HARSCO
Insight onsite.™

Investor Presentation

August 10, 2016

Administrative Items

Forward-Looking Statements

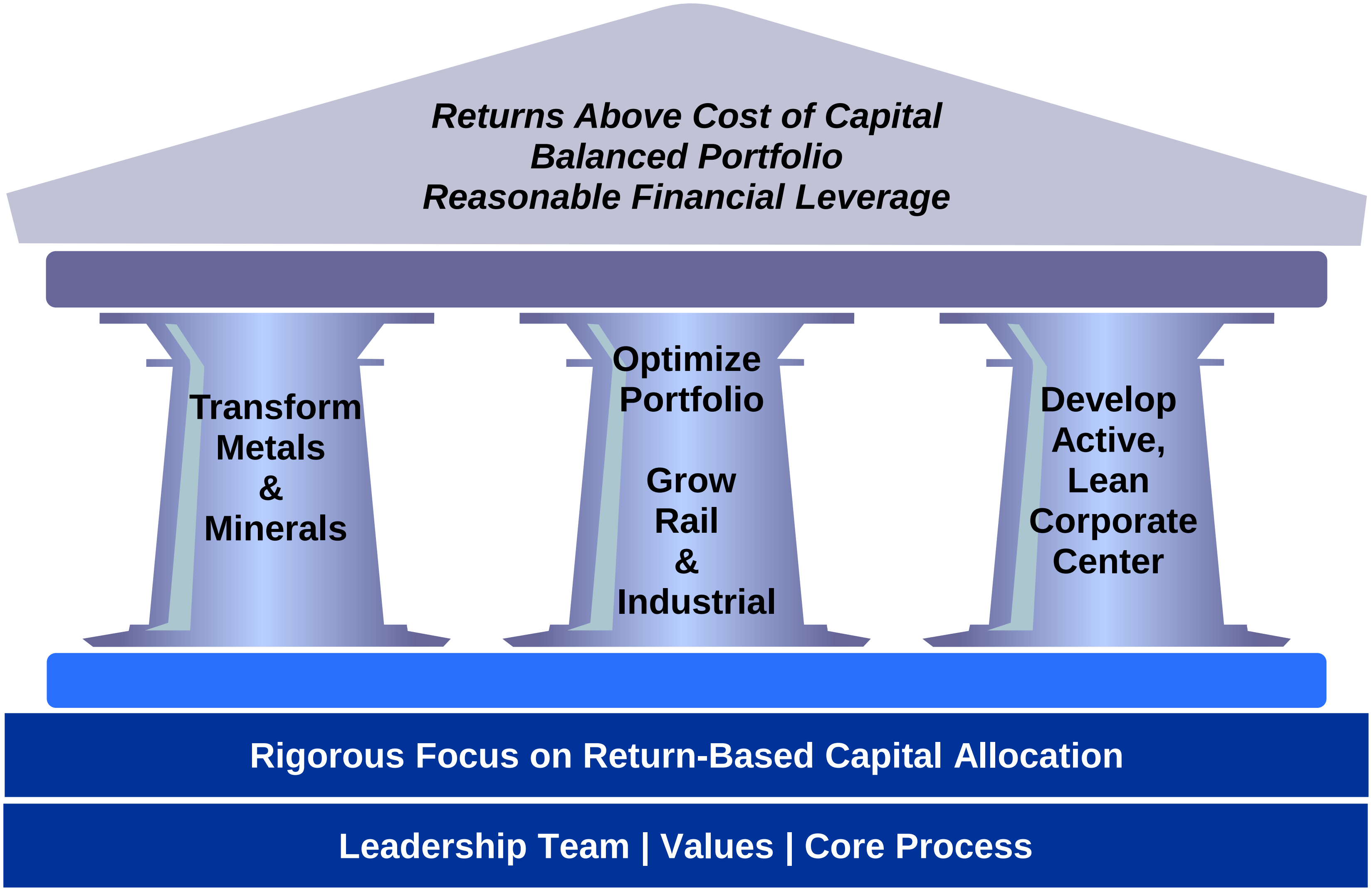
The Company's presentation contains forward-looking statements based on management's current expectations, estimates and projections. The nature of the Company's business and the many countries in which it operates subject it to changing economic, competitive, regulatory and technological conditions, risks and uncertainties. In accordance with the "safe harbor" provisions of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, the Company provides the following cautionary remarks regarding important factors that, among others, could cause future results to differ materially from the results contemplated by forward-looking statements, including the expectations and assumptions expressed or implied herein. Forward-looking statements contained herein could include, among other things, statements about management's confidence in and strategies for performance; expectations for new and existing products, technologies and opportunities; and expectations regarding growth, sales, cash flows, and earnings. Forward-looking statements can be identified by the use of such terms as "may," "could," "expect," "anticipate," "intend," "believe," "likely," "estimate,“ “target,” "plan" or other comparable terms.

Factors that could cause actual results to differ, perhaps materially, from those implied by forward-looking statements include, but are not limited to: (1) changes in the worldwide business environment in which the Company operates, including general economic conditions; (2) changes in currency exchange rates, interest rates, commodity and fuel costs and capital costs; (3) changes in the performance of equity and bond markets that could affect, among other things, the valuation of the assets in the Company's pension plans and the accounting for pension assets, liabilities and expenses; (4) changes in governmental laws and regulations, including environmental, occupational health and safety, tax and import tariff standards; (5) market and competitive changes, including pricing pressures, market demand and acceptance for new products, services and technologies; (6) the Company's inability or failure to protect its intellectual property rights from infringement in one or more of the many countries in which the Company operates; (7) failure to effectively prevent, detect or recover from breaches in the Company's cybersecurity infrastructure; (8) unforeseen business disruptions in one or more of the many countries in which the Company operates due to political instability, civil disobedience, armed hostilities, public health issues or other calamities; (9) disruptions associated with labor disputes and increased operating costs associated with union organization; (10) the seasonal nature of the Company's business; (11) the Company's ability to successfully enter into new contracts and complete new acquisitions or strategic ventures in the time-frame contemplated, or at all; (12) the integration of the Company's strategic acquisitions; (13) the amount and timing of repurchases of the Company's common stock, if any; (14) the prolonged recovery in global financial and credit markets and economic conditions generally, which could result in the Company's customers curtailing development projects, construction, production and capital expenditures, which, in turn, could reduce the demand for the Company's products and services and, accordingly, the Company's revenues, margins and profitability; (15) the outcome of any disputes with customers, contractors and subcontractors; (16) the financial condition of the Company's customers, including the ability of customers (especially those that may be highly leveraged and those with inadequate liquidity) to maintain their credit availability; (17) the Company's ability to successfully implement and receive the expected benefits of cost-reduction and restructuring initiatives, including the achievement of expected cost savings in the expected time frame and the ability to reduce its net debt; (18) the ability to successfully implement the Company's strategic initiatives and portfolio optimization and the impact of such initiatives, such as the Harsco Metals & Minerals Segment's Improvement Plan ("Project Orion"); (19) the amount ultimately realized from the Company's exit from the strategic venture between the Company and Clayton, Dubilier & Rice and the timing of such exit; (20) implementation of environmental remediation matters; (21) risk and uncertainty associated with intangible assets; (22) the impact of a transaction, if any, resulting from the Company's determination to explore strategic options for the separation of the Harsco Metals & Minerals Segment; and (23) other risk factors listed from time to time in the Company's SEC reports. A further discussion of these, along with other potential risk factors, can be found in Part I, Item 1A, "Risk Factors," of the Company's Annual Report on Form 10-K for the year ended December 31, 2015 and in Part II, Item 1A “Risk Factors”, of the Company's Quarterly Report on Form 10-Q for the period ended June 30, 2016. The Company cautions that these factors may not be exhaustive and that many of these factors are beyond the Company's ability to control or predict. Accordingly, forward-looking statements should not be relied upon as a prediction of actual results. The Company undertakes no duty to update forward-looking statements except as may be required by law.

Non-GAAP Measures

Throughout this presentation, the Company refers to certain non-GAAP measures, including, without limitation, adjusted operating income (loss) from continuing operations, adjusted operating income margin, adjusted diluted earnings per share from continuing operations, return on invested capital and free cash flow. For a reconciliation of non-GAAP measures to U.S. GAAP results and the Company's rationale for its usage of non-GAAP measures, see the Appendix to this presentation.

Harsco – Focused on ROIC



Key Investment Highlights

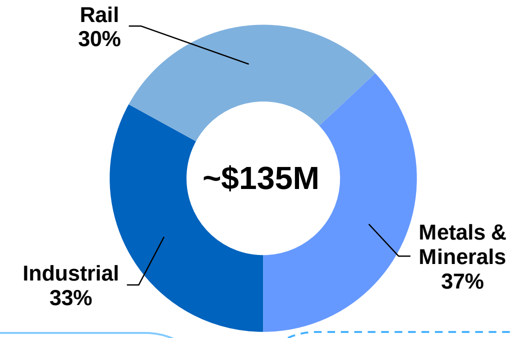
- **Three industry leading, diversified businesses with a global presence, providing innovative customer solutions**
  - Metals & Minerals is global leader in mill services industry with long-term contracts and high renewal rates
  - Industrial is a leading provider of highly engineered products to the industrial and energy markets with attractive margins and returns
  - Rail produces customized rail maintenance equipment and parts for a global customer base
- **Focused on improving profitability and value creation**
  - Project Orion improved financial profile of Metals & Minerals through efficiency, functional and operational initiatives
  - New technologies and product innovation to fuel growth in Industrial
  - Rail to benefit from product and geographic expansions as well as spare parts penetration
  - Evaluating options for separation of Metals & Minerals business
- **Meaningful earnings improvement potential from end-market recovery in each business unit**
- **Significant financial flexibility and focused on maintaining strong capital structure**
  - Emphasis on increasing free cash flow and net leverage expected to decline in 2016
- **Valuable investment in Brand Energy**

Harsco at a Glance

NYSE: HSC

Diversified global engineered products and services company

Adjusted Operating Income[1]



HARSCO METALS & MINERALS

Revenue: ~$1.1B

Global market leader in mill services

- **Premier provider for resource recovery and environmental solutions**
- **140 customer sites in 30+ countries**
- **Deep operational expertise providing onsite logistics and maintenance**

HARSCO INDUSTRIAL

Revenue: ~$360M

Highly engineered OEM to industrial and energy markets

- **AXC: A leader in high quality air-cooled heat exchangers**
- **IKG: leading producer of industrial metal grating products**
- **PK: innovative commercial boilers and water heaters**

HARSCO RAIL

Revenue: ~$260M

Customized provider of maintenance services and equipment

- **Leader in NA rail maintenance**
- **Large installed base**
- **Aftermarket expansion provides recurring revenues and is positioned to grow**
- **Significant opportunities for international expansion**

BRAND ENERGY & INFRASTRUCTURE SERVICES

Revenue: ~$3B

26% stake in leading industrial service provider

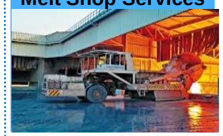
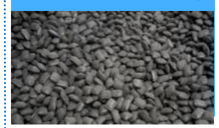
- **Global market leader**
- **Steady stream of recurring revenues**
- **Broad portfolio of services**
- **Strong presence in energy markets**

Note: Adjusted operating income and all revenues for Harsco Metals & Minerals, Rail, and Industrial Segments are 2015 actual amounts. Industrial Segment: AXC represents Air-X-Changers; IKG represents IKG Industries; and PK represents Patterson-Kelley.
(1) See tables at end of presentation for GAAP to non-GAAP reconciliations.

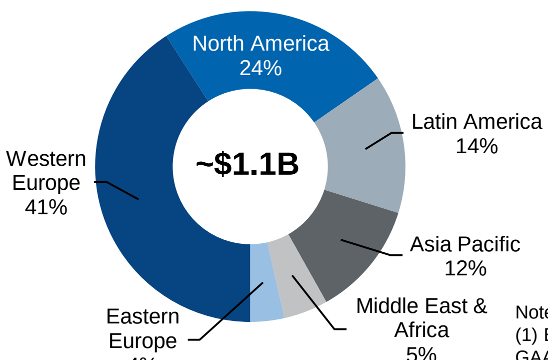
Metals & Minerals
Improving Returns Above Cost Of Capital

- **Global market leader in 30+ countries**
  - ~70 customers globally and ~140 operating sites
- **Differentiated operational and technical expertise providing valuable customer solutions**
- **Long term contracts and relationships; existing sites have often served customer over multiple decades**
- **High contract renewal rates**
- **Industry leading technology provides opportunity to leverage heightened environmental requirements**
  - Scrap detection and reporting system
  - Wet magnet technology: best in class metal recovery
  - Yield loss monitoring
  - Agglomeration technologies
- **Flexible operating structure scalable to business needs**
- **Project Orion initiatives improves return profile**

Services and Products Portfolio

Category	Solutions	Offerings
Materials Management and Melt Shop Services 	▪ Optimize availability of inputs ▪ Enable core operations ▪ Improve production efficiency ▪ Offer environmental, health, and safety solutions	▪ Slag Hauling & Processing ▪ Logistics and Raw Materials Inventory Management ▪ Scarfing, Slitting & Packaging ▪ Tap-hole Drilling, Refractory Wrecking /Recycling, Vessel Cleaning
Resource Recovery 	▪ Processing & recovery of valuable resources	▪ Extraction of nickel and other high value metallic ▪ Briquetting & Pelletizing ▪ Crushing & Metal Recovery ▪ Scrap Sales
Environmental and Product Solutions 	▪ Utilize by-products from steel and other metal making processes to create value added products ▪ Zero waste environmental solutions	▪ Abrasives & Roofing Granules ▪ Road Base Materials & Cement ▪ Metallurgical Additives ▪ Fertilizers & Soil Conditioners

Revenue Mix by Geography



Note: Revenue breakdown from 2015
(1) Excludes impact of special items. See tables at end of presentation for GAAP to non-GAAP reconciliations.
(2) Excludes growth capital

Long Range Targets

Category	2015 Actuals	Long-Range Targets
Revenue	$1.1B	$1.1 - $1.2B
Adjusted OI Margin[1]	6%	9 - 10%
FCF	$64M	$110 - $130M[2]

FCF: Net cash provided by operating activities less capital expenditures plus proceeds from asset sales and capital expenditures for strategic ventures

Project Orion – Transforming M&M

Uniquely Positions M&M to Benefit From a Recovery in Steel Markets

- **Case for change: (1) Historical focus on growth coupled with decline in global steel industry weakened operating performance; (2) Inadequate organizational structure and lack of centralized capital/contract management resulted in inefficient capital deployment; (3) Cost base not aligned with business portfolio; and (4) Non-standardized operational procedures and policies across the business**
- **Initiated in Q2 2014: objective to improve returns and to provide higher and more consistent level of value-added services to customers**
- **Phase III launched in late 2015 and now largely completed; total on-going benefits from project now approximate $60 million**

Key Initiatives	Updates
Bid and Contract Management	▪ Formed to optimize contracts through diligent review and assessment ▪ "Best-in-class" process developed and functioning ▪ New opportunities and renewals flowing through process; ~30 renewals and new business opportunities won in 2015
Organizational / Headcount Structure Realignment	▪ Centralized core processes (BCM, Engineering & Operations), introduced Regional leadership and aligned functional support (Finance, Legal, HR & IT) ▪ All workforce actions completed under Phase I through III
Operational Standards Improvement	▪ New operational standards ("Harsco Way") established and implemented across global site portfolio ▪ Initiative includes 16 standards identified as best practices ▪ New assessment process to ensure continuous compliance with new standards
Address Underperforming Contracts ("UPCs") Through Triage Teams	▪ Proactively addressing underperforming contracts prior to expiration based on NPV of scenario cash flows ▪ Initiatives include commercial and operational actions ▪ Success to date validates initiative as finalized sites have shown considerable financial progress; gross profit margins at finalized UPCs are in line with performing contracts ▪ Triage teams remain in place to quickly react to any future site underperformance

M&M - Positioned to Capture Growth Opportunities

Increased Penetration of Existing Sites with Targeted Pursuit of New Sites

- Renewed emphasis on entrepreneurial focus at site level for site managers to grow relationships and services
- Ability to obtain add-on contracts at local site level
- Identification of "new site" opportunities and implementation of business win action plan

- **Competitive landscape understood**
- **New sites identified in select markets globally**
  - **Ongoing dialogue with site managers and site owners**
  - **Assessment of areas of incremental value M&M can provide**

Firm wide Commercialization of Applied Products Technology

- Applied product "successes" to be rolled out across the site portfolio
- Additional value creation / upside through the development of a global, coordinated Applied Products strategy

Current Platform

Abrasives and Roof Granules	**Road Construction**
Specialty Metallics Recovery / Fertilizer	**Metallurgical Additives**

Capitalizing on Opportunities and Outlook in Growth Markets

India

- Strong market position – only global steel mill services company with full-scale operations in India providing a comprehensive service offering
- High expected steel production volume growth
- Local purchasing enabling lower capital and operating costs
- In-house engineering capabilities, operating track record, and local presence are key differentiating factors
- Best-in-class operator positioned for positive market outlook

China

- Significant opportunities from potential outsourcing of steel mill services
- Focus in China on environmental solutions presents additional applied products applications
- Established track record – developed relationships and full-scale operations in China differentiates Harsco from other global mill services companies

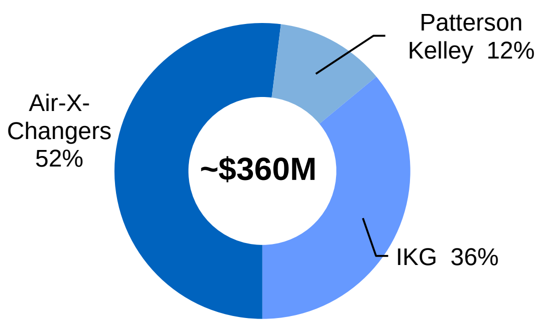
Industrial - Highly Attractive Return Business

- **Three businesses with premium quality products and powerful 100+ year brand heritage**
  - **AXC**: A leader in high quality air-cooled heat exchangers, sold primarily to energy markets
  - **IKG**: leading producer of industrial metal grating products
  - **PK**: innovative commercial boilers and water heaters
- **Broad attractive end-markets**
  - Growth in natural gas production
  - Chemical and Oil processing expansions
  - Industrial capacity additions
  - Improvement in US construction
- **Focus on Continuous Improvement principles**
- **Attractive margins**
- **Capital-light business with high returns**
  - Yearly CapEx: ~4% of revenue
  - ROIC: 39%

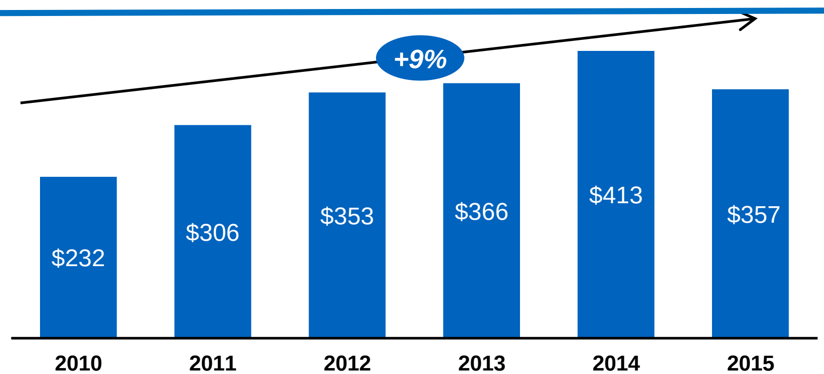
Products and Applications Portfolio

Products	Applications	Customers
Air-X-Changers 	Process cooling for petrochemical applications; Natural gas compression, processing, and transmission	Petrochemical Plants; Natural Gas packagers; Oil Refineries
IKG 	Mezzanines, platforms, treads, flooring systems; Aesthetic applications; Industrial fencing	Structural Steel Fabricators; Distributors and Service Centers; Govt. Buildings
Patterson-Kelley 	Commercial and institutional building space heating; Domestic hot water	K-12 & Universities; Govt. Facilities; Hospitals, hotels; Apartment complexes

Revenue Mix by Business



Significant Revenue Growth Since 2010 ($M)

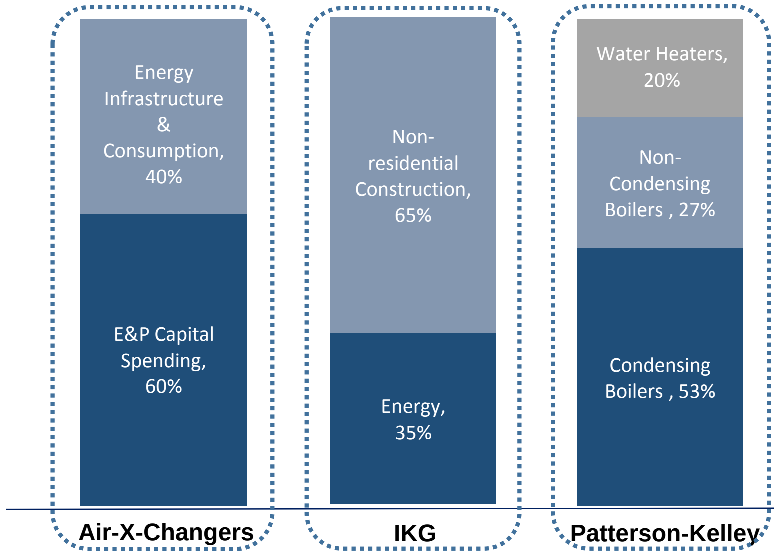


Note: Revenue breakdown from 2015. Segment ROIC for 2015 = segment net operating profit after tax (NOPAT) divided by net operating assets.

Industrial Platform For Growth

- **Strong position in North America**
- **Product innovation will support growth and broaden offerings to new customers**
  - Examples include: SONIC™ boiler, NURO™ control panel and IKG GrateGuard™
- **Targeted M&A in large profitable markets**
  - Competitive market position
  - Supplement end market exposure
  - Leverages market expertise
  - Return in excess of cost of capital (~10%)
- **Successfully consolidated 5 facilities within a 40 mile radius into a single 550,000 sq. ft. AXC facility (CenterGate)**
  - Move completed in H2 2015
  - Investment supports profitable growth and lean manufacturing given that manufacturing inefficiencies existed operating multiple integrated facilities near Tulsa, OK
  - Customers require shorter lead times
  - Significant reduction in material handling, maintenance and utilities costs
  - Supports new Master Service Agreements with large customers

Business Exposures[1]



New CenterGate Facility

Source: (1) Company estimates or 2015 information.

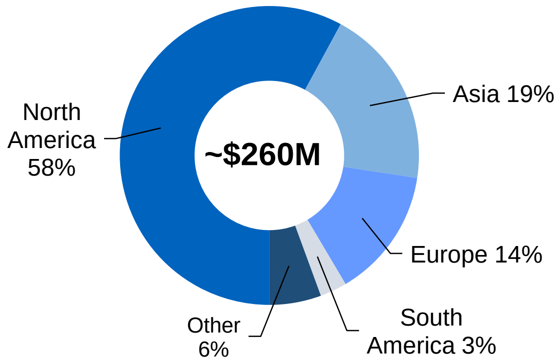
Scaling Rail To Drive Growth

- Leader in North American rail maintenance with developing foothold in Asia & Europe
- Customized OEM of rail track maintenance and construction equipment for private and state-owned railways
- Scalable manufacturing
- Large aftermarket opportunity supported by installed base of customers
- Profitable recurring services business
- Differentiated technology solutions
- Capital light business with high returns
  - Yearly Capex: ~1% of revenue
  - ROIC: 70%

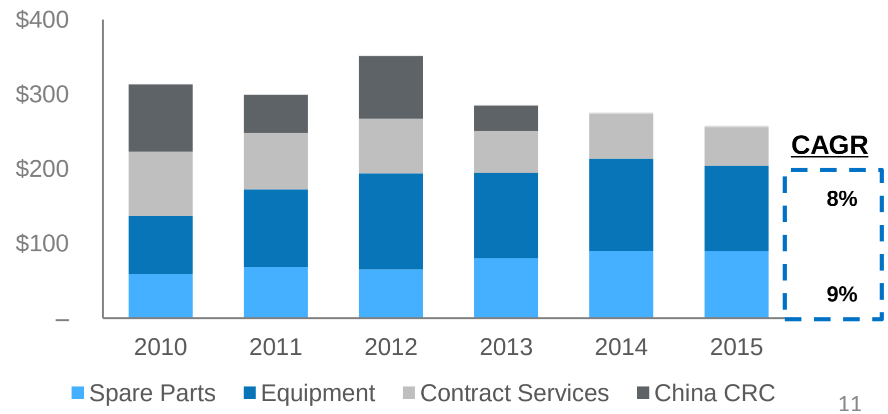
Products / Services and Applications Portfolio

Products / Services		Applications
Equipment		Customized equipment utilized in the construction and maintenance equipment of rail infrastructure, including tampers, grinders, and other track equipment
Aftermarket		OEM and Non-OEM parts supply Component and equipment rebuild services
Contracting Solutions		Selective rail maintenance solutions in niche market segments Track and Rail renewal services
Protran Technology		Control systems and technology for Rail vehicles Critical safety solutions in rail, transit and wayside applications

Revenue Mix by Geography



Strong Revenue Growth in Core Products



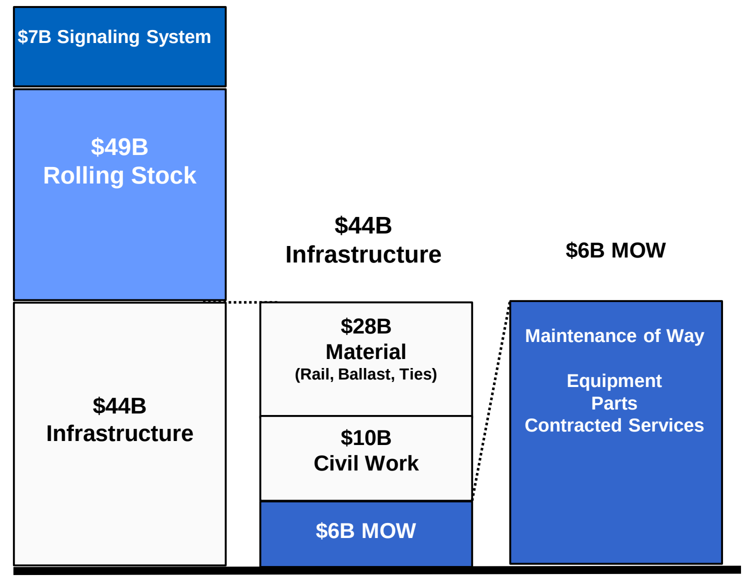
Note: Revenue breakdown for 2015 by destination. Segment ROIC for 2015 = segment net operating profit after tax (NOPAT) divided by net operating assets.

MOW is a Profitable Growth Opportunity

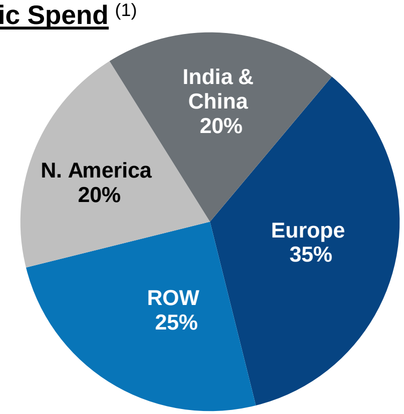
- **Share gains targeted within ~$6 billion industry**
- **International opportunities are significant, with focus on higher-spending global regions**
  - China contract validated capabilities
  - European awards are next leg of international expansion
  - Awarded ~$200 million in contracts from the federal railway system of Switzerland
  - Targeting participation in a number of large, upcoming tenders
- **Strategy to increase penetration in significant domestic and international spare parts market**
  - Leverage existing and growing installed base of equipment
  - New product offerings
- **Large, fragmented market with significant M&A opportunities to:**
  - Increase global scale
  - Broaden product capabilities
  - Accelerate growth in aftermarket
  - Add technology solutions

MOW Market Structure

MOW Market Niche (1)



MOW Geographic Spend (1)



Source: (1) Company estimates.

Balanced Capital Allocation & Financial Strategy

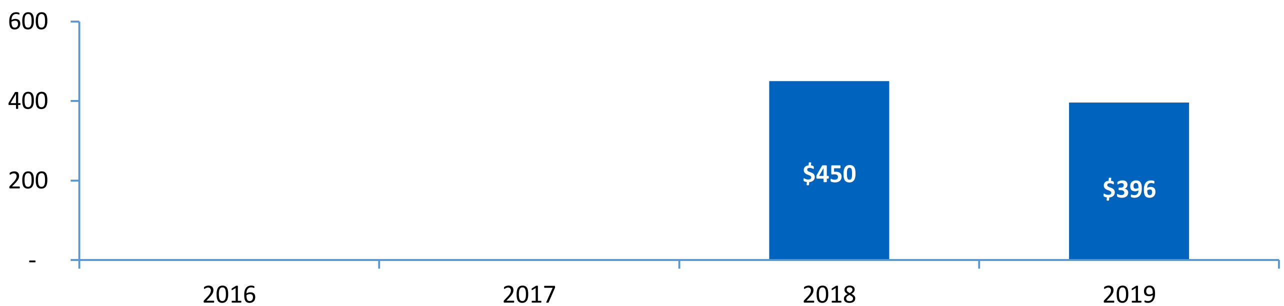
- **Primary focus is Return on Invested Capital; ROIC target is 10%**
  - Improve capital allocation and efficiency in Metals & Minerals
  - Pursue accretive growth opportunities in Rail and Industrial
- **Notable improvement in cash flow expected**
  - Metals & Minerals capital spending limited to maintenance and targeted growth investments
  - Focus on working capital improvements in each business segment
- **Maintain reasonable capital structure and adequate financial flexibility to pursue strategic initiatives**
  - Long term target leverage ratio is 2.5x to 3.0x

Stable Capital Structure & Liquidity Profile

($ millions)	6/30/2016
Capital structure:	
Cash and cash equivalents	$69
$350m Revolving Credit Facility due 2019	152
Term Loan Facility	244
5.75% Senior Notes due 2018	450
Other debt	32
Total debt	**878**
Net debt	$809
Net leverage ratio[1]	2.9
Liquidity:	
Gross liquidity[2]	$224

Note: (1) Ratio calculation in accordance with credit agreement
(2) Unused revolver + cash and cash equivalents – letters of credit outstanding under RCF (RCF limits cash to $75 million)

Major Debt Maturities ($m)[3]



Note: (3) Excludes amortization of Term Loan ($12.5 million in 2016 and $25 million per year thereafter) and assumes refinancing of 2018 Senior Notes

Brand JV Delivering Value

BRAND
ENERGY & INFRASTRUCTURE SERVICES

Premier provider of integrated specialty services to global energy, industrial and infrastructure markets

Forming and shoring systems, engineering design, project management and assembly

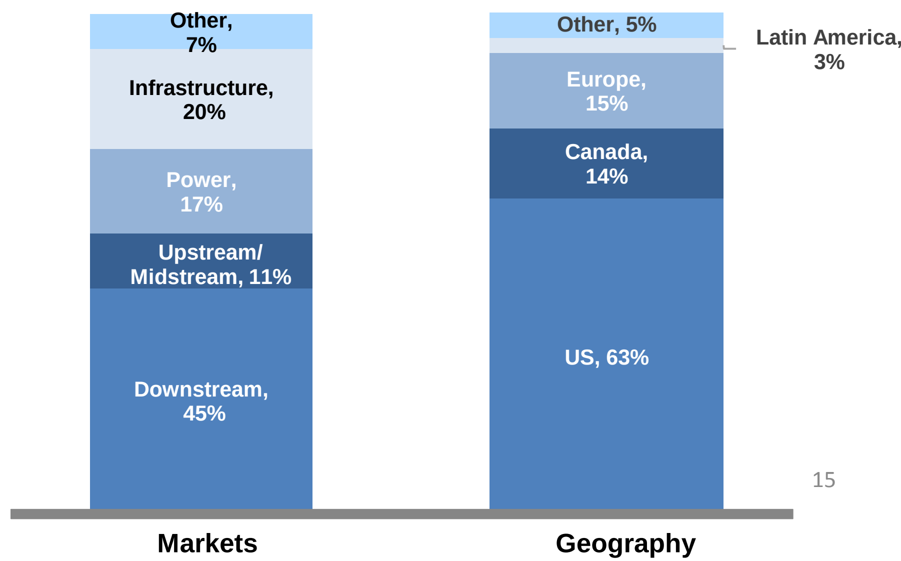
Portfolio of industrial services including coatings, insulation, abrasive blasting and fireproofing

- Acquisitive business model
- JV with Clayton, Dubilier & Rice
- Harsco has two Board seats
- 26% owned by Harsco; in Q1 2016 elected to make in kind transfer of ~3% interest in JV in lieu of annual cash payment ($15 million after-tax) to partner during 2016

Value Proposition

- Cash proceeds of $300 million from JV formation
- Book value of investment = $234 million (June 30, 2016)
- Potential to exit investment in future via an IPO

Business Mix



Note: Business mix information is for 2015

2016 Outlook

	2016 Outlook	2016 Prior	2015 Actual
GAAP Operating Income	**$57 to $72 million**	$72 to $92 million	$89 million
Adjusted Operating Income[1]	**$105 to $120 million**	$80 to $100 million	$135 million
Free Cash Flow	**$65 million to $80 million**	$50 million to $70 million	$24 million
ROIC[1]	**5.5% to 6.0%**	4.0% to 4.5%	6.3%
GAAP Diluted Earnings/(Loss) Per Share	**$(0.32) to $(0.17)**	$(0.01) to $0.17	$0.09
Adjusted Diluted Earnings Per Share[1]	**$0.33 to $0.49**	$0.13 to $0.33	$0.56
Net Leverage Ratio (Year End)[2]	**< 3.0x**	3.0x to 3.2x	2.8x

(1) Excluding special items.
(2) Ratio calculation in accordance with credit agreement.

Summary and Major Priorities

- ❑ Macro-economic factors continue to present challenges, although certain markets have realized some improvement
- ❑ Business focus and strategy have remained consistent
  - ✓ Create leaner and more disciplined Metals & Minerals business; pursue select growth opportunities
  - ✓ Secure additional growth opportunities in Industrial and Rail
  - ✓ Add value through critical corporate support functions
  - ✓ Develop "continuous improvement" culture
- ❑ Improvement in FCF expected during 2016
- ❑ Maintain strong capital structure and financial flexibility
- ❑ Target remains to achieve a 10% ROIC
- ❑ Considerable value in Brand Energy JV stake

Appendix

Seasoned Management Team

Nicholas Grasberger
President, CEO & Interim Head of Metals & Minerals

Nicholas Grasberger was appointed President and Chief Executive Officer in July 2014. He also is a member of the Harsco Board of Directors and serves as the interim leader of the Metals & Minerals segment. Mr. Grasberger previously service as Harsco's Chief Operating Officer and Chief Financial Officer. Before that, he was Managing Director of the multinational Precision Polymers Division of Fenner Plc. Prior to joining Fenner, he served as the Chief Financial Officer of Armstrong Holdings, Inc., the parent company of Armstrong World Industries, and later as CEO of Armstrong's Building Products division. Mr. Grasberger also serves on the Board of the Company's joint venture in the energy and infrastructure sectors, Brand Energy and Infrastructure Services, in which Harsco holds an approximate 29 percent equity interest.

Peter F. Minan
SVP & CFO

Peter F. Minan was appointed Senior Vice President and Chief Financial Officer of the Company effective November 11, 2014. He has an extensive background in global financial management acquired through a nearly 30-year career with KPMG. He became a partner in 1993 and served as global lead partner for several multi-national Fortune 500 industrial and consumer audits. His roles included National Managing Partner, U.S. Audit practice, and Partner in Charge, Washington/Baltimore Audit practice. His most recent role was with Computer Sciences Corporation, where he served as Vice President of Enterprise Risk Management and Internal Audit. Mr. Minan has a degree in commerce from the University of Virginia's McIntire School of Commerce and is a Certified Public Accountant.

Scott W. Jacoby
President of Rail

Scott W. Jacoby serves as Senior Vice President and Group President of the Harsco Rail group. Since joining Harsco in 1995, Mr. Jacoby has held senior operations management positions in the Harsco Rail and Harsco Industrial business groups. Mr. Jacoby began his career with Mack Trucks and is also a CPA.

Scott H. Gerson
President of Industrial

Scott H. Gerson serves as Senior Vice President and Group President of the Harsco Industrial group. Mr. Gerson joined Harsco in 2005 as Chief Information Officer and was appointed to his current position in 2010. Mr. Gerson previously was with Kulicke & Soffa Industries, Inc., a manufacturer of semiconductor assembly and test equipment, where he served as IT director of their worldwide application services. He has also served in management capacities with Compaq Computers and TRW Inc.

Tracey McKenzie
SVP & Chief HR Officer

Tracey McKenzie serves as Senior Vice President and Chief Human Resources Officer. Prior to joining Harsco in September 2014, Ms. McKenzie served as Global HR Vice President for JLG Industries, a leader in the manufacturing sector for advanced aerial lift systems. While at JLG, she initiated and implemented global processes and procedures to foster employee engagement and development, while also advancing the company's objectives for Lean operational efficiency and continuous process improvement. Ms. McKenzie previously held executive level HR positions in her native Australia, and worked at Pacific Scientific Aerospace (a division of Danaher). She moved to the US in 2003, and holds an MBA from University of New England and a bachelor's in business administration from Royal Melbourne Institute of Technology (RMIT).

Russell Hochman
SVP, General Counsel, CCO & Corporate Secretary

Russell Hochman serves as Senior Vice President, General Counsel, Chief Compliance Officer and Corporate Secretary. Mr. Hochman served in senior legal roles with Pitney Bowes Inc. and leading law firms based in New York prior to joining Harsco in 2013. He holds a J.D. from Albany Law School of Union University and a B.A. from Cornell University.

Experienced Board of Directors

David C. Everitt	❑ Non-Executive Chairman ❑ Former Co-Leader of Deere & Company’s Agriculture and Turf Division
James F. Earl	❑ Executive Vice President GATX Corporation ❑ President – GATX Rail International
Kathy G. Eddy	❑ Founding partner of McDonough, Eddy, Parsons & Baylous, A.C., a public accounting and financial services corporation ❑ Former Chair of the American Institute of Certified Public Accountants Board of Directors
Stuart E. Graham	❑ Chairman of Skanska AB ❑ Serves as Director of Industrivarden AB and PPL Corporation
F. Nicholas Grasberger	❑ President and Chief Executive Officer of Harsco ❑ Former Managing Director of Precision Polymers Division of Fenner Plc and Former Chief Financial Officer of Armstrong Holdings, Inc
Terry D. Growcock	❑ Former Chairman of The Manitowoc Company ❑ Serves on the Board of Directors of Harris Corporation and Carlisle Companies
Elaine La Roche	❑ Senior Advisor to China International Capital Corporation US ❑ Former Vice Chairman, JP Morgan China Securities
Phillip C. Widman	❑ Former Senior Vice President and CFO of Terex ❑ Former Executive Vice President and CFO of Philip Services Corporation

Business Sensitive to Many Macro Drivers

Many business drivers

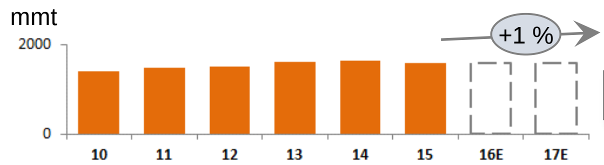
Materials Management and Melt Shop Services
- Liquid Steel Production
- Fixed fees
- Equipment / labor rental demand
- Fuel cost
- Inflation

Resource recovery
- Scrap price
- Nickel price
- Chrome price
- Iron price

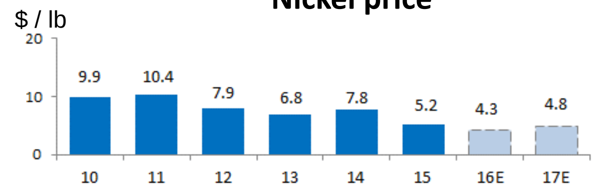
Environmental products
- Abrasive demand & price
- Roofing demand & price

Business variables

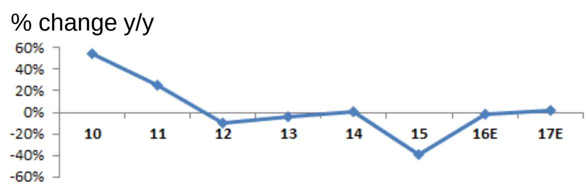
Liquid Steel Production



Nickel price



Scrap price[1]



Impact to bottom line[2]

Within current scope of operations…

~1% liquid steel production change equals ~$3 million (4%) segment OI improvement

$0.20 nickel price change equals ~$1 million (2%) segment OI improvement

10% scrap price change equals ~$0.6 million (1%) segment OI improvement

Impact to bottom line not linear

1. Reflects US and European Shredded, and HMS #1 forecasts
2. Sensitivities are based on 2015 results

Source: World Steel Association, Deutsche Bank, Bank of America Merrill Lynch, Goldman Sachs, Citi Research, Barclays, Credit Suisse

Q2 2016 Financial Summary –
Key Performance Indicators

($ - millions, except EPS)	Second Quarter	Change vs. 2015 $	Change vs. 2015 %
Revenues	370	(86)	(19)%
GAAP Operating Income	1	(34)	nmf
% of Sales	*0.4%*		*nmf*
Adjusted Operating Income(1)	41	6	16%
% of Sales	*11.2%*		*340bps*
GAAP Diluted Earnings Per Share	(0.35)	(0.43)	nmf
Adjusted Diluted Earnings Per Share(1)	0.15	0.07	88%
Free Cash Flow	19	9	89%
ROIC (LTM)	6.0%		(80)bps

nmf = not meaningful. (1) Excludes unusual items.

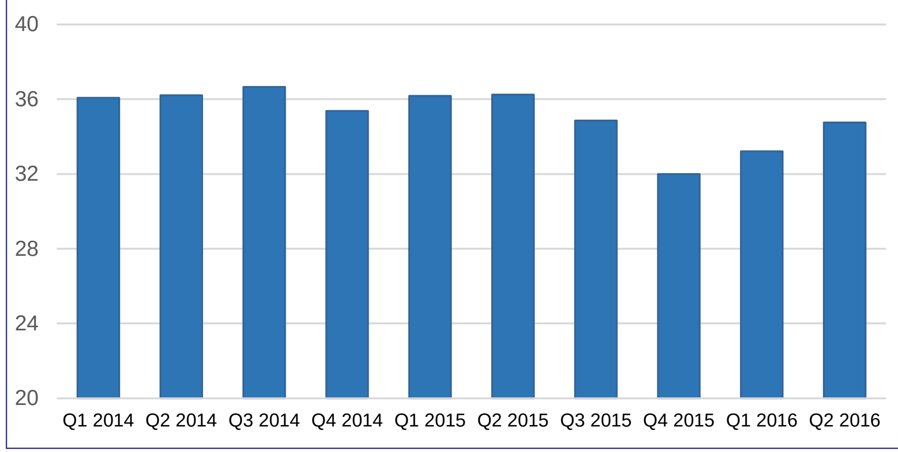
- **Q2 GAAP operating income included $40 million loss provision in Rail**
- **Q2 adjusted operating income above guidance of $22-27 million; attributable to M&M and Corporate**
- **M&M operating income and Corporate costs improved compared to prior-year quarter; Industrial and Rail results reflect more challenging end-markets**
- **Adjusted EPS includes Brand Energy JV equity loss of $0.7 million**
- **Q2 FCF increased vs prior-year due to lower capital spending; also above internal forecast due to capex and higher cash earnings**

Q2 2016 – Metals & Minerals

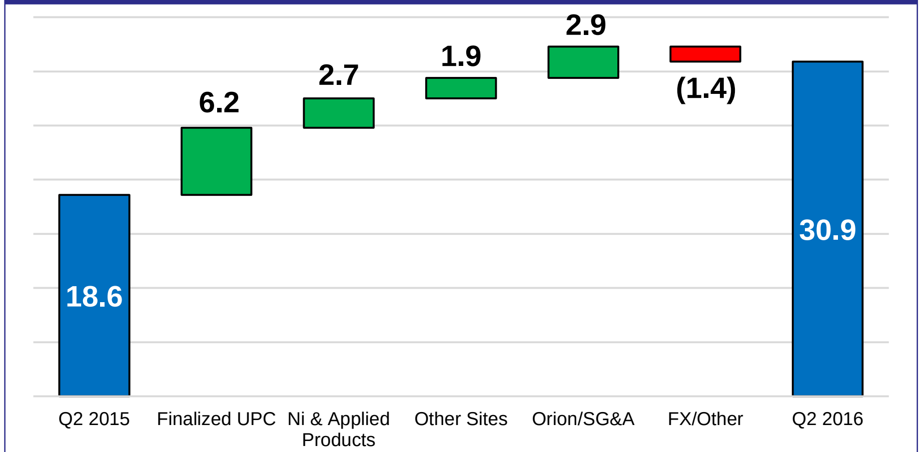
Summary Results

($ in millions)	Q2 2016	Q2 2015	% change
Revenues, as reported	254	294	(14)%
Operating income - GAAP	31	19	66%
Operating margin - GAAP	12.2%	6.3%	
Free cash flow (YTD)	61	22	nmf
ROIC (TTM)	4.9%	1.4%	350bps

LST Continuing Sites (million tons)



Operating Income Bridge



Business Highlights

- Revenues impacted mainly by site exits and foreign exchange translation
- OI increased as a result of Orion benefits, lower operating costs and Applied Products contributions (Reed Minerals)
- Free cash flow increased YTD due to higher cash earnings, working capital and lower capital expenditures

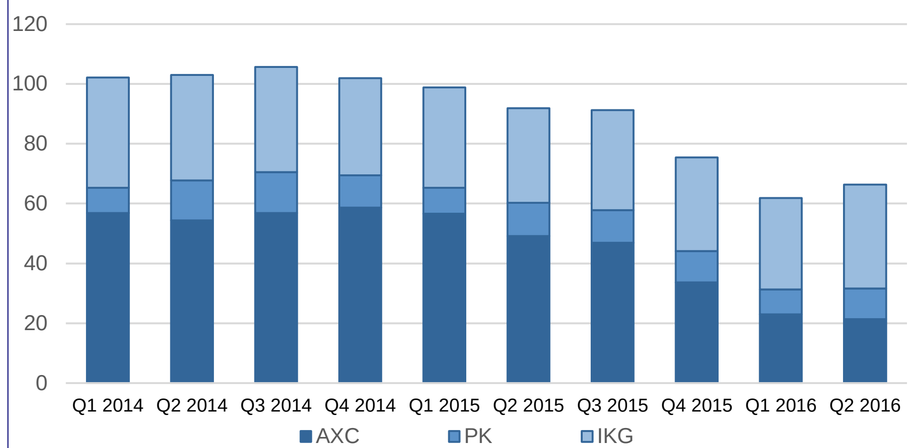
nmf = not meaningful.

Q2 2016 - Industrial

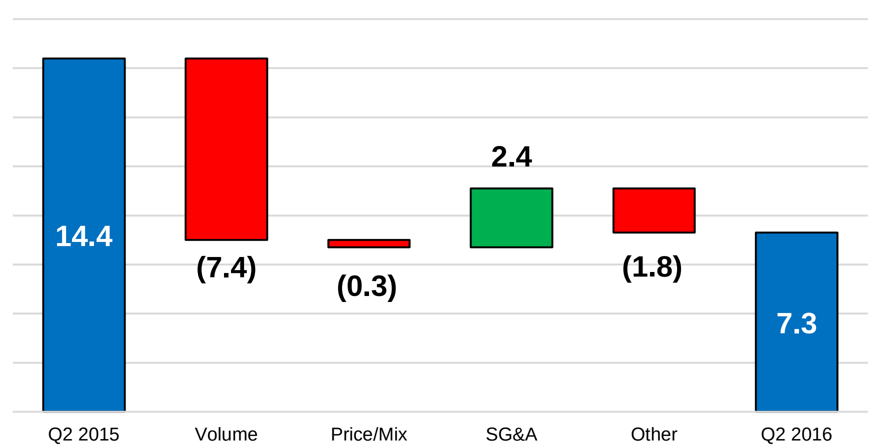
Summary Results

($ in millions)	Q2 2016	Q2 2015	% change
Revenues, as reported	66	92	(28)%
Operating income - GAAP	7	14	(49)%
Operating margin - GAAP	11.0%	15.7%	
Free cash flow (YTD)	15	21	(30)%
ROIC (TTM)	28.5%	42.6%	nmf

Revenue Mix



Operating Income Bridge



Business Highlights

- Revenues impacted by lower demand for heat exchangers from U.S. energy customers
- Operating income declined due to the above trend; partially offset by lower SG&A costs in the quarter
- FCF YTD change reflects lower cash earnings; partially offset by working capital improvements and lower capital spending

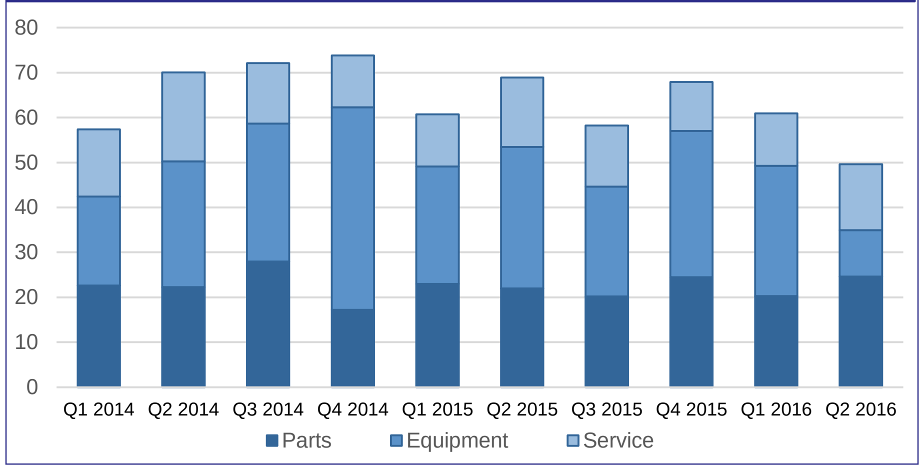
nmf = not meaningful

Q2 2016 - Rail

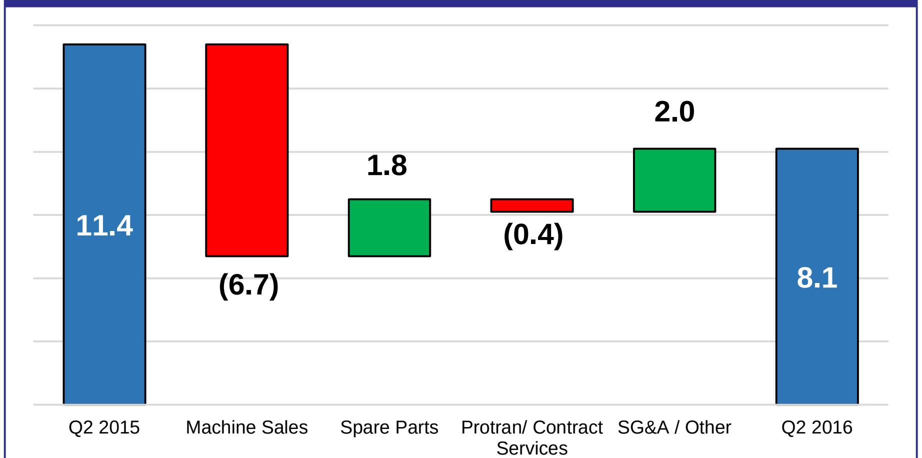
Summary Results

($ in millions)	Q2 2016	Q2 2015	% change
Revenues, as reported	50	70	(28)%
GAAP operating income	(32)	11	nmf
GAAP operating margin	(63.8)%	16.4%	
Adjusted operating income*	8	11	(29)%
Adjusted operating margin*	16.2%	16.4%	
Free cash flow (YTD)	(36)	14	nmf
ROIC (TTM)	26.0%	107.6%	nmf

Revenue Mix



Adjusted Operating Income Bridge



Business Highlights

- Revenues decreased as lower equipment sales offset higher after-market parts sales
- GAAP loss due to $40m provision. Adjusted operating income change reflects above market dynamics; lower SG&A costs and mix supported margins in the quarter
- Free cash flow change YTD attributable to lower cash earnings and working capital changes, including fewer customer advances

nmf = not meaningful; *excludes unusual items

2016 Business Outlook

Excluding unusual items		2016 versus 2015
Metals & Minerals	Revenues	↓ ~15%
	Operating Income	↑ double digits, excluding unusual items
	Drivers	+ Cost / operational savings, site triage, new sites - Site exits, commodities prices, LST
Industrial	Revenues	↓ 30-35%
	Operating Income	~40-50% of 2015 Adjusted OI
	Drivers	+ Efficiency improvements, SG&A reductions, new products - Underlying market demand
Rail	Revenues	↑ 5-10%
	Operating Income	Unchanged to ↓ single digits, excluding 2015 FX gain and 2016 loss provision
	Drivers	+ Machine / spare parts volumes - 2015 FX gain not repeated ($11M), 2016 loss provision, U.S. rail spending, contract services, global build-out costs
Corporate Costs		Lower due to efficiency measures and professional fees
Brand Energy JV		Equity income forecasted to be $6-8 million

Q3 2016 Outlook

- Adjusted operating income is expected to be between $27 to $32 million versus $35 million in Q3 2015
- Adjusted diluted earnings per share of $0.10 to $0.15
- Year-over-year considerations include:
  - M&M: Cost and operational improvements offset by exits, services mix and commodity prices
  - Industrial: Lower demand from U.S. energy market, partially offset by lower selling and administrative costs
  - Rail: Increased equipment and spare parts sales, offset by lower contract services contribution
  - Corporate costs slightly lower comparable to prior-year quarter

Reconciliation of Non-GAAP Measures

HARSCO

HARSCO CORPORATION
RECONCILIATION OF ADJUSTED DILUTED EARNINGS PER SHARE FROM CONTINUING OPERATIONS EXCLUDING UNUSUAL ITEMS TO DILUTED EARNINGS (LOSS) PER SHARE FROM CONTINUING OPERATIONS AS REPORTED (Unaudited)

	Three Months Ended June 30		Six Months Ended June 30	
	2016	**2015**	**2016**	**2015**
Diluted earnings (loss) per share from continuing operations as reported (a)	**$ (0.35)**	$ 0.08	**$ (0.48)**	$ 0.27
Harsco Rail Segment contract loss provision (b)	**0.50**	—	**0.50**	—
Net loss on dilution of equity method investment (c)	**—**	—	**0.13**	—
Harsco Metals & Minerals Segment site exit charges (d)	**—**	—	**0.06**	—
Harsco Metals & Minerals Segment separation costs (e)	**—**	—	**0.04**	—
Taxes on above unusual items	**—**	—	**(0.07)**	—
Adjusted diluted earnings per share from continuing operations excluding unusual items	**$ 0.15**	$ 0.08	**$ 0.18**	$ 0.27

(a) No unusual items were excluded in the three and six months ended June 30, 2015.
(b) Harsco Rail Segment contract loss provision related the Company's contracts with the federal railway system of Switzerland (Q2 and six months 2016 $40.1 pre-tax).
(c) Loss on the dilution of the Company's investment in Brand recorded at Corporate (six months 2016 $10.3 million pre-tax).
(d) Harsco Metals & Minerals Segment charges primarily attributable to site exit costs (six months 2016 $5.1 million pre-tax).
(e) Costs associated with Harsco Metals & Minerals Segment separation recorded at Corporate (six months 2016 $3.3 million pre-tax).

The Company's management believes Adjusted diluted earnings per share from continuing operations excluding unusual items, which is a non-U.S. GAAP financial measure, is useful to investors because it provides an overall understanding of the Company's historical and future prospects. Exclusion of unusual items permits evaluation and comparison of results for the Company's core business operations, and it is on this basis that management internally assesses the Company's performance. This measure should be considered in addition to, rather than as a substitute for, other information provided in accordance with U.S. GAAP.

Reconciliation of Non-GAAP Measures

HARSCO CORPORATION
RECONCILIATION OF ADJUSTED DILUTED EARNINGS PER SHARE FROM CONTINUING OPERATIONS EXCLUDING UNUSUAL ITEMS TO DILUTED EARNINGS PER SHARE FROM CONTINUING OPERATIONS AS REPORTED (Unaudited)

	Twelve Months Ended December 31 2015	
Diluted earnings per share from continuing operations as reported	$ 0.09	
Harsco Metals & Minerals Segment contract termination charges, net (a)	0.17	
Harsco Metals & Minerals Segment separation costs (b)	0.12	
Harsco Metals & Minerals Segment salt cake processing and disposal charges (c)	0.06	
Harsco Metals & Minerals Segment site exit and underperforming contract charges, net (d)	0.06	
Harsco Metals & Minerals Segment Project Orion charges (e)	0.06	
Harsco Metals & Minerals Segment subcontractor settlement charge (f)	0.05	
Harsco Metals & Minerals Segment multi-employer pension plan charge (g)	0.01	
Harsco Infrastructure Segment loss on disposal (h)	0.01	
Taxes on above unusual items	(0.08)	
Adjusted diluted earnings per share from continuing operations excluding unusual items	$ 0.56	(i)

(a) Harsco Metals & Minerals Segment charges related to a contract terminations (Full year 2015 $13.5 million pre-tax).
(b) Costs associated with Harsco Metals & Minerals Segment separation costs recorded as Corporate (Full year 2015 $9.9 million pre-tax).
(c) Harsco Metals & Minerals Segment charges incurred in connection with the processing and disposal of salt cakes (Full year 2015 $7.0 million pre-tax). The Company's Bahrain operations are operated under a strategic venture for which its strategic venture partner has a 35% minority interest. Accordingly, the net impact of the charge to the Company's Net income (loss) attributable to Harsco Corporation was $4.6 million.
(d) Harsco Metals & Minerals Segment charges primarily attributable to site exit costs and non-cash long lived asset impairment charges associated with strategic actions from Project Orion's focus on underperforming contracts (Full year 2015 $5.0 million pre-tax which includes $1.4 million of pre-tax gains).
(e) Harsco Metals & Minerals Segment Project Orion restructuring charges (Full year 2015 $5.1 million pre-tax).
(f) Harsco Metals & Minerals Segment charges related to a settlement with a subcontractor (Full year 2015 $4.2 million pre-tax).
(g) Harsco Metals & Minerals Segment charges related to a multi-employer pension plan (Full year 2015 $1.1 million pre-tax).
(h) Loss resulting from the Harsco Infrastructure Transaction, which was consummated in the fourth quarter of 2013 (Full year 2015 $1.0 million pre-tax).
(i) Does not total due to rounding.

The Company's management believes Adjusted diluted earnings per share from continuing operations excluding unusual items, which is a non-U.S. GAAP financial measure, is useful to investors because it provides an overall understanding of the Company's historical and future prospects. Exclusion of unusual items permits evaluation and comparison of results for the Company's core business operations, and it is on this basis that management internally assesses the Company's performance. This measure should be considered in addition to, rather than as a substitute for, other information provided in accordance with U.S. GAAP.

Reconciliation of Non-GAAP Measures

HARSCO CORPORATION
REVIEW OF OPERATIONS BY SEGMENT EXCLUDING UNUSUAL ITEMS (Unaudited)

(In thousands)	Harsco Metals & Minerals	Harsco Industrial	Harsco Rail	Corporate	Consolidated Totals
Three Months Ended June 30, 2016:					
Adjusted operating income (loss) excluding unusual items	**$ 30,927**	**$ 7,300**	**$ 8,102**	**$ (4,965)**	**$ 41,364**
Revenues as reported	**$ 253,560**	**$ 66,270**	**$ 50,103**	**$ —**	**$ 369,933**
Adjusted operating margin (%) excluding unusual items	**12.2%**	**11.0%**	**16.2%**		**11.2%**
Three Months Ended June 30, 2015:					
Operating income (loss) as reported (a)	$ 18,599	$ 14,419	$ 11,400	$ (8,689)	$ 35,729
Revenues as reported	$ 294,336	$ 91,881	$ 69,530	$ —	$ 455,747
Operating margin (%)	6.3%	15.7%	16.4%		7.8%
Six Months Ended June 30, 2016:					
Adjusted operating income (loss) excluding unusual items	**$ 42,968**	**$ 13,771**	**$ 13,008**	**$ (10,565)**	**$ 59,182**
Revenues as reported	**$ 483,232**	**$ 128,139**	**$ 111,843**	**$ —**	**$ 723,214**
Adjusted operating margin (%) excluding unusual items	**8.9%**	**10.7%**	**11.6%**		**8.2%**
Six Months Ended June 30, 2015:					
Operating income (loss) as reported (a)	$ 29,182	$ 31,446	$ 33,033	$ (19,051)	$ 74,610
Revenues as reported	$ 585,534	$ 190,684	$ 131,108	$ —	$ 907,326
Operating margin (%)	5.0%	16.5%	25.2%		8.2%

(a) No unusual items were excluded during the first quarter and six months ended June 30, 2015.

The Company's management believes Adjusted operating margin (%) excluding unusual items, which is a non-U.S. GAAP financial measure, is useful to investors because it provides an overall understanding of the Company's historical and future prospects. Exclusion of unusual items permits evaluation and comparison of results for the Company's core business operations, and it is on this basis that management internally assesses the Company's performance. This measure should be considered in addition to, rather than as a substitute for, other information provided in accordance with U.S. GAAP.

Reconciliation of Non-GAAP Measures

HARSCO CORPORATION

RECONCILIATION OF ADJUSTED OPERATING INCOME (LOSS) EXCLUDING UNUSUAL ITEMS BY SEGMENT TO OPERATING INCOME (LOSS) AS REPORTED BY SEGMENT (Unaudited)

(In thousands)	Harsco Metals & Minerals	Harsco Industrial	Harsco Rail	Corporate	Consolidated Totals
Three Months Ended June 30, 2016:					
Operating income (loss) as reported	$ 30,927	$ 7,300	$ (31,948)	$ (4,965)	$ 1,314
Harsco Rail Segment contract loss provision	—	—	40,050	—	40,050
Adjusted operating income (loss), excluding unusual items	$ 30,927	$ 7,300	$ 8,102	$ (4,965)	$ 41,364
Revenues as reported	$ 253,560	$ 66,270	$ 50,103	$ —	$ 369,933
Three Months Ended June 30, 2015:					
Operating income (loss) as reported (a)	$ 18,599	$ 14,419	$ 11,400	$ (8,689)	$ 35,729
Revenues as reported	$ 294,336	$ 91,881	$ 69,530	$ —	$ 455,747

(In thousands)	Harsco Metals & Minerals	Harsco Industrial	Harsco Rail	Corporate	Consolidated Totals
Six Months Ended June 30, 2016:					
Operating income (loss) as reported	$ 37,868	$ 13,771	$ (27,042)	$ (13,852)	$ 10,745
Harsco Rail Segment contract loss provision	—	—	40,050	—	$ 40,050
Harsco Metals & Minerals Segment site exit charges	5,100	—	—	—	5,100
Harsco Metals & Minerals Segment separation costs	—	—	—	3,287	3,287
Adjusted operating income (loss), excluding unusual items	$ 42,968	$ 13,771	$ 13,008	$ (10,565)	$ 59,182
Revenues as reported	$ 483,232	$ 128,139	$ 111,843	$ —	$ 723,214
Six Months Ended June 30, 2015:					
Operating income (loss) as reported (a)	$ 29,182	$ 31,446	$ 33,033	$ (19,051)	$ 74,610
Revenues as reported	$ 585,534	$ 190,684	$ 131,108	$ —	$ 907,326

(a) No unusual items were excluded in the six months ended 2015.

The Company's management believes Adjusted operating income (loss) excluding unusual items, which is a non-U.S. GAAP financial measure, is useful to investors because it provides an overall understanding of the Company's historical and future prospects. Exclusion of unusual items permits evaluation and comparison of results for the Company's core business operations, and it is on this basis that management internally assesses the Company's performance. This measure should be considered in addition to, rather than as a substitute for, other information provided in accordance with U.S. GAAP.

Reconciliation of Non-GAAP Measures

HARSCO CORPORATION
REVIEW OF OPERATIONS BY SEGMENT EXCLUDING SPECIAL ITEMS (Unaudited)

(In thousands)	Harsco Metals & Minerals	Harsco Industrial	Harsco Rail	Corporate	Consolidated Totals
Twelve Months Ended December 31, 2015:					
Adjusted operating income (loss) excluding special items	$ 62,162	$ 57,020	$ 50,896	$ (34,747)	$ 135,331
Revenues as reported	$ 1,106,162	$ 357,256	$ 259,674	$ —	$ 1,723,092
Adjusted operating margin (%) excluding special items	5.6%	16.0%	19.6%		7.9%

The Company's management believes Adjusted operating margin (%) excluding special items, which is a non-U.S. GAAP financial measure, is useful to investors because it provides an overall understanding of the Company's historical and future prospects. Exclusion of special items permits evaluation and comparison of results for the Company's core business operations, and it is on this basis that management internally assesses the Company's performance. This measure should be considered in addition to, rather than as a substitute for, other information provided in accordance with U.S. GAAP.

Reconciliation of Non-GAAP Measures

HARSCO CORPORATION
RECONCILIATION OF ADJUSTED OPERATING INCOME (LOSS) EXCLUDING UNUSUAL ITEMS BY SEGMENT TO OPERATING INCOME (LOSS) AS REPORTED BY SEGMENT (Unaudited)

(In thousands)	Harsco Metals & Minerals	Harsco Industrial	Harsco Rail	Corporate	Consolidated Totals
Twelve Months Ended December 31, 2015:					
Operating income (loss) as reported	$ 26,289	$ 57,020	$ 50,896	$ (45,669)	$ 88,536
Harsco Metals & Minerals Segment contract termination charges, net	13,484	—	—	—	13,484
Harsco Metals & Minerals Segment separation costs	—	—	—	9,922	9,922
Harsco Metals & Minerals Segment salt cake processing and disposal charges	7,000	—	—	—	7,000
Harsco Metals & Minerals Segment Project Orion charges	5,070	—	—	—	5,070
Harsco Metals & Minerals Segment site exit and underperforming contract charges, net (a)	4,977	—	—	—	4,977
Harsco Metals & Minerals Segment subcontractor settlement charge	4,220	—	—	—	4,220
Harsco Metals & Minerals Segment multi-employer pension plan charge	1,122	—	—	—	1,122
Harsco Infrastructure Segment loss on disposal	—	—	—	1,000	1,000
Adjusted operating income (loss), excluding unusual items	$ 62,162	$ 57,020	$ 50,896	$ (34,747)	$ 135,331
Revenues as reported	$ 1,106,162	$ 357,256	$ 259,674	$ —	$ 1,723,092

(a) Harsco Metals & Minerals Segment charges primarily attributable to site exit costs and non-cash long lived asset impairment charges associated with strategic actions from Project Orion's focus on underperforming contracts (Full year 2015 $5.0 million pre-tax which includes $1.4 million of pre-tax gains).

The Company's management believes Adjusted operating income (loss) excluding unusual items, which is a non-U.S. GAAP financial measure, is useful to investors because it provides an overall understanding of the Company's historical and future prospects. Exclusion of unusual items permits evaluation and comparison of results for the Company's core business operations, and it is on this basis that management internally assesses the Company's performance. This measure should be considered in addition to, rather than as a substitute for, other information provided in accordance with U.S. GAAP.

Reconciliation of Non-GAAP Measures

HARSCO CORPORATION
RECONCILIATION OF ADJUSTED OPERATING INCOME (LOSS) EXCLUDING UNUSUAL ITEMS BY SEGMENT TO OPERATING INCOME (LOSS) AS REPORTED BY SEGMENT (Unaudited)

(In thousands)	Harsco Metals & Minerals	Harsco Industrial	Harsco Rail	Corporate	Consolidated Totals
Three Months Ended September 30, 2015:					
Operating income (loss) as reported	$ (3,331)	$ 13,934	$ 7,786	$ (10,661)	$ 7,728
Harsco Metals & Minerals Segment contract termination charges	13,737	—	—	—	13,737
Harsco Metals & Minerals Segment salt cake processing and disposal charges	7,000	—	—	—	7,000
Harsco Metals & Minerals Segment subcontractor settlement charge	4,220	—	—	—	4,220
Strategic planning costs	—	—	—	1,753	1,753
Harsco Metals & Minerals Segment multi-employer pension plan charge	1,122	—	—	—	1,122
Harsco Infrastructure Segment loss on disposal	—	—	—	1,000	1,000
Harsco Metals & Minerals Segment site exit and underperforming contract charges	(1,422)	—	—	—	(1,422)
Adjusted operating income (loss), excluding unusual items	$ 21,326	$ 13,934	$ 7,786	$ (7,908)	$ 35,138
Revenues as reported	$ 277,367	$ 91,199	$ 59,768	$ —	$ 428,334

The Company's management believes Adjusted operating income (loss) excluding unusual items, which is a non-U.S. GAAP financial measure, is useful to investors because it provides an overall understanding of the Company's historical and future prospects. Exclusion of unusual items permits evaluation and comparison of results for the Company's core business operations, and it is on this basis that management internally assesses the Company's performance. This measure should be considered in addition to, rather than as a substitute for, other information provided in accordance with U.S. GAAP.

Reconciliation of Non-GAAP Measures

HARSCO CORPORATION
RECONCILIATION OF FREE CASH FLOW TO NET CASH PROVIDED BY OPERATING ACTIVITIES (Unaudited)

	Three Months Ended June 30		Six Months Ended June 30	
(In thousands)	**2016**	**2015**	**2016**	**2015**
Net cash provided by operating activities	**$ 31,557**	$ 34,745	**$ 28,582**	$ 45,218
Less maintenance capital expenditures (a)	**(12,585)**	(24,440)	**(27,117)**	(43,445)
Less growth capital expenditures (b)	**(2,640)**	(7,176)	**(5,059)**	(19,801)
Plus capital expenditures for strategic ventures (c)	**79**	187	**95**	267
Plus total proceeds from sales of assets (d)	**2,296**	6,570	**5,115**	13,351
Free cash flow	**$ 18,707**	$ 9,886	**$ 1,616**	$ (4,410)

(a) Maintenance capital expenditures are necessary to sustain the Company's current revenue streams and include contract renewal.
(b) Growth capital expenditures, for which management has discretion as to amount, timing and geographic placement, expand the Company's revenue base and create additional future cash flow.
(c) Capital expenditures for strategic ventures represent the partner's share of capital expenditures in certain ventures consolidated in the Company's financial statements.
(d) Asset sales are a normal part of the business model, primarily for the Harsco Metals & Minerals Segment.

The Company's management believes that Free cash flow, which is a non-U.S. GAAP financial measure, is meaningful to investors because management reviews cash flows generated from (used in) operations less capital expenditures net of asset sales proceeds. It is important to note that free cash flow does not represent the total residual cash flow available for discretionary expenditures since other non-discretionary expenditures, such as mandatory debt service requirements, are not deducted from the measure. This measure should be considered in addition to, rather than as a substitute for, other information provided in accordance with U.S. GAAP.

Reconciliation of Non-GAAP Measures

HARSCO CORPORATION
RECONCILIATION OF FREE CASH FLOW TO NET CASH PROVIDED BY OPERATING ACTIVITIES (Unaudited)

	Twelve Months Ended December 31
(In thousands)	**2015**
Net cash provided by operating activities	$ 121,507
Less maintenance capital expenditures (a)	(92,545)
Less growth capital expenditures (b)	(31,007)
Plus capital expenditures for strategic ventures (c)	439
Plus total proceeds from sales of assets (d)	25,966
Free cash flow	$ 24,360

(a) Maintenance capital expenditures are necessary to sustain the Company's current revenue streams and include contract renewal.
(b) Growth capital expenditures, for which management has discretion as to amount, timing and geographic placement, expand the Company's revenue base and create additional future cash flow.
(c) Capital expenditures for strategic ventures represent the partner's share of capital expenditures in certain ventures consolidated in the Company's financial statements.
(d) Asset sales are a normal part of the business model, primarily for the Harsco Metals & Minerals Segment.

The Company's management believes that Free cash flow, which is a non-U.S. GAAP financial measure, is meaningful to investors because management reviews cash flows generated from operations less capital expenditures net of asset sales proceeds. It is important to note that free cash flow does not represent the total residual cash flow available for discretionary expenditures since other non-discretionary expenditures, such as mandatory debt service requirements, are not deducted from the measure. This measure should be considered in addition to, rather than as a substitute for, other information provided in accordance with U.S. GAAP.

Reconciliation of Non-GAAP Measures

HARSCO CORPORATION

RECONCILIATION OF FREE CASH FLOW TO NET CASH PROVIDED BY OPERATING ACTIVITIES (Unaudited)

	Projected Twelve Months Ending December 31	
	2016	
(In millions)	**Low**	**High**
Net cash provided by operating activities	$ 151	$ 153
Less capital expenditures (a)	(95)	(85)
Plus total proceeds from asset sales and capital expenditures for strategic ventures	9	12
Free Cash Flow	$ 65	$ 80

(a) Capital expenditures encompass two primary elements: maintenance capital expenditures, which are necessary to sustain the Company's current revenue streams and include contract renewals; and growth capital expenditures, for which management has discretion as to amount, timing and geographic placement, and which expand the Company's revenue base and create additional future cash flow.

The Company's management believes that free cash flow, which is a non-U.S. GAAP financial measure, is meaningful to investors because management reviews cash flows generated from operations less capital expenditures net of asset sales proceeds. It is important to note that free cash flow does not represent the total residual cash flow available for discretionary expenditures since other non-discretionary expenditures, such as mandatory debt service requirements, are not deducted from the measure. This measure should be considered in addition to, rather than as a substitute for, other information provided in accordance with U.S. GAAP.

Reconciliation of Non-GAAP Measures

HARSCO CORPORATION
RECONCILIATION OF RETURN ON INVESTED CAPITAL EXCLUDING UNUSUAL ITEMS TO NET INCOME (LOSS) FROM CONTINUING OPERATIONS AS REPORTED (a)
(Unaudited)

(In thousands)	Trailing Twelve Months for Period Ended June 30 2016	2015
Income (loss) from continuing operations	$ (51,808)	$ 7,611
Unusual items:		
Harsco Rail Segment contract loss provision	40,050	—
Harsco Metals & Minerals Segment contract termination charges	13,484	—
Harsco Metals & Minerals Segment separation costs	13,209	—
Net loss on dilution of equity method investment	10,304	—
Harsco Metals & Minerals Segment site exit and underperforming contract charges, net	10,077	39,248
Harsco Metals & Minerals Segment salt cake processing and disposal charges	7,000	—
Harsco Metals & Minerals Segment Project Orion charges	5,070	3,453
Harsco Metals & Minerals Segment subcontractor settlement charge	4,220	—
Harsco Metals & Minerals Segment multi-employer pension plan charge	1,122	—
Harsco Infrastructure Segment loss on disposal	1,000	—
Harsco Metals & Minerals Segment Brazilian labor claim reserves	—	5,204
Strategic transaction review costs	—	3,531
Harsco Infrastructure transaction costs	—	504
Harsco Rail Segment grinder asset impairment charge	—	590
Gains associated with exited Harsco Infrastructure operations retained	—	(2,205)
Taxes on above unusual items	(12,021)	2,053
Net income from continuing operations, as adjusted	41,707	59,989
After-tax interest expense (b)	31,039	29,872
Net operating profit after tax as adjusted	$ 72,746	$ 89,861
Average equity	$ 300,556	$ 430,525
Plus average debt	904,177	882,974
Average capital	$ 1,204,733	$ 1,313,499
Return on invested capital excluding unusual items	6.0%	6.8%

(a) Return on invested capital excluding unusual items is net income (loss) from continuing operations excluding unusual items, and after-tax interest expense, divided by average capital for the year. The Company uses a trailing twelve month average for computing average capital.

(b) The Company's effective tax rate approximated 37% on an adjusted basis for both periods for interest expense.

The Company's management believes Return on invested capital excluding unusual items, which is a non-U.S. GAAP financial measure, is meaningful in evaluating the efficiency and effectiveness of the capital invested in the Company's business. Exclusion of unusual items permits evaluation and comparison of results for the Company's core business operations, and it is on this basis that management internally assesses the Company's performance. This measure should be considered in addition to, rather than as a substitute for, net income or other information provided in accordance with U.S. GAAP.

Reconciliation of Non-GAAP Measures

HARSCO CORPORATION

RECONCILIATION OF RETURN ON INVESTED CAPITAL EXCLUDING UNUSUAL ITEMS TO NET INCOME FROM CONTINUING OPERATIONS AS REPORTED (a) (Unaudited)

(In thousands)	Year Ended December 31 2015
Income from continuing operations	$ 7,312
Unusual items:	
Harsco Metals & Minerals Segment contract termination charges, net	13,484
Harsco Metals & Minerals Segment separation costs	9,922
Harsco Metals & Minerals Segment salt cake processing and disposal charges	7,000
Harsco Metals & Minerals Segment Project Orion charges	5,070
Harsco Metals & Minerals Segment site exit and underperforming contract charges, net (b)	4,977
Harsco Metals & Minerals Segment subcontractor settlement charge	4,220
Harsco Metals & Minerals Segment multi-employer pension plan charge	1,122
Harsco Infrastructure Segment loss on disposal	1,000
Taxes on above unusual items	(6,198)
Net income from continuing operations, as adjusted	47,909
After-tax interest expense (c)	29,486
Net operating profit after tax as adjusted	$ 77,395
Average equity	$ 308,182
Plus average debt	910,955
Average capital	$ 1,219,137
Return on invested capital excluding unusual items	6.3%

(a) Return on invested capital excluding unusual items is net income from continuing operations excluding unusual items, and after-tax interest expense, divided by average capital for the year. The Company uses a trailing twelve month average for computing average capital.

(b) Harsco Metals & Minerals Segment charges primarily attributable to site exit costs and non-cash long lived asset impairment charges associated with strategic actions from Project Orion's focus on underperforming contracts (Full year 2015 $5.0 million pre-tax which includes $1.4 million of pre-tax gains).

(c) The Company's effective tax rate approximated 37% on an adjusted basis for interest expense.

The Company's management believes Return on invested capital excluding unusual items, which is a non-U.S. GAAP financial measure, is meaningful in evaluating the efficiency and effectiveness of the capital invested in the Company's business. Exclusion of unusual items permits evaluation and comparison of results for the Company's core business operations, and it is on this basis that management internally assesses the Company's performance. This measure should be considered in addition to, rather than as a substitute for, net income or other information provided in accordance with U.S. GAAP.