


## Harsco Minerals

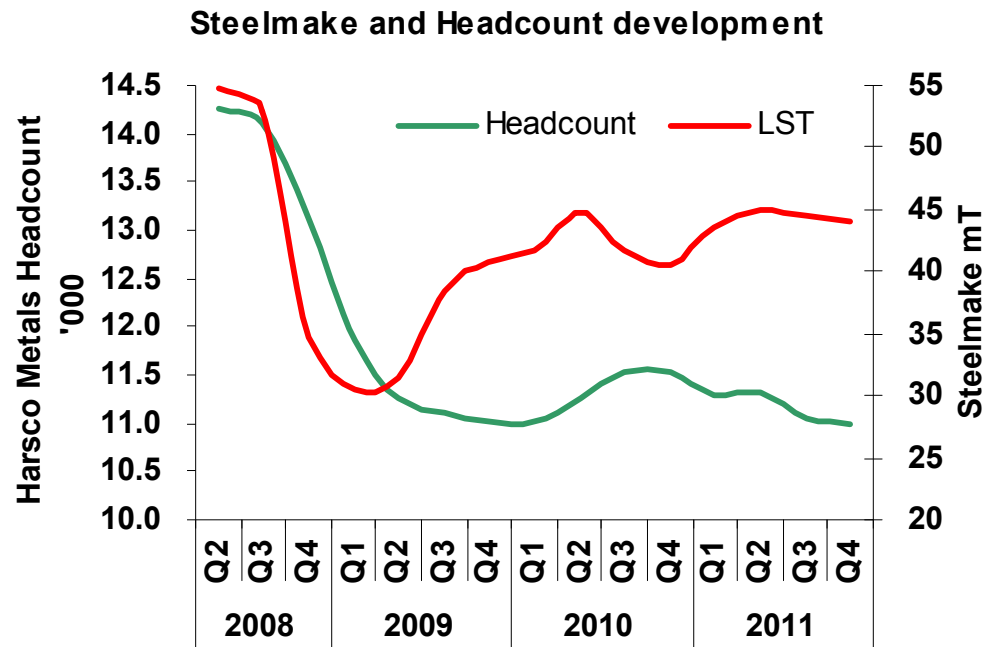
Provides environmental services to the utility and stainless steel industries. Harsco Minerals utilizes innovative metal recovery to give customers a cost effective raw material for production while manufacturing a full range of mineral products servicing the abrasive blasting, roofing, agriculture, turf, and mining industries



# Harsco Metals and Harsco Minerals Worldwide Presence

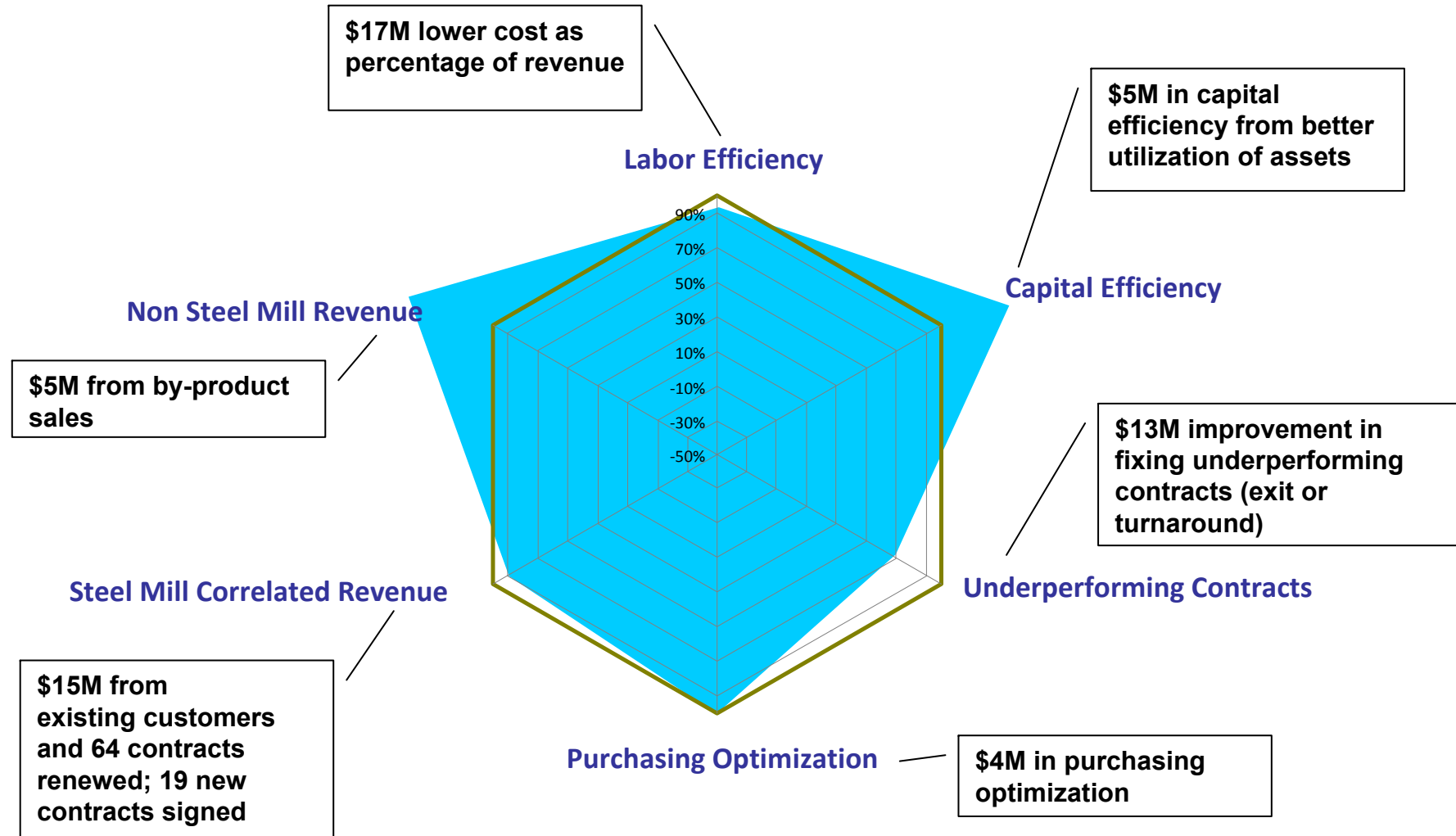


# Well Positioned for the Upturn

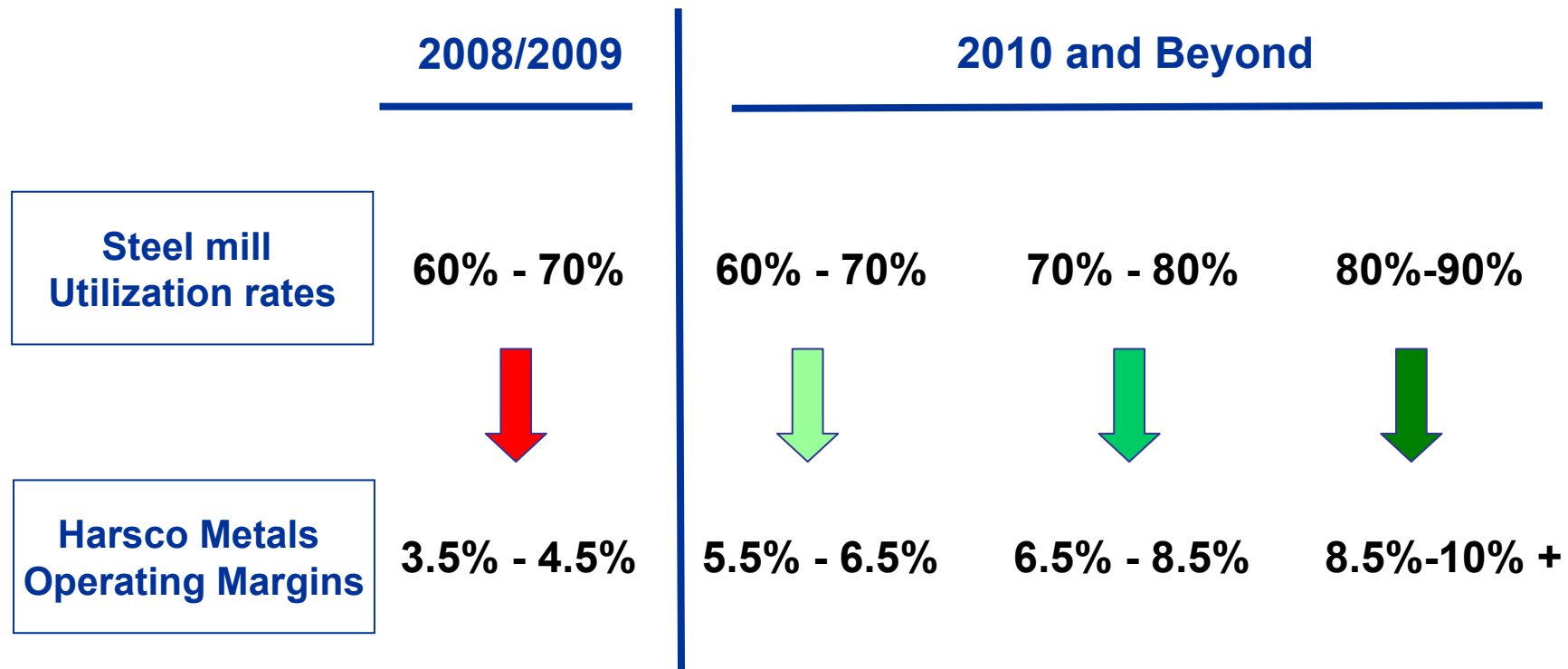


- Harsco Metals and Harsco Minerals significantly reduced its cost base in 2009. This positioned the business strongly to benefit from increased customer production in 2010
- Our 2011 strategic plan is underpinned by flexibly supporting customer production growth with minimal headcount additions, via Lean initiatives and labor and capital redeployment

# Metals Performance Scorecard



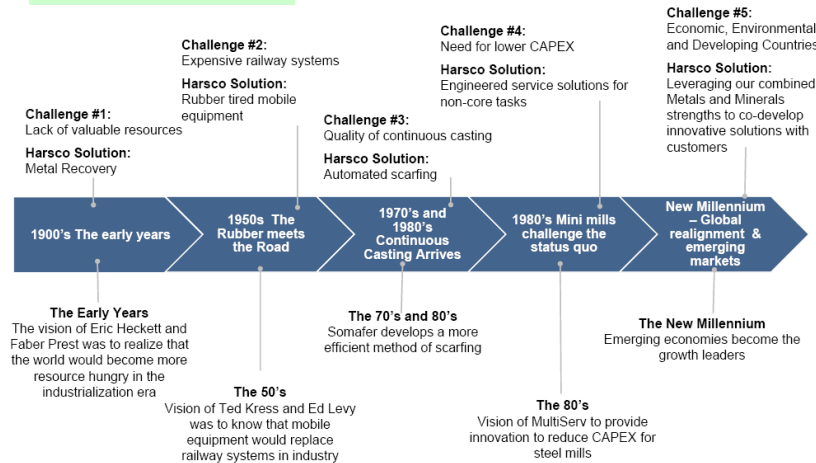
# Metals – Operating Leverage



# 2011 and Beyond

# Metals and Minerals “A3”

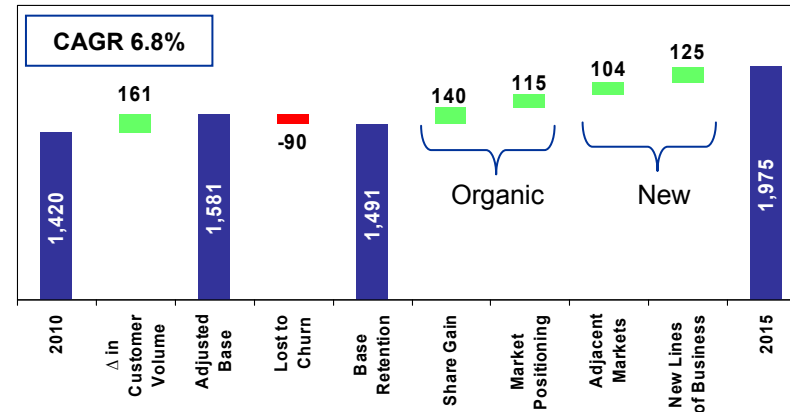
## Business Case



We have a history of applying science to develop high value engineered solutions to solve customer challenges

## Target Condition

### Sources of Revenue Bridge 2010-2015



## Current Condition

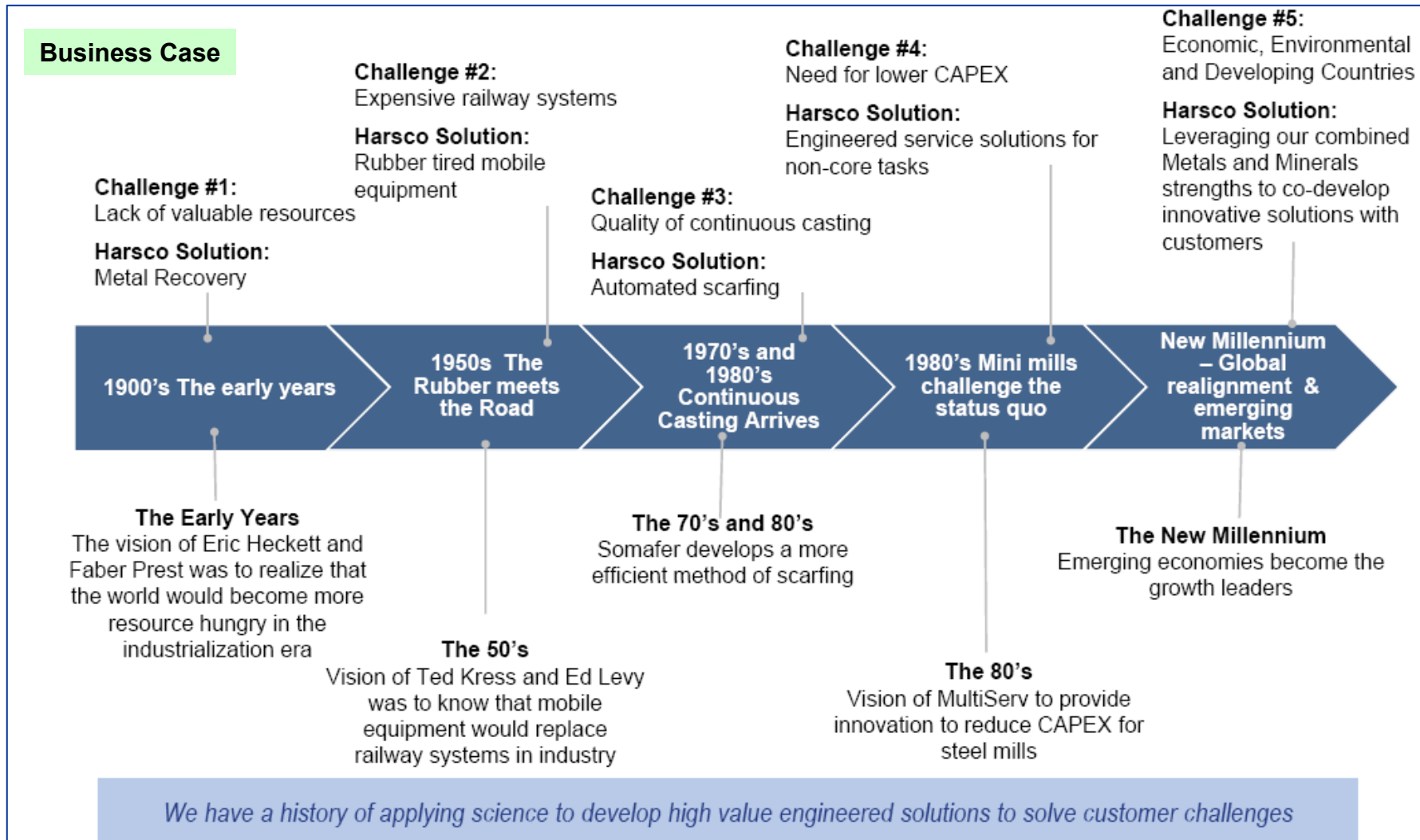
- Harsco Metals and Minerals have been historically profitable.
- The 2008/2009/2010 economic crises significantly impacted the metals industry profitability in general. Most of Harsco Metals and Minerals competitor are facing severe financial challenges.
- Harsco is the only genuine global mill service provider capable to cover the post-consolidation metals industry footprint.
- The partial industry recovery in combination with a strong emphasis in cost efficiency, reengineering of underperforming contracts and profitable growth initiatives lifted Harsco Metals and Harsco Minerals financial performance substantially in 2010.
- The current and future success of Harsco Metals and Minerals are founded in three major building blocks:
  1. **Focus on execution discipline (PMO).**
  2. **Focus on technological solutions to customers (CTO).**
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## Action Plan



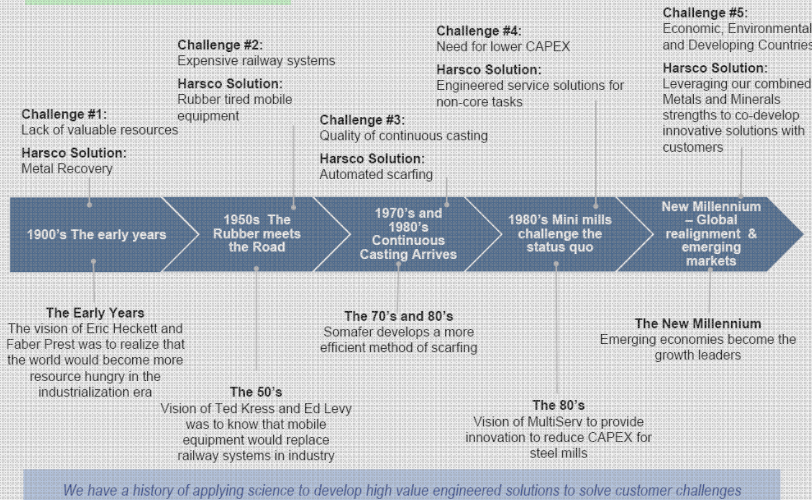
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  - Silos
  - Landfills
  - Commodity
  - Developed Markets
  - Reactive Responders
  - Risk Adverse
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- Engineered Solutions
  - Indispensable Partner
  - Connected
  - Value-added Products
  - Market Leadership
  - Emerging Markets
  - Proactive opportunity creators
  - Leveraged Risk

# Metals and Minerals “A3”



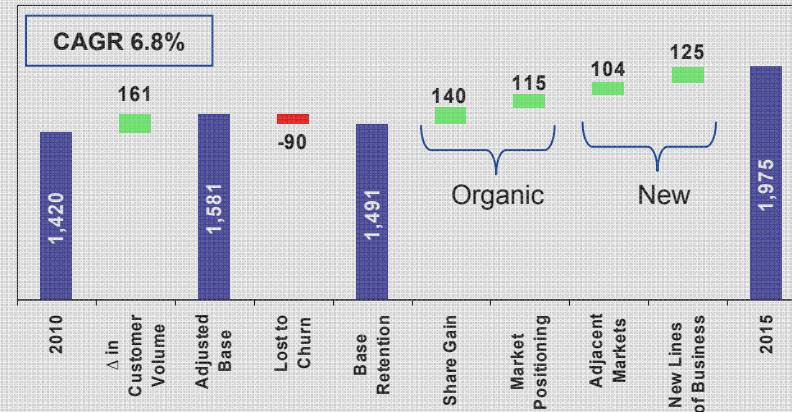
# Metals and Minerals “A3”

## Business Case



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### Sources of Revenue Bridge 2010-2015



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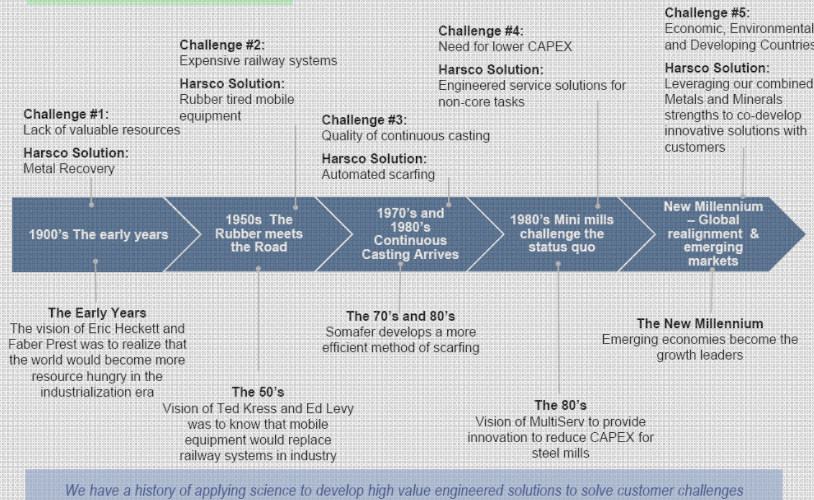
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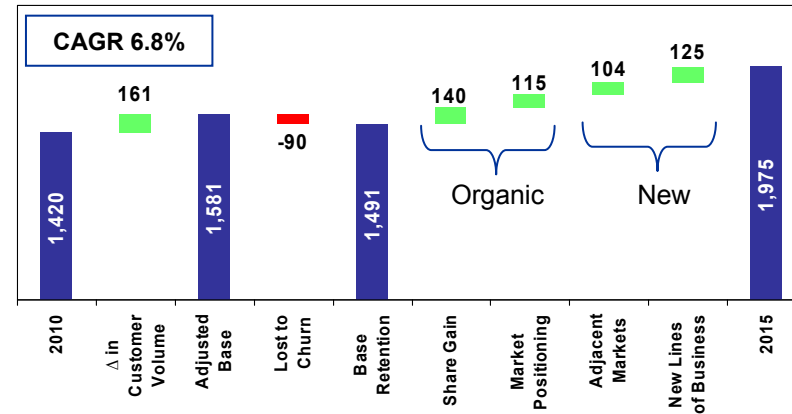
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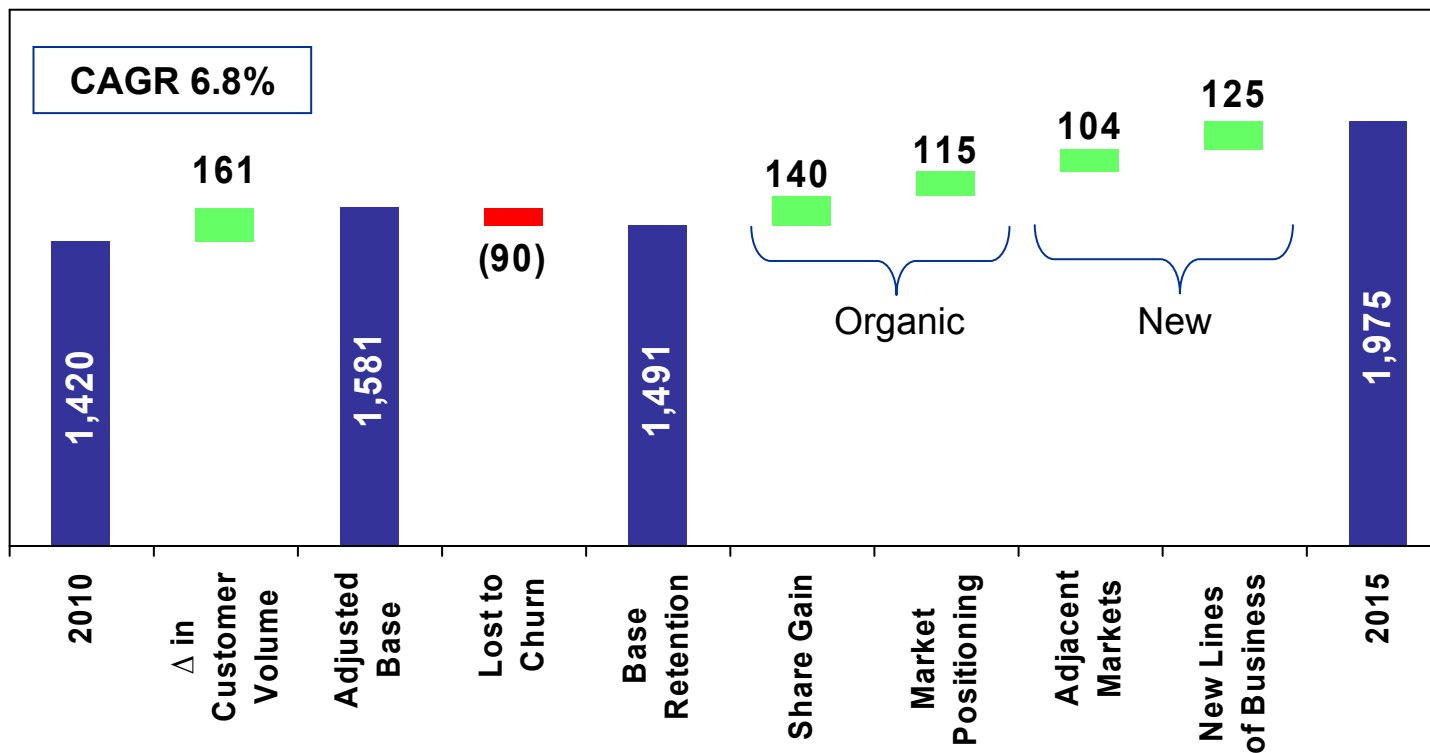


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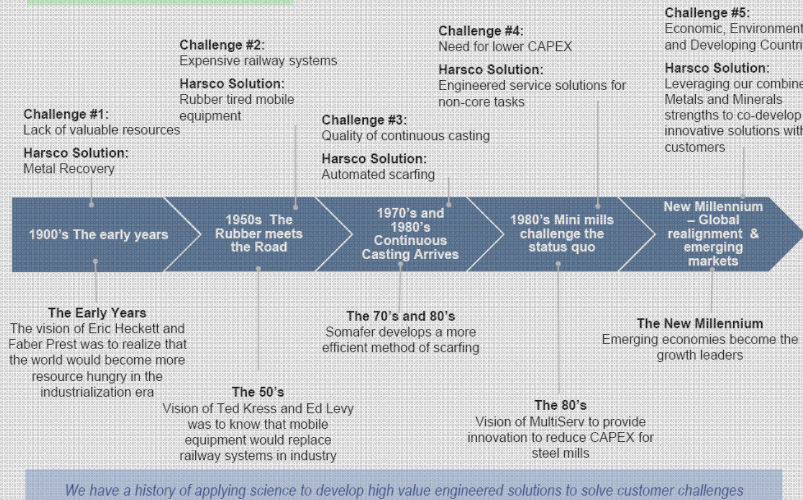
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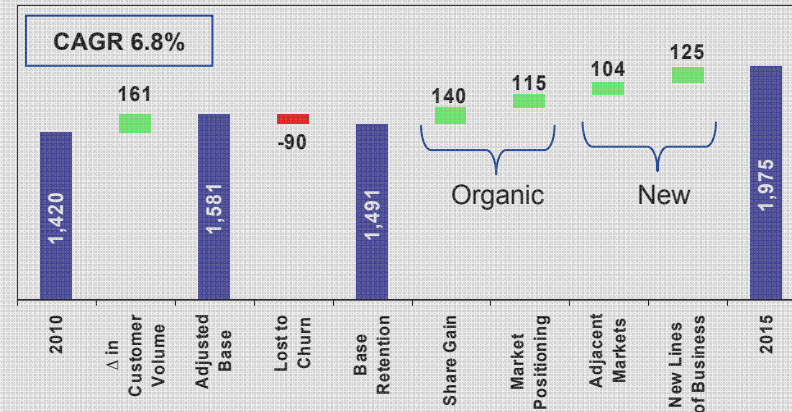
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## Business Case



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## Action Plan



- **Services**
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- **Engineered Solutions**
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# Global Solutions Centers

## Harsco Global Innovation Network



*Discovering, developing and deploying new solutions for our customers*

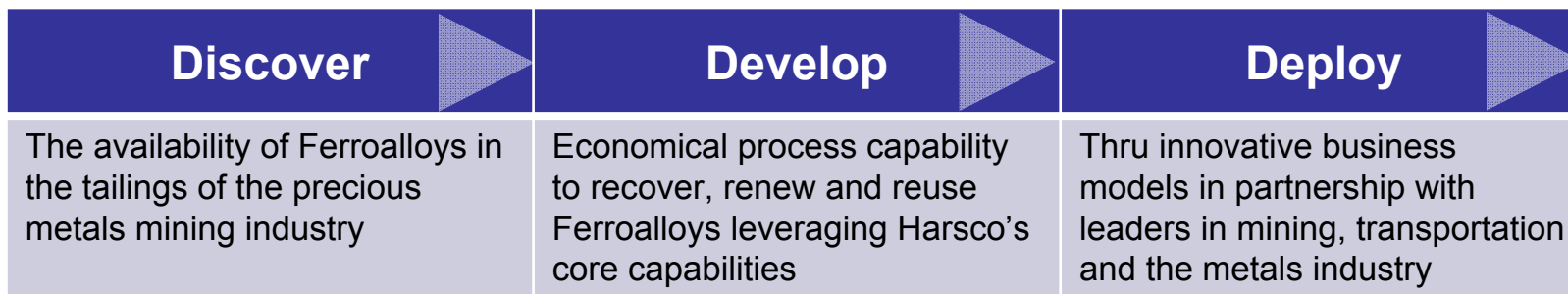
# 3D Innovation Examples

# 3D Innovation – Value added products

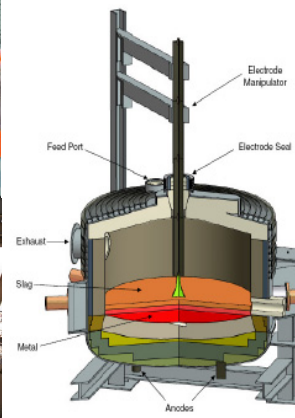
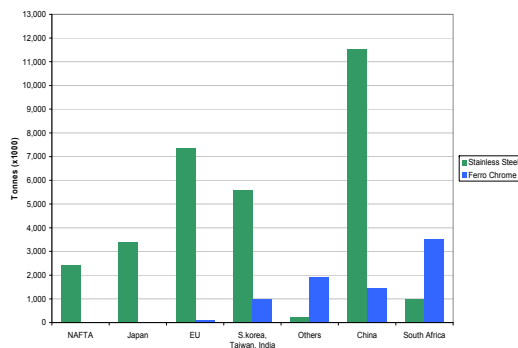
## Ferroalloys

The Customer's Challenge:

Availability of raw material (Ferroalloys) to support stainless steel production



SS/Ferroalloys Geographic Footprint 2010



**The Harsco Solution:**

Leveraging our core capabilities and 3D Innovation network to develop new lines of business.

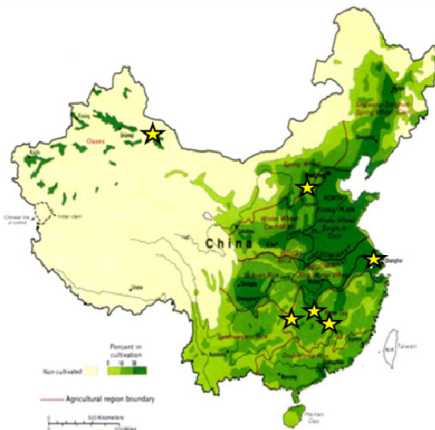
# 3D Innovation – Value Added Products

## Silicon-Rich Agricultural Products in Asia

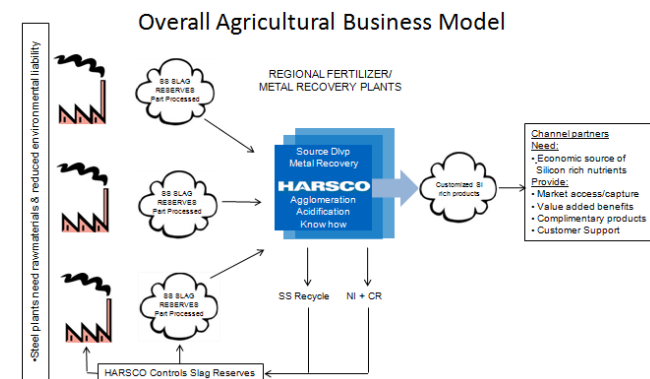
### The Customer's Challenge:

Reduce environmental and economic liabilities from stainless steel slag after metal recovery

| Discover  | Develop   | Deploy   |
|---|---|--|
| China/India have an acute need to improve farm productivity. Stainless steel slags can be made into new fertilizer product with a high soluble silicon content which benefits depleted soils in the region. | Manufacturing processes, leveraging HarSCO's metal recovery business, that release the plant-available soluble silicon from stainless steel slags yielding an important new fertilizer product. | Leveraging our combined Metal's and Minerals capabilities in innovative business models in partnership with key customers and channel partners to develop new Asian markets while growing our core businesses in the region. |



- Increases Yield 5 - 10%
- Great For No-Till
- Holds phosphorus in the soil in the plant-available form
- Improves water-use efficiency
- Improves fertilizer uptake
- Builds stronger, healthier, stress resistant crops
- Raises pH faster and holds it longer
- Increased nutrient availability

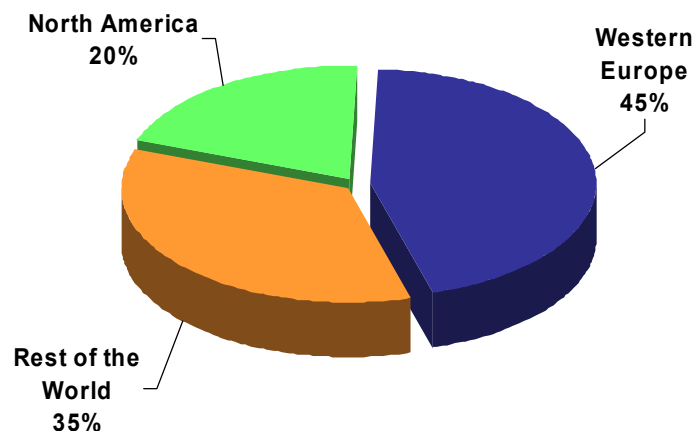


### The HarSCO Solution:

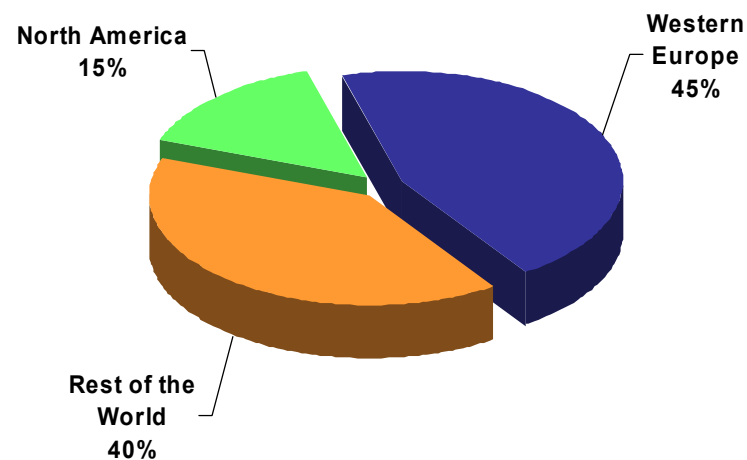
Leveraging our combined capabilities in the Metals and Minerals business to grow revenues in emerging markets.

# Envisioned Future – Geographic Footprint

**2010 Estimated Sales  
\$1.4 Billion**



**2015 Target Sales  
\$2.0 Billion**



2007

2010

2015

|                   |     |   |     |   |     |
|-------------------|-----|---|-----|---|-----|
| North America     | 23% | → | 20% | → | 15% |
| Western Europe    | 53% | → | 45% | → | 45% |
| Rest of the World | 24% | → | 35% | → | 40% |

# Organic Growth Projects – Update

|                                | Awarded in 2010 | Currently Pursuing |
|--------------------------------|-----------------|--------------------|
| ■ Number of major projects     | 19              | 68                 |
| ■ Estimated annual revenues    | \$74M           | \$519M             |
| ■ Estimated capital investment | \$65M           | \$480M             |
| ■ Average contract length      | 5.5 years       | 7.2 years          |

All projects will be EVA positive

# 2010 Deployments

# 2010 Major Announcements

- **Strategic entry into India's steel sector via \$65 million, multi-year contract with Ispat Dolvi, a leading integrated steelmaker**
- **\$6 million contract expansion with BaoSteel, China's largest steelmaker, for zero waste by-product recycling of carbon steel slag**
- **\$18 million contract expansion with ArcelorMittal in France to support ladle metallurgy operations**
- **Deployment of state-of-the-art Rotating Tilting Furnace that makes Harsco the largest processor of aluminum dross by-products in the Gulf Region of the Middle East**
- **Expansion into Latin America's zinc industry under a new \$30 million multi-year mill services contract for handling of incoming zinc concentrates and processing of by-product residues**
- **New contracts totaling \$40 million for slag processing and onsite environmental services in the US, including the processing of over one million tons of blast furnace slag in Utah over the next three years**
- **Recognition by the US EPA for Harsco's model public-private partnership for remediation of a former steel site in Gadsden, Alabama**
- **Expansion into Slovenia under a new Minerals contract valued in excess of \$25 million for by-product environmental solutions**

# Takeaway Message

- **Exceeded sales objective for 2010 and delivered meaningful gains to the bottom line**
- **Significantly lowered the cost base of the business**
- **Strengthened the team**
- **Repositioning the business as a solutions provider**
- **Healthy project pipeline**
- **Well-positioned for market upturn**