BID BOND

STATE OF FLORIDA }
COUNTY OF MIAMI DADE }SS.
CITY OF CORAL GABLES }

KNOWN ALL MEN BY THESE PRESENTS, That we* as Principal, and **Travelers Casualty and Surety Company of America**, as Surety, are held and firmly bonded unto the City of Coral Gables as Owner in the penal sum of **Five Percent of the Amount Bid** Dollars ($ **5% of Amount Bid**), lawful money of the United States, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, executors, administrators, and successors, jointly and severally, firmly by these presents. ***Insituform Technologies, LLC**

THE CONDITION OF THIS OBLIGATION IS SUCH that whereas the Principal has submitted to the City of Coral Gables the accompanying Bid, signed **Insituform Technologies, LLC** ,and dated **November 10**, 20**15**, for

CITYWIDE INFILTRATION AND INFLOW ABATEMENT IFB 2015.10.07 CORAL GABLES, FLORIDA

in accordance with the Plans and Specifications therefore, the call for Bids or Proposals, and the Instructions to Bidders, all of which are made a part hereof by reference as if fully set forth herein.

NOW, THEREFORE,

(a) If the Principal shall not withdraw said bid within thirty (30) days after date of opening of the same, and shall within ten (10) days after written notice being given by the City Manager or his designee, of the award of the contract, enter into a written contract with the City, in accordance with the bid as accepted, and give bond with good and sufficient surety or sureties, as may be required for the faithful performance and proper fulfillment of such contract,

(b) in the event of the withdrawal of said bid or proposal within the period specified, or the failure to enter into such contract and give such bond within the time specified, if the Principal shall pay the City the difference between the amount specified in said bid or proposal and the amount for which the City may procure the required work and/or supplies, if the latter amount be in excess of the former, the above obligation shall be void and of no effect, otherwise to remain in full force and effect.

BID BOND

IN WITNESS HEREOF, the above bounded parties have executed this instrument under their several seals this ________ 10 __ day of ______November , A.D., 2015___, the name and corporate seal of each corporate party being hereto affixed and these presents duly signed by its undersigned representative, pursuant to authority of its governing body.

WITNESS
(If Sole Ownership or Partnership,
Two (2) Witnesses Required.
If Corporation, Secretary Only
will attest and affix seal).

(1) ________________
Jana Lause, Contracting & Attesting Officer

(2) ________________

PRINCIPAL

Insituform Technologies, LLC
Name of Firm

________________ (SEAL)
Signature of Authorized Officer

Diane Partridge, Contracting & Attesting Officer
Title

17988 Edison Avenue
Business Address

Chesterfield MO 63005
City, State

WITNESS:

(1) ________________
Barbara Buchhold, Witness

(2) ________________

SURETY:

Travelers Casualty and Surety Company of America
Corporate Surety

________________ (SEAL)
Attorney-In-Fact, Andrew P. Thome

One Tower Square
Business Address

Hartford CT 06183
City, State

Travelers Bond
1 North Dale Mabry Highway, Tampa, FL 33609
Name of Local Agency

State of **Missouri**
County of **St. Louis**

On **11/10/2015**, before me, a Notary Public in and for said County and State, residing therein, duly commissioned and sworn, personally appeared **Andrew P. Thome** known to me to be Attorney-in-Fact of

TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA

the corporation described in and that executed the within and foregoing instrument, and known to me to be the person who executed the said instrument in behalf of said corporation, and he duly acknowledged to me that such corporation executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year stated in this certificate above.

Barbara Buchhold

Barbara Buchhold, Notary Public

BARBARA BUCHHOLD
Notary Public - Notary Seal
STATE OF MISSOURI
St. Charles County
My Commission Expires: Sept. 7, 2018
Commission # 14430636

My Commission Expires: ____________

WARNING: THIS POWER OF ATTORNEY IS INVALID WITHOUT THE RED BORDER

POWER OF ATTORNEY

TRAVELERS

Farmington Casualty Company
Fidelity and Guaranty Insurance Company
Fidelity and Guaranty Insurance Underwriters, Inc.
St. Paul Fire and Marine Insurance Company
St. Paul Guardian Insurance Company
St. Paul Mercury Insurance Company
Travelers Casualty and Surety Company
Travelers Casualty and Surety Company of America
United States Fidelity and Guaranty Company

Attorney-In Fact No. 229369

Certificate No. 006276376

KNOW ALL MEN BY THESE PRESENTS: That Farmington Casualty Company, St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, Travelers Casualty and Surety Company, Travelers Casualty and Surety Company of America, and United States Fidelity and Guaranty Company are corporations duly organized under the laws of the State of Connecticut, that Fidelity and Guaranty Insurance Company is a corporation duly organized under the laws of the State of Iowa, and that Fidelity and Guaranty Insurance Underwriters, Inc., is a corporation duly organized under the laws of the State of Wisconsin (herein collectively called the "Companies"), and that the Companies do hereby make, constitute and appoint

Andrew P. Thome, Dana A. Dragoy, Peter J. Mohs, Debra A. Woodard, Barbara Buchhold, Michael D. Wiedemeier, and Amanda L. Williams

of the City of Chesterfield, State of Missouri, their true and lawful Attorney(s)-in-Fact, each in their separate capacity if more than one is named above, to sign, execute, seal and acknowledge any and all bonds, recognizances, conditional undertakings and other writings obligatory in the nature thereof on behalf of the Companies in their business of guaranteeing the fidelity of persons, guaranteeing the performance of contracts and executing or guaranteeing bonds and undertakings required or permitted in any actions or proceedings allowed by law.

IN WITNESS WHEREOF, the Companies have caused this instrument to be signed and their corporate seals to be hereto affixed, this 29th day of July, 2015.

Farmington Casualty Company
Fidelity and Guaranty Insurance Company
Fidelity and Guaranty Insurance Underwriters, Inc.
St. Paul Fire and Marine Insurance Company
St. Paul Guardian Insurance Company
St. Paul Mercury Insurance Company
Travelers Casualty and Surety Company
Travelers Casualty and Surety Company of America
United States Fidelity and Guaranty Company

State of Connecticut
City of Hartford ss.

By: ____________________
Robert L. Raney, Senior Vice President

On this the 29th day of July, 2015, before me personally appeared Robert L. Raney, who acknowledged himself to be the Senior Vice President of Farmington Casualty Company, Fidelity and Guaranty Insurance Company, Fidelity and Guaranty Insurance Underwriters, Inc., St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, Travelers Casualty and Surety Company, Travelers Casualty and Surety Company of America, and United States Fidelity and Guaranty Company, and that he, as such, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing on behalf of the corporations by himself as a duly authorized officer.

In Witness Whereof, I hereunto set my hand and official seal.
My Commission expires the 30th day of June, 2016.

Marie C. Tetreault

Marie C. Tetreault, Notary Public

58440-8-12 Printed in U.S.A.

WARNING: THIS POWER OF ATTORNEY IS INVALID WITHOUT THE RED BORDER

CITY OF CORAL GABLES, FL

2800 SW 72nd Avenue, Miami, FL 33155
Finance Department / Procurement Division
Tel: 305-460-5102/ Fax: 305-261-1601

BIDDER ACKNOWLEDGEMENT

IFB TITLE: **CITYWIDE INFILTRATION AND INFLOW ABATEMENT** **IFB No. 2015.10.07** A cone of silence is in effect with respect to this IFB. The Cone of Silence prohibits certain communication between potential vendors and the City. For further information, please refer to the City Code Section 2-1059 of the City of Coral Gables Procurement Code.	Bids must be received prior to **2:00 p.m., Tuesday, November 10, 2015**, and may not be withdrawn for a period of up to 90 calendar days after bid opening. Bids received by the date and time specified will be opened in the Procurement Office located at 2800 SW 72nd Avenue, Miami, FL 33155. All Bids received after the specified date and time will be returned unopened. Contact: Margie Gomez Title: Contract Specialist Telephone:305-460-5102 Facsimile: 305-261-1601 Email: mgomez@coralgables.com / contracts@coralgables.com

THIS FORM MUST BE COMPLETED AND SUBMITTED ALONG WITH THE COMPLETE BID PRIOR TO THE DATE AND THE TIME OF BID OPENING.

Bidder Name: Insituform Technologies, LLC	FEIN or SS Number: 13-3032158
Complete Mailing Address: 17988 Edison Avenue, Chesterfield, MO 63005	Telephone No. (636) 530-8000 Cellular No. N/A
Indicate type of organization below: Limited Liability Company Corporation: ___ Partnership: ___ Individual: ___ Other: ✓	Fax No.: (636) 530-8701
Bid Bond / Security Bond (*if applicable*) 5 %	Email: dpartridge@insituform.com

ATTENTION: FAILURE TO SIGN (PREFERABLY IN BLUE INK) OR COMPLETE ALL IFB SUBMITTAL FORMS, INSURANCE, ADDENDUM(S) ACKNOWLEDGEMENT AND ALL PAGES OF THE IFB DOCUMENT MAY RENDER YOUR IFB NON-RESPONSIVE.

THE BIDDER CERTIFIES THAT THIS BID IS BASED UPON ALL CONDITIONS AS LISTED IN THE BID DOCUMENTS AND THAT THE BIDDER HAS MADE NO CHANGES IN THE BID DOCUMENT AS RECEIVED. THE BIDDER FURTHER AGREES, IF THE BID IS ACCEPTED, THE BIDDER WILL EXECUTE AN APPROPRIATE AGREEMENT FOR THE PURPOSE OF ESTABLISHING A FORMAL CONTRACTUAL RELATIONSHIP BETWEEN THE BIDDER AND THE CITY OF CORAL GABLES, FOR THE PERFORMANCE OF ALL REQUIREMENTS TO WHICH THIS BID PERTAINS. FURTHER, BY CHECKING THE AGREE BOX LISTED BELOW AND BY SIGNING BELOW <u>PREFERABLY IN BLUE INK</u> ALL IFB PAGES ARE ACKNOWLEDGED AND ACCEPTED, AS WELL AS, ANY SPECIAL INSTRUCTION SHEET(S), IF APPLICABLE. I AM AUTHORIZED TO BIND PERFORMANCE OF THIS IFB FOR THE ABOVE BIDDER.

Agree ☑ **(Please check box to acknowledge this solicitation)**

Diane Partridge — Contracting and Attesting Officer — November 10, 2015

Authorized Name and Signature — *Title* — *Date*

Diane Partridge

INSITUFORM TECHNOLOGIES, LLC
Assistant Secretary's Certificate

The undersigned, being the Assistant Secretary of Insituform Technologies, LLC, a Delaware limited liability company (the "Company"), hereby certifies that:

1. The following is a true and correct excerpt from the Limited Liability Company Agreement of the Company:

   Appointment by the President. The president of the Company may from time to time appoint officers of the Company's operating divisions, and such contracting and attesting officers of the Company as the President may deem proper, who shall have such authority, subject to the control of the Board of Managers, as the President may from time to time prescribe.

2. The President of the Company has, pursuant to the above authority, duly appointed Debra Jasper, Jana Lause, Ursula Youngblood, Diane Partridge, Laura M. Andreski and Whittney Schulte as Contracting and Attesting Officers of the Company. Each of the foregoing have been fully authorized and empowered by the President of the Company (i) to certify and to attest the signature of any officer of the Company, (ii) to enter into and to bind the Company to perform pipeline rehabilitation activities of the Company and all matters related thereto, including the maintenance of one or more offices and facilities of the Company, (iii) to execute and to deliver documents on behalf of the Company, and (iv) to take such other action as is or may be necessary and appropriate to carry out the project, activities and work of the Company.

IN WITNESS WHEREOF, I have hereunto affixed my name as Assistant Secretary this 23rd day of October, 2015.

INSITUFORM TECHNOLOGIES, LLC

By______________________
Daniel P. Schoenekase
Assistant Secretary

PROCUREMENT FORMS

Insituform
an AEGION company

17988 Edison Avenue
Chesterfield, MO 63005
www.insituform.com

Andrew Costa
Business Development Manager
Phone: (813) 309-0385

Fax: (813) 627-0006
Email: acosta@insituform.com

State of Florida
Project References

1) **Miami Dade Water & Sewer**
   Project: Annual Sanitary Sewer Rehabilitation
   Scope: Rehabilitation of approximately 80,000 LF of 8-12" Sanitary Sewer Lines
   Project Value: $3,709,775
   Contact: Ms. Dalia Abrahante
   (786) 268-5266
   DAABR01@miamidade.gov

2) **Florida Department of Transportation**
   Project: Volusia County E5Q01 Storm Rehabilitation
   Scope: Rehabilitation of 18,686 LF of 15-36" Storm Lines
   Job Completion: 2011
   Project Value: $1,811,177
   Contact: (850) 414-4100

3) **City of Melbourne**
   Project: Lake View Shores Sanitary Sewer Rehabilitation
   Scope: CIPP Rehabilitation of approximately 16,000 LF of 8-15" sanitary sewer.
   Job Completion: 2014
   Project Value: $613,027
   Contact: Mr. Matt Simon
   (321) 674-5726
   msimon@melbourneflorida.org

4) **City of Deerfield Beach**
   Project: CIPP Rehabilitation - RFP#2010-11/12
   Scope: CIPP Rehabilitation of approximately 49,000 LF of 8-12" sanitary sewer.
   Job Completion: 2011
   Project Value: $1,233,556
   Contact: Mr. Fred Scott
   (954) 480-4403
   fscott@deerfield-beach.com

Insituform
Global Pipeline Protection

Frank A. Kendrix
9001 NW 97 Terrace
Medley, FL 33179
(813) 299-6320

Senior Project Manager

EXPERIENCE

July 1996 to Present

Performs Senior Project Management duties for all lining projects throughout the Southwest and South East Coast of Florida. His responsibilities include but are not limited to coordination with owner's representative, project scheduling, contract compliance and progress. Mr. Kendrix has had extensive project management experience and is reflected in the project schedule successes. Mr. Kendrix has over 15 years of experience in construction and rehabilitation of sewer pipes of various diameters and sizes ranging in size from 6" to over 100".

Rust Engineering & Infrastructure
Contract Administrator
August 1992 to July 1996

Coordinated all lining projects between Miami-Dade Water and Sewer and assigned contractors. Job responsibilities included coordinating weekly meetings, approving and processing monthly pay applications, providing continuous communications between the contractors and owners, and closing out completed contracts.

EDUCATION

Bachelor of Science – Finance, Florida State University 1990

CERTIFICATES

- First Aid
- CPR
- Hazwopper 40
- Haz Communication Person
- Confined Space Entry
- Respiratory Safety

RAUL AMADOR
Superintendent for Insituform Technologies, LLC
E-MAIL: ramador@insituform.com
9001 NW 97 Terrace, Medley, FL 33178 / PHONE (305) 685-7898 or (305) 525-4654

OBJECTIVE:

To pursue a permanent position in which my skills and abilities will contribute to the development for both the employer and myself.

QUALIFICATIONS:

- Ability to work independently, dependable, and very punctual.
- Extremely detail-oriented.

EXPERIENCE / EMPLOYMENT HISTORY:

2006-Present **Insituform Technologies** **Miami, Florida.**
Superintedent
- Supervise and coordinate activities of workers engaged in all phases of pipe rehabilitation applications.

2004 – 2006 **Insituform Technologies** **Miami, Florida.**
Foreman
- Directly supervise activities of workers engaged in all phases of cure in place pipe and required applications such as service connections reinstatement/cleanup.

November 1999 – 2004 **Insituform Technologies** **Jacksonville, Florida.**
Underground Television Operator
- Operation of the underground television for the installation of water and sewer pipes.
- Leader of the Grout Crew
- In charge for the correct ingredients in making the sealing grout that covers the underground pipe system.

December 1995 – December 1999 **Hyatt Regency** **Miami, Florida.**
Stewarding Supervisor
- In charge of every single aspect of setting and decorating all banquet halls of the hotel.

May 1997 – October 1997 **City of Miami Beach** **Miami Beach, Florida.**
Pool Guard
- Responsible for every safety aspect of the swimmers.

EDUCATION:

➢ 2002	Insituform Technologies. AIM Training	St. Louis, MO
➢ 2000	Insituform Technologies. CCTV and Cutter Training.	St. Louis, MO
➢ 1997	University of Florida. Food Safety Training Certification.	Miami, Florida
➢ 1996	Hyatt. Training in Customer Service.	Miami, Florida
➢ 1995	American Express. Training in Hospitality.	Miami, Florida
➢ 1997	Red Cross Certificate-Life Advanced in Water and CPR	Miami, Florida
➢ 1991	Technician in Industrial Assembly.	Matanzas, Cuba
➢ 1991	Ernest Thaelman Technical Institute.	Matanzas, Cuba

LANGUAGES:

- Spanish and English

REFERENCES:

Available upon request.

CONTRACTOR'S AFFIDAVIT

SUBMITTED TO: City of Coral Gables
Procurement Division
2800 SW 72 Avenue
Miami, Florida 33155

The undersigned acknowledges and understands the information contained in response to this IFB Schedules A through I shall be relied upon by Owner awarding the contract and such information is warranted by Contractor to be true and correct. The discovery of any omission or misstatements that materially affects the Contractor to perform under the contract shall cause the City to reject the solicitation submittal, and if necessary, terminate the award and/or contract. I further certify that the undersigned name(s) and official signatures of those persons are authorized as *(Owner, Partner, Officer, Representative or Agent of the Contrator that has submitted the attached Response).* Schedules A through I are subject to Local, State and Federal laws (as applicable); both criminal and civil.

- SCHEDULE A – CERTIFICATE OF BIDDER
- SCHEDULE B – NON-COLLUSION AND CONTINGENT FEE AFFIDAVIT
- SCHEDULE C – DRUG-FREE STATEMENT
- SCHEDULE D – BIDDER'S QUALIFICATION STATEMENT
- SCHEDULE E – STATEMENT OF NO-RESPONSE
- SCHEDULE F – CODE OF ETHICS, CONFLICT OF INTEREST, AND CONE OF SILENCE
- SCHEDULE G – AMERICANS WITH DISABILITIES ACT (ADA)
- SCHEDULE H – PUBLIC ENTITY CRIMES
- SCHEDULE I – ACKNOWLEDGEMENT OF ADDENDA

This affidavit is to be furnished to the City of Coral Gables with its IFB response. It is to be filled in, executed by the Contractor and notarized. If the Response is made by a Corporation, then it should be executed by its Chief Officer. This document MUST be submitted with the Response.

Insituform Technologies, LLC
Diane Partridge
Diane Partridge
Contracting and Attesting Officer

STATE OF Missouri

COUNTY OF St. Louis

On this 10th day of November, 2015, before me the undersigned Notary Public of the State of Missouri, personally appeared Diane Partridge

(Name(s) of individual(s) who appeared before Notary

And whose name(s) is/are subscribes to within the instrument(s), and acknowledges it's execution.

Jana Lause

NOTARY PUBLIC, STATE OF Missouri

Jana Lause

(Name of notary Public; Print, Stamp or Type as Commissioned.)

JANA LAUSE
Notary Public - Notary Seal
STATE OF MISSOURI
St. Louis County
My Commission Expires: Dec. 5, 2017
Commission # 13805615

NOTARY PUBLIC
SEAL OF OFFICE:

Personally know to me, or Produced Identification:

Personally Known

(Type of Identification Produced)

SCHEDULE "A" - CERTIFICATE OF BIDDER

Neither I, nor the firm, I hereby represent has:

a. employed or retained for a commission, percentage brokerage, contingent fee, or other consideration, any firm or person (other than a bona fide employee working solely for me or the Contractor) to solicit or secure this contract.

b. agreed, as an express or implied condition for obtaining this contract, to employ or retain the services of any firm or person in connection with carrying out the contract, or

c. paid, or agreed to pay, to any firm, organization or person (other than a bona fide employee working solely for me or the Contractor) any fee, contribution, donation or consideration of any kind for, or in connection with, procuring or carrying out the contract except as here expressly stated (if any):

Insituform Technologies, LLC
Diane Partridge
Diane Partridge
Contracting and Attesting Officer

SCHEDULE "B" - NON-COLLUSION AND CONTINGENT FEE AFFIDAVIT

1. He/she is the Contracting and Attesting Officer
(Owner, Partner, Officer, Representative or Agent)

of the Contractor that has submitted the attached Response.

2. He/she is fully informed with respect to the preparation and contents of the attached Response and of all pertinent circumstances respecting such Response;

3. Said Response is made without any connection or common interest in the profits with any other persons making any Response to this solicitation. Said Response is on our part in all respects fair and without collusion or fraud. No head of any department, any employee or any officer of the City of Coral Gables is directly or indirectly interested therein. If any relatives of Contractor's officers or employees are employed by the City, indicate name and relationship below.

Name: N/A Relationship: ______________________

Name: ______________________ Relationship: ______________________

1. No lobbyist or other contractor is to be paid on a contingent or percentage fee basis in connection with the award of this Contract.

Insituform Technologies, LLC
Diane Partridge
Diane Partridge
Contracting and Attesting Officer

SCHEDULE "C" - VENDOR DRUG-FREE STATEMENT

Preference may be given to vendors submitting a certification with their bid/proposal certifying they have a drug- free workplace in accordance with Section 287.087, Florida Statutes. This requirement affects all public entities of the State and becomes effective January 1, 1991. The special condition is as follows:

1. Publish a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the workplace and specifying the actions that will be taken against employees for violations of such prohibition.

2. Inform employees about the dangers of drug abuse in the workplace, the business's policy of maintaining a drug-free workplace, any available drug counseling, rehabilitation, and employee assistance programs, and the penalties that may be imposed upon employees for drug abuse violations.

3. Give each employee engaged in providing the commodities or contractual services that are under solicitation a copy of the statement specified in subsection (1).

4. In the statement specified in subsection (1), notify the employees that, as a condition of working on the commodities or contractual services that are under solicitation, the employee will abide by the terms of the statement and will notify the employer of any conviction of, or plea of guilty or nolo contendere to, any violation of chapter 893 or of any controlled substance law of the United States or any state, for a violation occurring in the workplace no later than five (5) days after such conviction.

5. Impose a sanction on, or require the satisfactory participation in a drug abuse assistance or rehabilitation program if such is available in the employee's community, by any employee who is so convicted.

6. Make a good faith effort to continue to maintain a drug-free workplace through implementation of this section. As the person authorized to sign the statement, I certify that this form complies fully with the above requirements.

I hereby certify that the company submitting this solicitation has established a Drug Free work place program in accordance with Sate Statute 287.087

Insituform Technologies, LLC

Diane Partridge

Diane Partridge
Contracting and Attesting Officer

SCHEDULE "D"– BIDDER'S QUALIFICATION STATEMENT

The undersigned certifies under oath the truth and correctness of all statements and all answers to questions made hereinafter:

Company Name: Insituform Technologies, LLC

Address: 17988 Edison Avenue Chesterfield MO 63005

Street City State Zip Code

Telephone No: (636) 530-8000 Fax No: (636) 530-8701 Email: dpartridge@insituform.com

How many years has your organization been in business under its present name? 4 Years

If Contractor is operating under Fictitious Name, submit evidence of compliance with Florida Fictitious Name Statue:

N/A

Under what former names has your business operated? : Insituform of North America, Inc. Insituform Technologies, Inc.

At what address was that business located? 17988 Edison Avenue, Chesterfield, MO 63005

Are You Certified? Yes ✓ No____ If Yes, **ATTACH COPY** of Certification.
Are You Licensed? Yes ✓ No____ If Yes, **ATTACH COPY** of License

Has your company or its senior officers ever declared bankruptcy?

Yes____ No ✓ If yes, explain:____

Please identify each incident within the last five (5) years where (a) a civil, criminal, administrative, other similar proceeding was filed or is pending, if such proceeding arises from or is a dispute concerning the Contractor's rights, remedies or duties under a contract for the same or similar type services to be provided under this IFB:

None contract related - see attached legal statement

Have you ever been debarred or suspended from doing business with any government entity?

Yes ___ No ✓ If Yes, explain ____

Insituform Technologies, LLC
Diane Partridge
Diane Partridge
Contracting and Attesting Officer

AEGION™

Shielding The World's Infrastructure

17988 Edison Avenue
Chesterfield, MO 63005
www.aegion.com

David F. Morris
Senior Vice President, General Counsel and Chief Administrative Officer
Phone: 636-530-8000
Fax: 636-530-8700
E-mail: dmorris@aegion.com

TO: Whom It May Concern

FROM: David F. Morris

DATE: January 5, 2015

Insituform Technologies, LLC ("IT") is a subsidiary of Aegion Corporation ("Aegion") a $1 billion revenue, international, publicly traded (NASDAQ-listed) company.

Regulatory Matters

IT's activities are regulated by several federal, state and local agencies to varying degrees, such as the SEC, NASDAQ, OSHA, DOT and state contractor licensing boards. Because of the size of IT, one or more regulatory agencies may be auditing or investigating aspects of IT's business at any given time, including OSHA and DOT. IT is not engaged in any pending state contractor licensing investigations or controversies.

Liabilities, Liens and Judgments

IT's liabilities are disclosed in its or Aegion's financial statements as required by GAAP and SEC regulations. IT may occasionally have valid bills paid later than normal credit terms and improper bills that are protested. There are no outstanding, unsatisfied liens (which are not being protested) or judgments against IT.

Lawsuits

At any given time, in the ordinary course of business, IT is involved in various civil claims and suits relating to vehicle accidents, other property damage or personal injury matters, commercial disputes (including subcontractor disputes and customer payment disputes), employee litigation and other matters. Aegion is required to report material litigation involving IT in its SEC filings.

SCHEDULE "E" – STATEMENT OF NO-RESPONSE

NOTE: If you do not intend to bid on this IFB, please return this form immediately. Failure to return this form may result in your name being removed from the list of Bidders for the City of Coral Gables. Please indicate Invitation for Bid name and number on the outside of the envelope.

MAIL TO: CITY OF CORAL GABLES
2800 S.W. 72nd AVENUE
MIAMI, FL 33155
ATTN: PROCUREMENT DIVISION

We, the undersigned have declined to respond for the following reason:

_______Insufficient time to respond to the Request from Statement of Qualifications.

_______We do not offer these services or an equivalent.

_______Our schedule would not permit us to perform.

_______Unable to meet specifications.

_______Unable to meet Bond requirements.

_______Specifications unclear (explain below).

_______Unable to meet insurance requirements.

_______Other (specify below)

N/A

REMARKS:

COMPANY NAME: Insituform Technologies, LLC

SIGNATURE: Deeann Partridge

ADDRESS: 17988 Edison Avenue, Chesterfield, MO 63005

TELEPHONE NO. (636) 530-8000

EMAIL ADDRESS: dpartridge@insituform.com

SCHEDULE "F" – CODE OF ETHICS, CONFLICT OF INTEREST, AND CONE OF SILENCE

THESE SECTIONS OF THE CITY CODE CAN BE FOUND ON THE CITY'S WEBSITE, UNDER GOVERNMENT, CITY DEPARTMENT, PROCUREMENT, PROCUREMENT LINKS, ORDINANCE NO. 2009-53; SEC 2-1055; SEC 2-677; AND SEC 2-1059, RESPECTIVELY.

IT IS HEREBY ACKNOWLEDGED THAT THE ABOVE NOTED SECTIONS OF THE CITY OF CORAL GABLES CITY CODE ARE TO BE ADHERED TO PURSUANT TO THIS SOLICITATION NO. IFB 2015.10.01

Insituform Technologies, LLC
Diane Partridge
Diane Partridge
Contracting and Attesting Officer

SCHEDULE "G" - AMERICANS WITH DISABILITIES ACT (ADA)

DISABILITY NONDISCRIMINATION SWORN STATEMENT

I, being duly first sworn state:

That the above named firm, corporation or organization is in compliance with and agreed to continue to comply with, and assure that any sub-contractor, or third party contractor under this project complies with all applicable requirements of the laws listed below including, but not limited to, those provisions pertaining to employment, provision of programs and service, transportation, communications, access to facilities, renovations, and new construction.

The American with Disabilities Act of 1990 (ADA), Pub. L. 101-336, 104 Stat 327, 42 U.S.C. 12101,12213 and 47 U.S.C. Sections 225 and 661 including Title I, Employment; Title 11, Public Services; Title III, Public Accommodations and Services Operated by Private Entities; Title IV, Telecommunications; and Title V, Miscellaneous Provisions.

The Florida Americans with Disabilities Accessibility Implementation Act of 1993, Sections 5553.501-553.513, Florida Statutes

The Rehabilitation Act of 1973, 229 U.S.C. Section 794

The Federal Transit Act, as amended, 49 U.S.C. Section 1612 The Fair Housing Act as amended, 42 U.S.C. Section 3601-3631

Insituform Technologies, LLC
Diane Partridge
Diane Partridge
Contracting and Attesting Officer

SCHEDULE "H" - SWORN STATEMENT PURSUANT TO SECTION 287.133 (3) (a), FLORIDA STATUTES, ON PUBLIC ENTITY CRIMES

1. I understand that a "public entity crime" as define in Paragraph 287.133(1)(g), **Florida Statutes**, means a violation of any state or federal law by a person with respect to and directly related to the transaction of business with any public entity or with an agency or political subdivision of any other state or of the United States, including, but not limited to, any Proposal or contract for goods or services to be provided to any public entity or an agency or political subdivision of any other state or of the United States and involving antitrust, fraud, theft, bribery, collusion, racketeering, conspiracy, or material misrepresentation.

2. I understand that "convicted" or "conviction" as defined in Paragraph 287.133(1)(b), **Florida Statutes**, means a finding of guilt or a conviction of a public entity crime, with or without an adjudication of guilt, in any federal or state trial court of record relating to charges brought by indictment or information after July 1, 1989, as a result of a jury verdict, non-jury trial, or entry of a plea of guilty or nolo contendere.

3. I understand that an "affiliate" as defined in Paragraph 287.133(1)(a), **Florida Statutes**, means:

1. A predecessor or successor of a person convicted of a public entity crime; or 2. An entity under the control of any natural person who is active in the management of the entity and who has been convicted of a public entity crime. The term "affiliate" includes those officers, directors, executives, partners, shareholders, employees, members, and agents who are active in the management of an affiliate. The ownership by one person of shares constituting a controlling interest in another person, or a pooling of equipment or income among persons when not for fair market value under an arm's length agreement, shall be a prima facie case that one person controls another person. A person who knowingly enters into a joint venture with a person who has been convicted of a public entity crime in Florida during the preceding 36 months shall be considered an affiliate.

4. I understand that a "person" as defined in Paragraph 287.133(1)(e), **Florida Statutes**, means any natural person or entity organized under the laws of any state or of the United States with the legal power to enter into a binding contract and which Proposals or applies to Proposal on contracts for the provision of goods or services let by a public entity, or which otherwise transacts or applies to transact business with a public entity. The term "person" includes those officers, directors, executives, partners, shareholders, employees, members, and agents who are active in management of an entity.

5. Based on information and belief, the statement which I have marked below is true in relation to the entity submitting this sworn statement. **[indicate which statement applies.]**

✓ Neither the entity submitting this sworn statement, nor any of its officers, directors, executives, partners, shareholders, employees, members, or agents who are active in the management of the entity, nor any affiliate of the entity has been charged with and convicted of a public entity crime subsequent to July 1, 1989.

____The entity submitting this sworn statement, or one or more of its officers, directors, executives, partners, shareholders, employees, members, or agents who are active in the management of the entity, or an affiliate of the entity has been charged with and convicted of a public entity subsequent to July 1, 1989.

____The entity submitting this sworn statement, or one or more of its officers, directors, executives, partners, shareholders, employees, members, or agents who are active in the management of the entity, or an affiliate of the entity has been charged with and convicted of a public entity crime subsequent to July 1, 1989. However, there has been subsequent proceeding before a Hearing Officer of the State of Florida, Division of Administrative Hearings and the Final Order entered by the Hearing Officer determined that it was not in the public interest to place the entity submitting this sworn statement on the convicted vendor list.

[attach a copy of the final order]

I UNDERSTAND THAT THE SUBMISSION OF THIS FORM TO THE CONTRACTING OFFICER FOR THE PUBLIC ENTITY IDENTIFIED IN PARAGRAPH 1 (ONE) ABOVE IS FOR THAT PUBLIC ENTITY ONLY AND, THAT THIS FORM IS VALID THROUGH DECEMBER 31 OF THE CALENDAR YEAR IN WHICH IT IS FILED. I ALSO UNDERSTAND THAT I AM REQUIRED TO INFORM THE PUBLIC ENTITY PRIOR TO ENTERING INTO A CONTRACT IN EXCESS OF THE THRESHOLD AMOUNT PROVIDED IN SECTION 287.017, FLORIDA STATUTES FOR CATEGORY TWO OF ANY CHANGE IN THE INFORMATION CONTAINED IN THIS FORM.

Insituform Technologies, LLC
Diane Partridge
Diane Partridge
Contracting and Attesting Officer

SCHEDULE "I" - ACKNOWLEDGEMENT OF ADDENDA

Invitation for Bid (IFB) No 2015.10.07 - Citywide Infiltration and Inflow Abatement

1. The undersigned agrees, if this IFB is accepted, to enter in a Contract with the CITY to perform and furnish all work as specified or indicated in the IFB and Contract Documents within the Contract time indicated in the IFB and in accordance with the other terms and conditions of the solicitation and contract documents.

2. Acknowledgement is hereby made of the following Addenda, if any (identified by number) received since issuance of the Invitation for Bid.

Addendum No. 1 Date 10/15/15	Addendum No. 4 Date 11/20/15
Addendum No. 2 Date 11/4/15	Addendum No. 5 Date 11/30/15
Addendum No. 3 Date 11/17/15	Addendum No. 6 Date 12/2/15

Insituform Technologies, LLC
Diane Partridge
Diane Partridge
Contracting and Attesting Officer

SECTION 6

Invitation for Bid (IFB) No 2015.10.07

6.0: SCHEDULE OF VALUES

Bidder shall submit a Bid expressing its interest in providing the services described herein. Bids must be typed or printed in blue ink. Use of erasable ink is not permitted. All corrections to prices made by the Bidder must be initialed. Any additional information to be submitted as part of the Bid may be attached to this form.

BIDDERS NAME: Insituform Technologies, LLC

CONTACT NAME / TITLE: Diane Partridge, Contracting and Attesting Officer

SIGNATURE: Diane Partridge DATE: November 10, 2015

ADDRESS: 17988 Edison Avenue, Chesterfield, MO 63005

TELEPHONE (636) 530-8000 FACSIMILE (636) 530-8701 EMAIL: dpartridge@insituform.com

INTENTIONALLY BLANK

PROJECT NO. 2015.10.01 BID NO. 2015.10.07

Citywide Infiltration and Inflow Abatement **BID FORM** IFB 2015.10.07

WASTEWATER COLLECTION SYSTEM REHABILITATION

CITY OF CORAL GABLES

GROUP C
MAINLINE PIPE LINING

ITEM NO.	DESCRIPTION	QUANTITY	UNIT	UNIT PRICE BID	TOTAL
C1	Install cured-in-place liner, 6-inch diameter gravity mains (up to 8 feet in depth)	250	L.F.	$ 30.90	$ 7,725.00
C2	Install cured-in-place liner, 8-inch diameter gravity mains (up to 8 feet in depth)	10,000	L.F.	$ 25.10	$ 251,000.00
C3	Install cured-in-place liner, 8-inch diameter gravity mains (8 to 12 feet in depth)	6,000	L.F.	$ 25.20	$ 151,200.00
C4	Install cured-in-place liner, 8-inch diameter gravity mains (12 to 16 feet in depth)	1,500	L.F.	$ 25.20	$ 37,800.00
C5	Install cured-in-place liner, 10-inch diameter gravity mains (up to 8 feet in depth)	1,250	L.F.	$ 29.60	$ 37,000.00
C6	Install cured-in-place liner, 10-inch diameter gravity mains (8 to 12 feet in depth)	1,000	L.F.	$ 29.70	$ 29,700.00
C7	Install cured-in-place liner, 10-inch diameter gravity mains (12 to 16 feet in depth)	500	L.F.	$ 30.50	$ 15,250.00
C8	Install cured-in-place liner, 12-inch diameter gravity mains (up to 8 feet in depth)	500	L.F.	$ 33.40	$ 16,700.00
C9	Install cured-in-place liner, 12-inch diameter gravity mains (8 to 12 feet in depth)	500	L.F.	$ 33.50	$ 16,750.00
C10	Install cured-in-place liner, 12-inch diameter gravity mains (12 to 16 feet in depth)	500	L.F.	$ 36.20	$ 18,100.00
C11	Install cured-in-place liner, 15-inch to 18-inch diameter gravity mains (up to 8 feet in depth)	500	L.F.	$ 61.70	$ 30,850.00
C12	Install cured-in-place liner, 15-inch to 18-inch diameter gravity mains (8 to 12 feet in depth)	500	L.F.	$ 61.90	$ 30,950.00
C13	Install cured-in-place liner, 15-inch to 18-inch diameter gravity mains (12 to 16 feet in depth)	500	L.F.	$ 65.60	$ 32,800.00

NAME OF BIDDER: Insituform Technologies, LLC

BID FORM
WASTEWATER COLLECTION SYSTEM REHABILITATION
CITY OF CORAL GABLES

GROUP C
MAINLINE PIPE LINING

ITEM NO.	DESCRIPTION	QUANTITY	UNIT	UNIT PRICE BID	TOTAL
C14	Install cured-in-place liner, 21-inch diameter gravity mains (up to 8 feet in depth)	500	L.F.	$ 71.60	$ 35,800.00
C15	Install cured-in-place liner, 21-inch diameter gravity mains (8 to 12 feet in depth)	500	L.F.	$ 71.80	$ 35,900.00
C16	Install cured-in-place liner, 21-inch diameter gravity mains (12 to 16 feet in depth)	500	L.F.	$ 77.90	$ 38,950.00
C17	Install cured-in-place liner end seals, 8-inch to 12-inch diameter gravity mains	88	EA PAIR	$ 293.00	$ 25,784.00
C18	Install cured-in-place liner end seals, 15-inch to 21-inch diameter gravity mains	12	EA PAIR	$ 285.00	$ 3,420.00
C19	cured-in-place liner cure temperature monitoring and reporting (pipe of 15-inch diameter pipe or less)	1,500	L.F.	$ 2.10	$ 3,150.00
C20	cured-in-place liner cure temperature monitoring and reporting (pipe of 18-inch diameter pipe or more)	3,000	L.F.	$ 3.20	$ 9,600.00
C21	Reinstate laterals and grout annular space	300	EA	$ 305.00	$ 91,500.00
C22	Recut lateral insufficiently reinstated by others	20	EA	$ 315.80	$ 6,316.00
C23	Grout annular space following recut of lateral insufficiently reinstated by others	20	EA	$ 200.00	$ 4,000.00
C24	Protruding service connection removal by internal means	8	EA	$ 315.00	$ 2,520.00
C25	Test joints, 8-inch and 10-inch gravity pipe	500	EA	$ 30.50	$ 15,250.00
C26	Test joints, 12-inch and 15-inch gravity pipe	150	EA	$ 34.70	$ 5,205.00

NAME OF BIDDER: Insituform Technologies, LLC

PROJECT NO. __________

Citywide Infiltration and Inflow Abatement

BID NO. __________

IFB 2015.10.07

BID FORM

WASTEWATER COLLECTION SYSTEM REHABILITATION

CITY OF CORAL GABLES

GROUP C

MAINLINE PIPE LINING

ITEM NO.	DESCRIPTION	QUANTITY	UNIT	UNIT PRICE BID	TOTAL
C27	Test joints, 18-inch and 21-inch gravity pipe	150	EA	$ 40.00	$ 6,000.00
C28	Seal joints, 8-inch and 10-inch gravity pipe	300	EA	$ 20.00	$ 6,000.00
C29	Seal joints, 12-inch and 15-inch gravity pipe	100	EA	$ 24.20	$ 2,420.00
C30	Seal joints, 18-inch and 21-inch gravity pipe	100	EA	$ 29.50	$ 2,950.00
C31	Chemical grout for sealing sewer joints	1,500	GAL	$ 10.00	$ 15,000.00
C32	Seal 6-inch lateral joints with chemical grout	30	EA	$ 105.00	$ 3,150.00
C33	Sewer main cleaning and TV inspection (6-inch through 12-inch)	35,000	L.F.	$ 1.00	$ 35,000.00
C34	Sewer main cleaning and TV inspection (15-inch through 21-inch)	4,000	L.F.	$ 1.80	$ 7,200.00
C35	Mechanical root or grease removal (12-inch and smaller)	1,000	L.F.	$ 3.20	$ 3,200.00
C36	Mechanical root or grease removal (15-inch through 21-inch)	500	L.F.	$ 6.80	$ 3,400.00
C37	Mechanical tuberculation/concrete removal (12-inch and smaller)	500	L.F.	$ 8.40	$ 4,200.00
C38	Mechanical tuberculation/concrete removal (15-inch through 21-inch)	250	L.F.	$ 10.50	$ 2625.00
C39	Bypass pumping (6-inch through 10-inch sewer)	12	SET-UP	$ 105.00	$ 1,260.00

NAME OF BIDDER: Insituform Technologies, LLC

PROJECT NO. ________

Citywide Infiltration and Inflow Abatement BID FORM

BID NO. ________

IFB 2015.10.07

WASTEWATER COLLECTION SYSTEM REHABILITATION

CITY OF CORAL GABLES

GROUP C

MAINLINE PIPE LINING

ITEM NO.	DESCRIPTION	QUANTITY	UNIT	UNIT PRICE BID	TOTAL
C40	Bypass pumping (12-inch and 15-inch sewer)	6	SET-UP	$ 1,580.00	$ 9,480.00
C41	Bypass pumping (18-inch through 21-inch sewer)	2	SET-UP	$ 4,210.00	$ 8,420.00
C42	Maintenance of traffic - residential street	60	SET-UP	$ 105.00	$ 6,300.00
C43	Maintenance of traffic - FDOT or City arterial roadway	15	SET-UP	$ 2,630.00	$ 39,450.00
C44	Work in rear-yard easement (items C1 through C16)	10	EA	$ 368.00	$ 3,680.00
C45	Work in rear-yard easement (item C22)	4	EA	$ 79.00	$ 316.00
C46	Work in rear-yard easement (items C25 to C30)	5	EA	$ 79.00	$ 395.00
C47	Work in rear-yard easement (item C32)	4	EA	$ 79.00	$ 316.00
C48	Expedited mobilization	4	EA	$ 525.00	$ 2,100.00
C49	Allowance account for uniformed police officers				$10,000.00
C50	Owners Contingency Allowance				$80,000.00

TOTAL BID FOR GROUP "C" - ITEMS C1 THROUGH C50 INCLUSIVE: $ 1,206,082.00

NAME OF BIDDER: Insituform Technologies, LLC

STATE OF FLORIDA
DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION

CONSTRUCTION INDUSTRY LICENSING BOARD (850) 487-1395
1940 NORTH MONROE STREET
TALLAHASSEE FL 32399-0783

HOWTON, RICHARD TAYLOR
INSITUFORM TECHNOLOGIES LLC
1860 FREEMAN PARKWAY
MABELTON GA 30126

Congratulations! With this license you become one of the nearly one million Floridians licensed by the Department of Business and Professional Regulation. Our professionals and businesses range from architects to yacht brokers, from boxers to barbeque restaurants, and they keep Florida's economy strong.

Every day we work to improve the way we do business in order to serve you better. For information about our services, please log onto **www.myfloridalicense.com**. There you can find more information about our divisions and the regulations that impact you, subscribe to department newsletters and learn more about the Department's initiatives.

Our mission at the Department is: License Efficiently, Regulate Fairly. We constantly strive to serve you better so that you can serve your customers. Thank you for doing business in Florida, and congratulations on your new license!

STATE OF FLORIDA
DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION
CGC061125 ISSUED: 08/04/2014
CERTIFIED GENERAL CONTRACTOR
HOWTON, RICHARD TAYLOR
INSITUFORM TECHNOLOGIES LLC
IS CERTIFIED under the provisions of Ch.489 FS.
Expiration date: AUG 31, 2016 L1408040000944

DETACH HERE

RICK SCOTT, GOVERNOR KEN LAWSON, SECRETARY

STATE OF FLORIDA
DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION
CONSTRUCTION INDUSTRY LICENSING BOARD

LICENSE NUMBER
CGC061125

The GENERAL CONTRACTOR
Named below IS CERTIFIED
Under the provisions of Chapter 489 FS.
Expiration date: AUG 31, 2016

HOWTON, RICHARD TAYLOR
INSITUFORM TECHNOLOGIES LLC
17988 EDISON AVENUE
CHESTERFIELD MO 63005

ISSUED: 08/04/2014 DISPLAY AS REQUIRED BY LAW SEQ # L1408040000944

FLORIDA DEPARTMENT OF STATE
Division of Corporations

January 18, 2012

BECKY PEIRCE
CSC
TALLAHASSEE, FL

Qualification documents for INSITUFORM TECHNOLOGIES, LLC were filed on January 18, 2012, and assigned document number M12000000304. Please refer to this number whenever corresponding with this office.

Your limited liability company is authorized to transact business in Florida as of the file date.

To maintain "active" status with the Division of Corporations, an annual report must be filed yearly between January 1st and May 1st beginning in the year following the file date or effective date indicated above. If the annual report is not filed by May 1st, a $400 late fee will be added.

A Federal Employer Identification Number (FEI/EIN) will be required when this report is filed. Contact the IRS at 1-800-829-4933 for an SS-4 form or go to www.irs.gov.

Please notify this office if the limited liability company address changes.

Should you have any questions regarding this matter, please contact this office at the address given below.

Buck Kohr
Regulatory Specialist II
Registration/Qualification Section
Division of Corporations

Letter Number: 712A00001262

Account number: I20000000195

Amount charged: 125.00

FILED
SECRETARY OF STATE
DIVISION OF CORPORATIONS
12 JAN 18 PM 3:50

APPLICATION BY FOREIGN LIMITED LIABILITY COMPANY FOR AUTHORIZATION TO TRANSACT BUSINESS IN FLORIDA

IN COMPLIANCE WITH SECTION 608.503, FLORIDA STATUTES, THE FOLLOWING IS SUBMITTED TO REGISTER A FOREIGN LIMITED LIABILITY COMPANY TO TRANSACT BUSINESS IN THE STATE OF FLORIDA:

1. INSITUFORM TECHNOLOGIES, LLC
(Name of Foreign Limited Liability Company; must include "Limited Liability Company," "L.L.C.," or "LLC.")

(If name unavailable, enter alternate name adopted for the purpose of transacting business in Florida and attach a copy of the written consent of the managers or managing members adopting the alternate name. The alternate name must include "Limited Liability Company," "L.L.C," "LLC.")

2. DE
(Jurisdiction under the law of which foreign limited liability company is organized)

3. ______
(FEI number, if applicable)

4. 03/27/1980
(Date of Organization)

5. Perpetual
(Duration: Year limited liability company will cease to exist or "perpetual")

6. Upon Filing
(Date first transacted business in Florida, if prior to registration.)
(See sections 608.501 & 608.502 F.S. to determine penalty liability)

7. 17988 Edison Ave. Chesterfield MO 63005
(Street Address of Principal Office)

8. If limited liability company is a manager-managed company, check here ☒

9. The name and usual business addresses of the managing members or managers are as follows:

Joe Burgess 17988 Edison Ave. Chesterfield MO 63005

David Martin 17988 Edison Ave. Chesterfield MO 63005

David F. Morris 17988 Edison Ave. Chesterfield MO 63005

10. Attached is an original certificate of existence, no more than 90 days old, duly authenticated by the official having custody of records in the jurisdiction under the law of which it is organized. (A photocopy is not acceptable. If the certificate is in a foreign language, a translation of the certificate under oath of the translator must be submitted)

11. Nature of business or purposes to be conducted or promoted in Florida:
Any lawful business, purpose or activity.

Signature of a member or an authorized representative of a member.

(In accordance with section 608.408(3), F.S., the execution of this document constitutes an affirmation under the penalties of perjury that the facts stated herein are true. I am aware that any false information submitted in a document to the Department of State constitutes a third degree felony as provided for in s.817.155, F.S.)

David F. Morris, Manager
Typed or printed name of signee

CERTIFICATE OF DESIGNATION OF
REGISTERED AGENT/REGISTERED OFFICE

PURSUANT TO THE PROVISIONS OF SECTION 608.415 or 608.507, FLORIDA STATUTES, THE UNDERSIGNED LIMITED LIABILITY COMPANY SUBMITS THE FOLLOWING STATEMENT TO DESIGNATE A REGISTERED OFFICE AND REGISTERED AGENT IN THE STATE OF FLORIDA.

1. The name of the Limited Liability Company is:

Insituform Technologies, LLC

If unavailable, the alternate to be used in the state of Florida is:

____

2. The name and the Florida street address of the registered agent and office are:

Corporation Service Company
(Name)

1201 Hays Street
Florida Street Address (P.O. Box <u>NOT</u> ACCEPTABLE)

Tallahassee FL 32301
City/State/Zip

Having been named as registered agent and to accept service of process for the above stated limited liability company at the place designated in this certificate, I hereby accept the appointment as registered agent and agree to act in this capacity. I further agree to comply with the provisions of all statutes relating to the proper and complete performance of my duties, and I am familiar with and accept the obligations of my position as registered agent as provided for in Chapter 608, Florida Statutes.

Corporation Service Company

By: Dawn Frantz
(Signature)
Dawn Frantz, Assistant Secretary

$ 100.00	**Filing Fee for Application**
$ 25.00	**Designation of Registered Agent**
$ 30.00	**Certified Copy (optional)**
$ 5.00	**Certificate of Status (optional)**

Delaware

The First State

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY "INSITUFORM TECHNOLOGIES, LLC" IS DULY FORMED UNDER THE LAWS OF THE STATE OF DELAWARE AND IS IN GOOD STANDING AND HAS A LEGAL EXISTENCE SO FAR AS THE RECORDS OF THIS OFFICE SHOW, AS OF THE SEVENTEENTH DAY OF JANUARY, A.D. 2012.

AND I DO HEREBY FURTHER CERTIFY THAT THE SAID "INSITUFORM TECHNOLOGIES, LLC" WAS FORMED ON THE TWENTY-SEVENTH DAY OF MARCH, A.D. 1980.

AND I DO HEREBY FURTHER CERTIFY THAT THE ANNUAL TAXES HAVE BEEN PAID TO DATE.

0889565 8300

120055464

SECRETARY OF STATE · DELAWARE · 1793

Jeffrey W Bullock, Secretary of State

AUTHENTICATION: 9301204

DATE: 01-17-12

You may verify this certificate online
at corp.delaware.gov/authver.shtml

Delaware

The First State

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE DO HEREBY CERTIFY THAT THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF CONVERSION OF A DELAWARE CORPORATION UNDER THE NAME OF "INSITUFORM TECHNOLOGIES, INC." TO A DELAWARE LIMITED LIABILITY COMPANY, CHANGING ITS NAME FROM "INSITUFORM TECHNOLOGIES, INC." TO "INSITUFORM TECHNOLOGIES, LLC", FILED IN THIS OFFICE ON THE THIRTIETH DAY OF DECEMBER, A.D. 2011, AT 11:28 O'CLOCK A.M.

AND I DO HEREBY FURTHER CERTIFY THAT THE EFFECTIVE DATE OF THE AFORESAID CERTIFICATE OF CONVERSION IS THE THIRTY-FIRST DAY OF DECEMBER, A.D. 2011, AT 11:58 O'CLOCK P.M.

0889565 8100V

111355498

You may verify this certificate online at corp.delaware.gov/authver.shtml

SECRETARY OF STATE DELAWARE 1776 1976

Jeffrey W. Bullock, Secretary of State

AUTHENTICATION: 9264943

DATE: 12-30-11

State of Delaware
Secretary of State
Division of Corporations
Delivered 11:40 AM 12/30/2011
FILED 11:28 AM 12/30/2011
SRV 111355498 - 0889565 FILE

STATE OF DELAWARE
CERTIFICATE OF CONVERSION
FROM A CORPORATION TO A
LIMITED LIABILITY COMPANY PURSUANT TO
SECTION 18-214 OF THE LIMITED LIABILITY COMPANY ACT

1.) The jurisdiction where the Corporation first formed is Delaware.

2.) The jurisdiction immediately prior to filing this Certificate is Delaware.

3.) The date the Corporation first formed is March 27, 1980.

4.) The name of the Corporation immediately prior to filing this Certificate is Insituform Technologies, Inc.

5.) The name of the Limited Liability Company as set forth in the Certificate of Formation is Insituform Technologies, LLC.

6.) The effective time of the conversion shall be 11:58 p.m. EST on December 31, 2011.

IN WITNESS WHEREOF, the undersigned has executed this Certificate on the 27th day of December, 2011.

INSITUFORM TECHNOLOGIES, INC.

By: April A. Greer
April A. Greer
Assistant Secretary

Delaware

The First State

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE DO HEREBY CERTIFY THAT THE ATTACHED IS A TRUE AND CORRECT COPY OF CERTIFICATE OF FORMATION OF "INSITUFORM TECHNOLOGIES, LLC" FILED IN THIS OFFICE ON THE THIRTIETH DAY OF DECEMBER, A.D. 2011, AT 11:28 O'CLOCK A.M.

AND I DO HEREBY FURTHER CERTIFY THAT THE EFFECTIVE DATE OF THE AFORESAID CERTIFICATE OF FORMATION IS THE THIRTY-FIRST DAY OF DECEMBER, A.D. 2011, AT 11:58 O'CLOCK P.M.

0889565 8100V

111355498

You may verify this certificate online at corp.delaware.gov/authver.shtml

Jeffrey W. Bullock, Secretary of State

AUTHENTICATION: 9264943

DATE: 12-30-11

State of Delaware
Secretary of State
Division of Corporations
Delivered 11:40 AM 12/30/2011
FILED 11:28 AM 12/30/2011
SRV 111355498 - 0889565 FILE

STATE of DELAWARE
LIMITED LIABILITY COMPANY
CERTIFICATE of FORMATION

- **First:** The name of this limited liability company is Insituform Technologies, LLC.

- **Second:** The address of its registered office in the State of Delaware is Corporation Trust Center, 1209 Orange Street in the City of Wilmington, Delaware 19801.

  The name of its registered agent at such address is The Corporation Trust Company.

- **Third:**

This filing shall be effective 11:58 p.m. EST on December 31, 2011.

IN WITNESS WHEREOF, the undersigned has executed this Certificate on the 27th day of December, 2011.

April A. Greer

April A. Greer
Organizer

LIST OF PROPOSED SUBCONTRACTORS/SUPPLIERS

INSITUFORM TECHNOLOGIES, LLC
City of Coral Gables, FL
Citywide Infiltration and Inflow Abatement
IFB 2015.10.07

NAME	PORTION OF WORK
PROLINE VACTOR SERVICES, INC. P.O. BOX 541149 LAKEWORTH, FL 33454	CLEAN/TV/GROUT
UIT, LLC 251 VALENCIA AVE #4655 CORAL GABLES, FL 33134	CLEAN/TV/GROUT

Aegion Corporation and Subsidiaries

Consolidated Financial Statements and Consolidating Information
December 31, 2014 and 2013
(With Report of Independent Auditors)

pwc

Independent Auditor's Report

To the Board of Directors and Stockholders of Aegion Corporation

We have audited the accompanying consolidated financial statements of Aegion Corporation and its subsidiaries, which comprise the consolidated balance sheets as of December 31, 2014 and December 31, 2013, and the related consolidated statements of operations, comprehensive income, equity and cash flows for the years then ended.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Aegion Corporation and its subsidiaries at December 31, 2014 and December 31, 2013, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The consolidating information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves and other additional procedures, in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating information is fairly stated, in all material respects, in relation to the consolidated financial statements taken as a whole. The consolidating information is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, results of operations and cash flows of the individual companies and is not a required part of the consolidated financial statements. Accordingly, we do not express an opinion on the financial position, results of operations and cash flows of the individual companies.

Saint Louis, Missouri
March 2, 2015

PricewaterhouseCoopers LLP, 800 Market Street, Suite 1900, St. Louis, MO 63010
T: (314) 206 8500, F: (314) 206 8514, www.pwc.com/us

AEGION CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(in thousands)

	2014	2013	2012
Net income (loss)	$ (35,412)	$ 45,546	$ 56,849
Other comprehensive income (loss):			
Currency translation adjustments	(27,591)	(13,428)	9,691
Pension activity, net of tax[(1)]	(576)	38	154
Deferred gain (loss) on hedging activity, net of tax[(2)]	296	(255)	(134)
Total comprehensive income (loss)	(63,283)	31,901	66,560
Less: comprehensive income attributable to noncontrolling interests	(605)	(749)	(4,501)
Comprehensive income (loss) attributable to Aegion Corporation	$ (63,888)	$ 31,152	$ 62,059

(1) Amounts presented net of tax of $(158), $11 and $46 for the years ended December 31, 2014, 2013, and 2012, respectively.

(2) Amounts presented net of tax of $196, $(168) and $(89) for the years ended December 31, 2014, 2013 and 2012, respectively.

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

AEGION CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF EQUITY
(in thousands, except number of shares)

	Common Stock		Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income	Non-Controlling Interests	Total Equity
	Shares	Amount					
BALANCE, December 31, 2011	39,352,375	$ 394	$ 260,680	$ 373,796	$ 5,862	$ 8,257	$ 648,989
Net income	—	—	—	52,661	—	4,188	56,849
Issuance of common stock upon stock option exercises, including tax benefit	52,676	1	1,175	—	—	—	1,176
Restricted shares issued	239,523	2	—	—	—	—	2
Issuance of shares pursuant to restricted stock units	15,177	—	—	—	—	—	—
Issuance of shares pursuant to deferred stock unit awards	34,132	—	—	—	—	—	—
Forfeitures of restricted shares	(36,325)	—	—	—	—	—	—
Repurchase of common stock	(704,997)	(7)	(12,301)	—	—	—	(12,308)
Equity-based compensation expense	—	—	6,767	—	—	—	6,767
Investment by non-controlling interests	—	—	—	—	—	4,939	4,939
Purchase of non-controlling interest	—	—	888	—	—	(893)	(5)
Currency translation adjustment and derivative transactions, net	—	—	—	—	9,398	313	9,711
BALANCE, December 31, 2012	38,952,561	$ 390	$ 257,209	$ 426,457	$ 15,260	$ 16,804	$ 716,120
Net income	—	—	—	44,351	—	1,195	45,546
Issuance of common stock upon stock option exercises, including tax benefit	29,511	—	899	—	—	—	899
Restricted shares issued	435,025	4	—	—	—	—	4
Issuance of shares pursuant to restricted stock units	13,761	—	—	—	—	—	—
Issuance of shares pursuant to deferred stock unit awards	7,029	—	—	—	—	—	—
Forfeitures of restricted shares	(236,388)	(2)	—	—	—	—	(2)
Repurchase of common stock	(1,218,385)	(12)	(27,636)	—	—	—	(27,648)
Equity-based compensation expense	—	—	5,647	—	—	—	5,647
Currency translation adjustment and derivative transactions, net	—	—	9	—	(13,208)	(446)	(13,645)
BALANCE, December 31, 2013	37,983,114	$ 380	$ 236,128	$ 470,808	$ 2,052	$ 17,553	$ 726,921
Net income (loss)	—	—	—	(37,167)	—	1,755	(35,412)
Issuance of common stock upon stock option exercises, including tax benefit	526,359	5	8,070	—	—	—	8,075
Restricted shares issued	242,722	2	—	—	—	—	2
Issuance of shares pursuant to restricted stock units	15,277	—	—	—	—	—	—
Issuance of shares pursuant to deferred stock unit awards	31,794	—	—	—	—	—	—
Forfeitures of restricted shares	(104,013)	(1)	—	—	—	—	(1)
Repurchase of common stock	(1,334,738)	(12)	(31,073)	—	—	—	(31,085)
Equity-based compensation expense	—	—	5,073	—	—		5,073
Purchase of non-controlling interest	—	—	(909)	—	—	292	(617)
Currency translation adjustment and derivative transactions, net	—	—	—	—	(26,721)	(1,150)	(27,871)
BALANCE, December 31, 2014	37,360,515	$ 374	$ 217,289	$ 433,641	$ (24,669)	$ 18,450	$ 645,085

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

Cash flows from financing activities:			
Proceeds from issuance of common stock upon stock option exercises, including tax effects	8,615	594	1,178
Repurchase of common stock	(31,085)	(27,648)	(12,308)
Investments from non-controlling interests	—	—	4,939
Purchase of or distributions to non-controlling interests	(617)	(287)	(5)
Payment of earnout related to acquisition of CRTS, Inc.	—	(2,112)	—
Credit facility financing fees	(783)	(5,013)	—
Proceeds from notes payable	1,284	1,541	7,160
Principal payments on notes payable	—	(183)	(2,768)
Proceeds from line of credit	18,000	—	26,000
Payments on line of credit	(8,000)	—	—
Proceeds from long-term debt	—	385,500	983
Principal payments on long-term debt	(22,039)	(253,500)	(25,000)
Net cash provided by (used in) financing activities	(34,625)	98,892	179
Effect of exchange rate changes on cash	(7,083)	(9,527)	65
Net increase in cash and cash equivalents for the period	16,920	24,369	27,547
Cash and cash equivalents, beginning of period	158,045	133,676	106,129
Cash and cash equivalents, end of period	$ 174,965	$ 158,045	$ 133,676

Supplemental disclosures of cash flow information:			
Cash paid for:			
Interest	$ 9,602	$ 8,700	$ 7,945
Net income taxes paid	12,594	11,630	18,456

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

In December 2014, the Company sold its wholly-owned subsidiary, Ka-te Insituform AG ("Ka-te"), to the Marco Daetwyler Gruppe AG, a Swiss company, for the sale price of CHF 1.1 million (approximately $1.1 million). In connection with the sale, the Company entered in to a five-year exclusive tube supply agreement whereby Ka-te will source all of its liners from Insituform Linings Ltd. Ka-te will also be entitled to continue to use its trade name based on a trade mark license granted for the same five-year time period.

In June 2013, the Company sold its fifty percent (50%) interest in Insituform Rohrsanierungstechniken GmbH ("Insituform-Germany") to Per Aarsleff A/S, a Danish company ("Aarsleff"). Insituform-Germany, a company that was jointly owned by Aegion and Aarsleff, is active in the business of no-dig pipe rehabilitation in Germany, Slovakia and Hungary. The sale price was €14 million, approximately $18.3 million. The sale resulted in a gain on the sale of approximately $11.3 million (net of $0.5 million of transaction expenses) recorded in other income (expense) on the consolidated statement of operations. In connection with the sale, Insituform-Germany also entered into a tube supply agreement with the Company whereby Insituform-Germany will purchase on an annual basis at least GBP 2.3 million, approximately $3.6 million, of felt cured-in-place pipe ("CIPP") liners during the two-year period from June 26, 2013 to June 30, 2015.

In April 2012, the Company purchased Fyfe Group LLC's Asian operations ("Fyfe Asia"), which included all of the equity interests of Fyfe Asia Pte. Ltd, a Singaporean entity (and its interest in two joint ventures located in Borneo and Indonesia), Fyfe (Hong Kong) Limited, Fibrwrap Construction (M) Sdn Bhd, a Malaysian entity, Fyfe Japan Co. Ltd., a Japanese entity, and Fibrwrap Construction Pte. Ltd and Technologies & Art Pte. Ltd., Singaporean entities. Customers in India and China are served through a product supply and license arrangement. Fyfe Asia provides Fibrwrap® installation services throughout Asia, as well as provides product and engineering support to installers and applicators of fiber reinforced polymer systems in Asia. The cash purchase price at closing was $40.7 million. The purchase price was funded out of the Company's cash balances and by borrowing $18.0 million against the Company's line of credit.

In January 2012, the Company purchased Fyfe Group LLC's Latin American operations ("Fyfe LA"), which included all of the equity interests of Fyfe Latin America S.A., a Panamanian entity (and its interest in various joint ventures located in Peru, Costa Rica, Chile and Colombia), Fyfe – Latin America S.A. de C.V., an El Salvadorian entity, and Fibrwrap Construction Latin America S.A., a Panamanian entity. Fyfe LA provides Fibrwrap® installation services throughout Latin America, as well as product and engineering support to installers and applicators of fiber reinforced polymer systems in Latin America. The cash purchase price at closing was $2.3 million and funded out of the Company's cash balances. During the first quarter of 2012, the Company paid the sellers an additional $1.1 million based on a preliminary working capital adjustment. An annual payout can be earned based on the achievement of certain performance targets in each year over the three-year period ending December 31, 2014. No annual payout was earned as the performance targets were not met. As of December 31, 2013, the Company calculated the fair value of the contingent consideration arrangement to be zero, which is based on Level 3 inputs as defined in Note 11.

Corrosion Protection Segment

As part of the 2014 Restructuring Plan, the Company made the decision to shutter two older and redundant fusion bonded epoxy coating plants and consolidate and terminate certain land leases at The Bayou Companies, LLC's ("Bayou") Louisiana facility. The actions taken to restructure Bayou's Louisiana operations allow Bayou to cost effectively meet market demand, for both onshore and offshore projects, by optimizing pipe coating activities and reducing fixed costs. The repositioning of Bayou's Louisiana facility will also include additional capital investments in the remaining coating facilities over the next two to three years to augment Bayou's competitive position. See further discussion in Note 2 as to the impact that the 2014 Restructuring Plan had on Bayou's goodwill reporting unit.

On March 31, 2014, the Company sold its forty-nine percent (49%) interest in Bayou Coating, L.L.C. ("Bayou Coating") to Stupp Brothers Inc. ("Stupp"), the holder of the remaining fifty-one percent (51%) interest in Bayou Coating. Stupp purchased the interest by exercising an existing option to acquire the Company's interest in Bayou Coating at a purchase price equal to $9.1 million, which represented forty-nine percent (49%) of the book value of Bayou Coating as of December 31, 2013. Such book value was determined in accordance with the requirements of the joint venture agreement and was based on Bayou Coating's federal information tax return for 2013 and approximated the Company's book value of its investment in Bayou Coating as of December 31, 2013. The Company had previously received an indication from Stupp of its intent to exercise such option and, in the second quarter of 2013 in connection with such indication, the Company recognized a non-cash charge of $2.7 million ($1.8 million post-tax) related to the goodwill allocated to the joint venture as part of the purchase price accounting associated with the 2009 acquisition of Bayou. The non-cash charge represented the Company's then current estimate of the difference between the carrying value of the investment on the balance sheet and the amount the Company would receive in connection with the exercise. During the first quarter of 2014, the difference between the Company's recorded gross equity in earnings of affiliated companies of approximately $1.2 million and the final equity distribution settlement of $0.7 million resulted in a loss of approximately $0.5 million that is recorded in other income (expense) on the consolidated statement of operations.

The Brinderson acquisition made the following contributions to the Company's revenues and profits (in thousands):

	Years Ended December 31, 2014	2013
Revenues	$ 305,807	$ 108,233
Net income [(1)]	13,310	4,838

(1) Net income includes an allocation of corporate expenses that is not necessarily an indication of the entity's operations on a stand alone basis.

The following unaudited pro forma summary presents combined information of the Company as if the Brinderson acquisition had occurred at the beginning of the year preceding its acquisition (in thousands):

	2013
Revenues	$ 1,199,653
Net income [(1)]	50,384

(1) Includes pro-forma adjustments for purchase price depreciation and amortization as if those intangibles were recorded as of January 1 of the year preceding the respective acquisition date.

The transaction purchase price to acquire Brinderson was $150.0 million, which included a cash purchase price at closing of $147.6 million after preliminary working capital adjustments and an adjustment to account for cash held in the business at closing. The final working capital settlement with the previous owners resulted in a $1.0 million reduction in purchase price for a final purchase price of $146.6 million.

The following table summarizes the fair value of identified assets and liabilities of the Brinderson acquisition at its acquisition date (in thousands):

	Brinderson
Cash	$ 3,842
Receivables and cost and estimated earnings in excess of billings	28,353
Prepaid expenses and other current assets	655
Property, plant and equipment	6,848
Identified intangible assets	60,210
Other assets	1,071
Accounts payable, accrued expenses and billings in excess of cost and estimated earnings	(30,622)
Total identifiable net assets	$ 70,357
Total consideration	$ 146,605
Less: total identifiable net assets	70,357
Goodwill at December 31, 2014	$ 76,248

The following adjustment was made during the fourth quarter of 2014 relative to the acquisition of Brinderson as the Company completed its purchase price accounting (in thousands):

	Brinderson
Goodwill at December 31, 2013	$ 77,248
Decrease in goodwill related to working capital adjustment	(1,000)
Goodwill at December 31, 2014	$ 76,248

Volatility and expected term assumptions are based on the Company's historical experience. The risk-free rate is based on a U.S. Treasury note with a maturity similar to the option award's expected term. Fair value of restricted stock, restricted stock unit and deferred stock unit awards is determined using the Company's closing stock price on the award date. The shares of restricted stock and restricted stock units that are awarded are subject to performance and/or service restrictions. The Company makes forfeiture rate assumptions in connection with the valuation of restricted stock and restricted stock unit awards that could be different than actual experience. During 2012, the Company introduced three-year performance based stock unit awards for a number of its key employees. These awards are subject to performance and service restrictions. The awards contain financial targets for each year in the three-year performance period as well as cumulative totals. These awards have a threshold, target and maximum amount of shares that can be awarded based on the Company's financial results for each year and cumulative three-year period. The awards allow an employee to earn back a portion of the shares that were unearned in a prior year, if cumulative performance targets are met. Discussion of the Company's application of FASB ASC 718 is described in Note 8.

Revenues

Revenues include construction, engineering and installation revenues that are recognized using the percentage-of-completion method of accounting in the ratio of costs incurred to estimated final costs. Revenues from change orders, extra work and variations in the scope of work are recognized when it is probable that they will result in additional contract revenue and when the amount can be reliably estimated. Contract costs include all direct material and labor costs and those indirect costs related to contract performance, such as indirect labor, supplies, tools and equipment costs. The Company expenses all pre-contract costs in the period these costs are incurred. Since the financial reporting of these contracts depends on estimates, which are assessed continually during the term of these contracts, recognized revenues and profit are subject to revisions as the contract progresses to completion. Revisions in profit estimates are reflected in the period in which the facts that give rise to the revision become known. If material, the effects of any changes in estimates are disclosed in the notes to the consolidated financial statements. When estimates indicate that a loss will be incurred on a contract, a provision for the expected loss is recorded in the period in which the loss becomes evident. Any revenue recognized is only to the extent costs have been recognized in the period. Additionally, the Company expenses all costs for unpriced change orders in the period in which they are incurred.

Revenues from Brinderson are derived mainly from multiple engineering and construction type contracts, as well as maintenance contracts, under multi-year long-term Master Service Agreements and alliance contracts. Brinderson enters into contracts with its customers that contain three principal types of pricing provisions: time and materials, cost plus fixed fee and fixed price. Although the terms of these contracts vary, most are made pursuant to cost reimbursable contracts on a time and materials basis under which revenues are recorded based on costs incurred at agreed upon contractual rates. Brinderson also performs services on a cost plus fixed fee basis under which revenues are recorded based upon costs incurred at agreed upon rates and a proportionate amount of the fixed fee or percentage stipulated in the contract.

Earnings per Share

Earnings per share have been calculated using the following share information:

	2014	2013	2012
Weighted average number of common shares used for basic EPS	37,651,492	38,692,658	39,222,737
Effect of dilutive stock options and restricted and deferred stock unit awards	—	389,684	313,654
Weighted average number of common shares and dilutive potential common stock used in dilutive EPS	37,651,492	39,082,342	39,536,391

The Company excluded 318,059 stock options and restricted and deferred stock units in 2014 from the diluted earnings per share calculation for the Company's common stock because of the reported net loss for the period. The Company excluded 164,014, 318,026 and 223,536 stock options in 2014, 2013 and 2012, respectively, from the diluted earnings per share calculations for the Company's common stock because they were anti-dilutive as their exercise prices were greater than the average market price of common shares for each period.

Classification of Current Assets and Current Liabilities

The Company includes in current assets and current liabilities certain amounts realizable and payable under construction contracts that may extend beyond one year. The construction periods on projects undertaken by the Company generally range from less than one month to 24 months.

Cash, Cash Equivalents and Restricted Cash

The Company classifies highly liquid investments with original maturities of 90 days or less as cash equivalents. Recorded book values are reasonable estimates of fair value for cash and cash equivalents. Restricted cash primarily consists of funds reserved for legal requirements, payments from certain customers placed in escrow in lieu of retention in case of potential

In the early stages of the evaluation process, the Company reviewed the financial performance of all at risk asset groups within each affected reporting unit. Due to the ongoing weak economic conditions and weak economic outlook for certain at risk asset groups, the Company decided to no longer focus on the possible growth opportunities within these businesses; therefore, the Company would no longer provide cash flow or operational support to these businesses. This decision was deemed a significant adverse change in the extent or manner in which the asset is currently being used, and as such, the Company performed an asset impairment review as of September 30, 2014 for all of its at risk asset groups within each of the affected reporting units in accordance with ASC 360, *Property, Plant and Equipment* ("FASB ASC 360").

The assets of each asset group represent the lowest level for which identifiable cash flows can be determined independent of other groups of assets and liabilities. The Company developed internal forward business plans under the guidance of local and regional leadership to determine the undiscounted expected future cash flows derived from each of the at risk asset groups' long-lived assets. Such were based on management's best estimates considering the likelihood of various outcomes. Based on the internal projections, the Company determined that the undiscounted expected future cash flows for all of the identified at risk asset groups were less than the carrying value of the assets, and as a result, engaged a third-party valuation firm to assist in determining the fair value of long-lived assets at these at risk asset groups.

In order to determine the impairment amount of long-lived assets, the Company first determined the fair value of each key component of its long-lived assets at each asset group. For property and equipment, the Company primarily utilized the cost and market approaches, which involved the use of significant estimates and assumptions such as salvage and scrap market data and producer price indices. The Company also considered functional and economic obsolescence related to the business and the assets. Based upon the results of the analysis, the at risk asset groups with a fair value less than the carrying value of their respective assets included Bayou and Bayou Delta of the Bayou Reporting Unit; France of the Europe reporting unit; and Malaysia and India of the Asia-Pacific reporting unit. Accordingly, the Company recorded a total impairment charge of $11.9 million in the third quarter of 2014, which consisted of $10.9 million related to Bayou, $0.4 million related to Bayou Delta, $0.2 million related to France, $0.3 million related to Malaysia and $0.1 million related to India. The impairment charge was primarily recorded to cost of revenues in the Consolidated Statements of Operations.

Included within the impairment assessment were Bayou-related intangible assets such as tradenames and customer relationships that were also tested on an undiscounted cash flow basis. For customer relationships, the undiscounted expected future cash flows were less than the carrying value; thus, the Company engaged a third-party valuation firm to assist in determining the fair value of customer relationships recorded at Bayou. In order to determine the impairment amount of the customer relationships intangible asset, the Company calculated the fair value of the intangible based on the multi-period excess earnings method, which utilizes discounted cash flows to evaluate the net earnings attributable to the asset being measured. Key assumptions used in assessment include the discount rate (based on weighted-average cost of capital), revenue growth rates, contributory asset charges and working capital needs, which were based on current market conditions and were consistent with internal management projections.

Based on the results of the valuation, the carrying amount of the customer relationship intangible asset at Bayou exceeded the fair value and resulted in a full impairment as of September 30, 2014. Accordingly, the Company recorded a $10.9 million impairment charge in the third quarter of 2014. The impairment charge was recorded to definite-lived intangible asset impairment in the Consolidated Statements of Operations.

Annual Impairment Assessment - October 1, 2014

As a result of the annual impairment assessment in accordance with FASB ASC 350, *Intangibles – Goodwill and Other* ("FASB ASC 350"), the Fyfe Rehabilitation ("Fyfe") reporting unit had a fair value below its carrying value, which caused the Company to review the financial performance of all at risk asset groups within that reporting unit in accordance with FASB ASC 360. The results of Fyfe and its related asset groups are reported within the Infrastructure Solutions reportable segment.

The assets of each asset group represent the lowest level for which identifiable cash flows can be determined independent of other groups of assets and liabilities. The Company developed internal forward business plans under the guidance of local and regional leadership to determine the undiscounted expected future cash flows derived from each of the at risk asset groups' long-lived assets. Such were based on management's best estimates considering the likelihood of various outcomes. Based on internal cash flow projections, the Company determined that the undiscounted expected future cash flows for the Fyfe Latin America asset group was less than the carrying value of its assets, and as a result, engaged a third-party valuation firm to assist in determining the fair value of long-lived assets at this at risk asset group, which primarily consisted of a customer relationship intangible asset. In order to determine the impairment amount of the customer relationships intangible asset, the Company calculated the fair value of the intangible based on the multi-period excess earnings method, which utilizes discounted cash flows to evaluate the net earnings attributable to the asset being measured. Key assumptions used in assessment include the discount rate (based on weighted-average cost of capital), revenue growth rates, contributory asset charges and working capital needs, which were based on current market conditions and were consistent with internal management projections.

changes in economic conditions, changes to business models, changes in the Company's weighted average cost of capital, or changes in operating performance.

The discount rate applied to the estimated future cash flows is one of the most significant assumptions utilized under the income approach. The Company determines the appropriate discount rate for each of its reporting units based on the weighted average cost of capital ("WACC") for each individual reporting unit. The WACC takes into account both the pre-tax cost of debt and cost of equity (a major component of the cost of equity is the current risk-free rate on twenty year U.S. Treasury bonds). As each reporting unit has a different risk profile based on the nature of its operations, including market-based factors, the WACC for each reporting unit may differ. Accordingly, the WACCs are adjusted, as appropriate, to account for company-specific risks associated with each reporting unit.

Impairment Review - September 30, 2014

As a result of the 2014 Restructuring Plan, the Company evaluated the goodwill of its global operations affected by the restructuring initiative and determined that a triggering event had occurred. As such, the Company performed a goodwill impairment review for each affected reporting unit as of September 30, 2014. The Company's reporting units adversely affected by the 2014 Restructuring Plan were Bayou, Europe and Asia-Pacific. In accordance with the provisions of FASB ASC 350, the Company determined the fair value of its reporting units and compared such fair value to the carrying value of those reporting units. For all three reporting units, fair value exceeded carrying value, and as such, no impairment to recorded goodwill was required.

Significant assumptions used in the Company's goodwill review included: (i) discount rates ranging from 13.0% to 16.5%; (ii) annual revenue growth rates generally ranging from 2% to 7%; (iii) sustained or slightly increased gross margins; (iv) peer group EBITDA multiples; and (v) terminal values for each reporting unit using a long-term growth rate of 2.5% to 3.0%. If actual results differ from estimates used in these calculations, the Company could incur future impairment charges.

For the Bayou reporting unit, the excess of fair value in relation to its carrying value was 10.2%. The values derived from both the income approach and market approach decreased from the October 1, 2013 analysis; however, the fair value in relation to its carrying value improved from the prior year due to a decrease in carrying value as of the valuation dates. During the first nine months of 2014, the carrying value of the Bayou reporting unit was lowered due to the sale of its interest in Bayou Coating as described in Note 1 and the impairment of tangible and intangibles assets described above. The fair value for the Bayou reporting unit decreased $48.0 million, or 30.9%, from the prior year analysis due to the suspension of a material contract, a lack of project activity available in the Gulf of Mexico market and customer-driven project delays. The impairment analysis assumed a weighted average cost of capital of 13.5% and a long-term growth rate of 3%. The analysis also included an annual revenue growth rate of approximately 5% which was modestly higher than the prior year actual results, but at a level that is below the reporting unit's five-year average. Projected cash flows anticipate a modest recovery in the Gulf of Mexico market beginning in 2015. The Company noted improved visibility into larger bidding opportunities for deep water drilling activities in the Gulf of Mexico; however, there is a significant lead time from drilling to the point of building the pipeline infrastructure, or gather lines, to bring oil and natural gas onshore for refinement. This extended lead time creates added uncertainty and could have a material negative impact on long-term projected cash flows. Additionally, projected cash flows related to the Bayou reporting unit's new insulation facility located in Louisiana are subject to final operational testing and largely dependent in 2015 and 2016 on a single, large customer with whom the Company has a long-standing history. The Bayou reporting unit's Canadian coating operation, while not as reliant on larger projects, is dependent upon overall increased project activity in order to realize the cash flow projections included in the impairment analysis. If any of these assumptions do not materialize in a manner consistent with the Company's expectations, there is risk of impairment to recorded goodwill.

For the Europe reporting unit, the excess of fair value in relation to its carrying value was 9.3%. The values derived from both the income approach and market approach decreased from the October 1, 2013 analysis, and the fair value in relation to its carrying value declined from the prior year due to exiting certain European operations. The fair value for Europe decreased $8.2 million, or 9.5%, from the prior year analysis. The impairment analysis assumed a weighted average cost of capital of 14.0% and a long-term growth rate of 2.5%. The analysis also included an annual revenue growth rate of approximately 5% which is slightly below the prior year results and certain cost savings expected to be achieved through the 2014 Restructuring Plan. In addition, projected cash flows were also based, in part, on the successful closure or sale of the Insituform contacting operations in France and Switzerland. In December 2014, the Company sold the Switzerland operations. If any of these assumptions do not materialize in a manner consistent with the Company's expectations, there is risk of impairment to recorded goodwill.

For the Asia-Pacific reporting unit, the excess of fair value in relation to its carrying value was 12.1%. The values derived from both the income approach and market approach decreased from the October 1, 2013 analysis, and the fair value in relation to its carrying value declined from the prior year due to exiting certain Asia-Pacific operations, many of which were underperforming. The fair value for Asia-Pacific decreased $18.0 million, or 36.4%, from the prior year analysis. The impairment analysis assumed a weighted average cost of capital of 14.0% and a long-term growth rate of 3.0%. The analysis

Impairment Review - December 31, 2014

During the fourth quarter of 2014, certain reporting units operating in the energy sector experienced customer-driven delays, work order cancellations, and canceled sales opportunities as a result of declining crude oil prices since October 2014. The Company evaluated the goodwill of its operations affected by these circumstances and determined that a triggering event had occurred. As such, the Company performed a goodwill impairment review for its Bayou and CRTS reporting units as of December 31, 2014. In accordance with the provisions of FASB ASC 350, the Company determined the fair value of its affected reporting units and compared such fair value to the carrying value of those reporting units. For both reporting units, carrying value exceeded fair value.

For the Bayou reporting unit, fair value in relation to its carrying value was negative 9.5%. The values derived from the income approach and the market approach decreased 21.3% and 12.0%, respectively, from the September 30, 2014 goodwill impairment analysis. Current uncertainty in the upstream oil markets, which caused work order cancellations and canceled sales opportunities in North America for the Bayou Canada and CCSI asset groups, affected the Company's expected future cash flows in 2015 and 2016. The impairment analysis assumed a weighted average cost of capital of 13.5% and a long-term growth rate of 3.0%, which are both consistent with the September 30, 2014 review. The income approach analysis also included an annual revenue growth rate of approximately 4%, which was slightly lower than the 5% annual growth in the previous analysis. In addition, average gross margins were approximately 35 basis points lower in 2014 due to expected market contraction and lower plant utilization rates. As a result of failing Step 1, the Company performed Step 2 procedures, which compares the carrying value of goodwill to its implied fair value. In estimating the implied fair value of goodwill for a reporting unit, the Company assigns the fair value (as determined in Step1) to the assets and liabilities associated with the reporting unit as if the reporting unit had been acquired in a business combination. Any excess of the carrying value of goodwill of the reporting unit over its implied fair value is recorded as impairment. Based on this analysis, the Company determined that Bayou's goodwill was fully impaired; and as such, recorded a $29.7 million charge to "Goodwill impairment" in the Consolidated Statement of Operations in 2014. As of December 31, 2014, there was no recorded goodwill at Bayou.

For the CRTS reporting unit, fair value in relation to its carrying value was negative 13.8%. The values derived from both the income approach and the market approach decreased from the October 1, 2014 annual goodwill impairment analysis due to current uncertainty in the upstream oil markets, which caused customer-driven delays in the more profitable international offshore pipeline market and delayed or canceled sales opportunities in certain North American markets. These adverse conditions affected the Company's expected future cash flows in 2015 and 2016. The fair value for CRTS decreased $5.4 million, or 10.5%, from the previous analysis. The impairment analysis assumed a weighted average cost of capital of 13.5% and a long-term growth rate of 3.0%, which are both consistent with the October 1, 2014 review. The income approach analysis also included an annual revenue growth rate of approximately 3.8%, which is lower than the 6.5% growth rate assumed in the previous analysis. Expected gross margins were consistent between both analyses. As a result of failing Step 1, the Company performed Step 2 procedures, which compares the carrying value of goodwill to its implied fair value. In estimating the implied fair value of goodwill for a reporting unit, the Company assigns the fair value (as determined in Step 1) to the assets and liabilities associated with the reporting unit as if the reporting unit had been acquired in a business combination. Any excess of the carrying value of goodwill of the reporting unit over its implied fair value is recorded as impairment. Based on this analysis, the Company determined that recorded goodwill at CRTS was impaired by $5.7 million, which was recorded to "Goodwill impairment" in the Consolidated Statement of Operations in 2014. As of December 31, 2014, the Company had remaining CRTS goodwill of $14.4 million. Projected cash flows were based, in part, on maintaining a presence in the higher-margin. international offshore pipeline market and the Company's ability to expand its technology to other applications. If these assumptions do not materialize in a manner consistent with Company's expectations, there is risk of impairment to recorded goodwill.

Investments in Affiliated Companies

On March 31, 2014, the Company sold its forty-nine percent (49%) interest in Bayou Coating to Stupp, the holder of the remaining fifty-one percent (51%) interest in Bayou Coating. Stupp purchased the interest by exercising an existing option to acquire the Company's interest in Bayou Coating at a purchase price equal to $9.1 million. The Company had previously received an indication from Stupp of its intent to exercise such option and, in the second quarter of 2013 in connection with such indication, the Company recognized a non-cash charge of $2.7 million ($1.8 million post-tax) related to the goodwill allocated to the joint venture as part of the purchase price accounting associated with the 2009 acquisition of Bayou. The non-cash charge represented the Company's then current estimate of the difference between the carrying value of the investment on the balance sheet and the amount the Company would receive in connection with the exercise. During the first quarter of 2014, the difference between the Company's recorded gross equity in earnings of affiliated companies of approximately $1.2 million and the final equity distribution settlement of $0.7 million resulted in a loss of approximately $0.5 million that is recorded in other income (expense) on the consolidated statement of operations.

Prior to March 2014, the Company held a fifty-nine percent (59%) equity interest in Bayou Delta through which the Company offers pipe jointing and other services for the steel-coated pipe industry. The remaining forty-one percent (41%) was

In performing the first step, the significant factors and judgments that the Company considers in making the determination as to whether an entity is a VIE include:

- the design of the entity, including the nature of its risks and the purpose for which the entity was created, to determine the variability that the entity was designed to create and distribute to its interest holders;
- the nature of the Company's involvement with the entity;
- whether control of the entity may be achieved through arrangements that do not involve voting equity;
- whether there is sufficient equity investment at risk to finance the activities of the entity; and
- whether parties other than the equity holders have the obligation to absorb expected losses or the right to receive residual returns.

If the Company identifies a VIE based on the above considerations, it then performs the second step and evaluates whether it is the primary beneficiary of the VIE by considering the following significant factors and judgments:

- whether the entity has the power to direct the activities of a variable interest entity that most significantly impact the entity's economic performance; and
- whether the entity has the obligation to absorb losses of the entity that could potentially be significant to the variable interest entity or the right to receive benefits from the entity that could potentially be significant to the variable interest entity.

Based on its evaluation of the above factors and judgments, as of December 31, 2014, the Company consolidated any VIEs in which it was the primary beneficiary. Also, as of December 31, 2014, the Company had significant interests in certain VIEs primarily through its joint venture arrangements for which the Company was not the primary beneficiary. There have been no changes in the status of the Company's VIE or primary beneficiary designations during 2014.

Financial data for consolidated variable interest entities at December 31, 2014 and 2013 and for each of the years in the three-year period ended December 31, 2014 are summarized in the following tables (in thousands):

	December 31,	
Balance sheet data	**2014**	**2013**
Current assets	$ 57,046	$ 55,651
Non-current assets	43,165	47,606
Current liabilities	22,525	33,886
Non-current liabilities	36,155	25,020

Income statement data	**2014**	**2013**	**2012**
Revenue	$ 84,968	$ 85,908	$ 107,821
Gross profit	14,306	12,998	19,625
Net income	2,413	1,892	3,622

The Company's non-consolidated variable interest entities are accounted for using the equity method of accounting and discussed further under "Investments in Affiliated Companies" above.

Newly Issued Accounting Pronouncements

In April 2014, the FASB issued guidance that changes the criteria for determining which disposals can be presented as discontinued operations and modifies the related disclosure requirements. Under the new guidance, a disposal of a component of an entity or a group of components of an entity is required to be reported in discontinued operations if the disposal represents a strategic shift that has (or will have) a major effect on an entity's operations and financial results and is disposed of or classified as held for sale. The standard also introduces several new disclosures. The guidance applies prospectively to new disposals and new classifications of disposal groups as held for sale after the effective date and is effective for annual and interim periods beginning after December 15, 2014, with earlier adoption permitted. The Company does not expect that the adoption of this standard will have a material effect on its financial statements.

In May 2014, the FASB issued guidance that supersedes revenue recognition requirements regarding contracts with customers to transfer goods or services or for the transfer of non-financial assets. Under the new guidance, entities are required to recognize revenue in order to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The guidance provides a five-

Restructuring costs of $0.7 million are reported on a separate line in the Consolidated Statements of Operations in accordance with FASB ASC 420, *Exit or Disposal Cost Obligations*, and relate to severance and other termination benefit costs. The following tables summarize all restructuring charges recognized in 2014, by reporting segment, as presented in their affected line in the Consolidated Statements of Operations:

	Fixed Asset Impairment	Definite-lived Intangible Asset Impairment	Other Non-Cash Restructuring Charges	Cash Restructuring Charges	Total
Infrastructure Solutions:					
Cost of revenues	$ 498	$ —	$ 2,774	$ 1,076	$ 4,348
Operating expenses	35	—	17,544	2,976	20,555
Restructuring charges	—	—	—	687	687
Other expense	—	—	790	904	1,694
	533	—	21,108	5,643	27,284
Corrosion Protection:					
Cost of revenues	11,338	—	—	—	11,338
Definite-lived intangible asset impairment	—	10,896	—	—	10,896
	11,338	10,896	—	—	22,234
Total pre-tax restructuring charges	$ 11,871	$ 10,896	$ 21,108	$ 5,643	$ 49,518

Total pre-tax restructuring charges in 2014 were $49.5 million ($36.2 million post-tax) and consist of non-cash charges totaling $43.9 million and cash charges totaling $5.6 million. The non-cash charges of $43.9 million included $22.2 million related to the impairment of certain long-lived assets and definite-lived intangible assets for Bayou's coating operations in Louisiana, which is reported in the Corrosion Protection reportable segment, and $21.7 million related to inventory obsolescence, impairment definite-lived intangible assets, allowances for accounts receivable, write-off of certain other current assets and long-lived assets as well as a legal accrual related to disputed work performed by our European and Asia-Pacific operations, which are reported in the Infrastructure Solutions reportable segment. Cash charges totaling $5.6 million included employee severance, retention, extension of benefits, employment assistance programs and other costs associated with the restructuring for the European and Asia-Pacific operations.

Estimated remaining costs to be incurred in 2015, including totals and category ranges, for the 2014 Restructuring Plan are as follows:

- Approximately $1 million to $2 million related to severance and benefit costs,
- Approximately $4 million to $6 million related to other restructuring costs.

The following table summarizes the 2014 Restructuring Plan activity during 2014 (in thousands):

		Utilized		
	Charge to Income	Cash	Non-Cash	Reserves at December 31, 2014
Severance and benefit related costs	$ 687	$ 221	$ —	$ 466
Bad debt expense	11,947	—	483	11,464
Inventory obsolescence	2,746	—	2,746	—
Fixed asset impairment	11,871	—	11,871	—
Definite-lived intangible asset impairment	10,896	—	10,896	—
Other asset write-offs	5,013	—	5,013	—
Other restructuring costs	6,358	3,862	—	2,496
Total pre-tax restructuring charges	$ 49,518	$ 4,083	$ 31,009	$ 14,426

Property, Plant and Equipment

Property, plant and equipment consisted of the following at December 31 (in thousands):

	Estimated Useful Lives (Years)	2014[1]	2013
Land and land improvements		$ 12,021	$ 11,964
Buildings and improvements	5 — 40	62,548	63,870
Machinery and equipment	4 — 10	185,003	185,307
Furniture and fixtures	3 — 10	27,115	25,848
Autos and trucks	3 — 10	51,635	52,145
Construction in progress		15,400	31,012
Subtotal		353,722	370,146
Less – Accumulated depreciation		(185,509)	(187,843)
Total		$ 168,213	$ 182,303

(1) During the third quarter of 2014, the Company recorded asset impairments of $11.9 million related to the 2014 Restructuring Plan (see Notes 2 and 3).

Depreciation expense was $30.2 million, $28.0 million and $27.1 million for the years ended December 31, 2014, 2013 and 2012, respectively.

Accrued Expenses

Accrued expenses consisted of the following at December 31 (in thousands):

	2014	2013
Vendor and other accrued expenses	$ 49,499	$ 51,278
Estimated casualty and healthcare liabilities	17,780	13,775
Job costs	13,718	13,843
Accrued compensation	21,033	15,942
Income tax payable and deferred income taxes	9,587	10,628
Total	$ 111,617	$ 105,466

5. GOODWILL AND INTANGIBLE ASSETS

Goodwill

The following table presents a reconciliation of the beginning and ending balances of the Company's goodwill at January 1, 2014 and December 31, 2014 (in millions):

	Infrastructure Solutions	Corrosion Protection	Energy Services	Total
Beginning balance at January 1, 2014	$ 195,570	$ 75,862	$ 77,248	$ 348,680
Adjustments to goodwill [1][2]	1,098	—	(1,000)	98
Impairments [3]	(16,069)	(35,443)	—	(51,512)
Foreign currency translation	(3,324)	(919)	—	(4,243)
Goodwill at December 31, 2014	$ 177,275	$ 39,500	$ 76,248	$ 293,023

(1) During the second quarter of 2014, the Company recorded goodwill of $1.1 million related to the 2012 acquisition of Fyfe Asia (see Note 1).

(2) During the fourth quarter of 2014, the Company decreased goodwill by $1.0 million related to the 2013 acquisition of Brinderson (see Note 1).

(3) During the fourth quarter of 2014, the Company recorded a goodwill impairment to its Fyfe reporting unit of $16.1 million, which is included in the Infrastructure Solutions reportable segment, and goodwill impairments to its Bayou and CRTS reporting units of $29.7 million and $5.7 million, respectively, which are included in the Corrosion Protection reportable segment (see Note 2).

Financing Arrangements

In July 2013, in connection with the Brinderson acquisition, the Company entered into a new $650.0 million senior secured credit facility (the "Credit Facility") with a syndicate of banks. Bank of America, N.A. served as the administrative agent. Merrill Lynch Pierce Fenner & Smith Incorporated, JPMorgan Securities LLC and U.S. Bank National Association acted as joint lead arrangers and joint book managers in the syndication of the new credit facility. The Credit Facility consists of a $300.0 million five-year revolving line of credit and a $350.0 million five-year term loan facility, each with a maturity date of July 1, 2018. The Company borrowed the entire term loan and drew $35.5 million against the revolving line of credit from the Credit Facility on July 1, 2013 for the following purposes: (1) to pay the $147.6 million cash purchase price for the Company's acquisition of Brinderson, L.P., which closed on July 1, 2013; (2) to retire $232.3 million in indebtedness outstanding under the Company's prior credit facility; and (3) to fund expenses associated with the Credit Facility and the Brinderson acquisition. Additionally, the Company used $7.0 million of its cash on hand to fund these transactions.

Generally, interest will be charged on the principal amounts outstanding under the Credit Facility at the British Bankers Association LIBOR rate plus an applicable rate ranging from 1.25% to 2.25% depending on the Company's consolidated leverage ratio. The Company can also opt for an interest rate equal to a base rate (as defined in the credit documents) plus an applicable rate, which also is based on the Company's consolidated leverage ratio. The applicable one month LIBOR borrowing rate (LIBOR plus Company's applicable rate) as of December 31, 2014 was approximately 2.125%.

The Company's indebtedness at December 31, 2014 consisted of $319.4 million outstanding from the $350.0 million term loan under the Credit Facility and $45.5 million on the line of credit under the Credit Facility. In July 2014, the Company borrowed $10.0 million on the line of credit for working capital needs. Additionally, the Company and Wasco Coatings UK Ltd. ("Wasco Energy"), a subsidiary of Wah Seong Corporation, loaned Bayou Wasco Insulation, LLC ("Bayou Wasco"), a joint venture between the Company and Wasco Energy, an aggregate of $14.0 million for the purchase of capital assets in 2012 and 2013. Additionally, during September 2014, the Company and Wasco Energy agreed to loan Bayou Wasco an additional $2.6 million for working capital needs increasing the total to $16.6 million. Of such amount, $8.1 million (representing funds loaned by Wasco Energy) was designated as third-party debt in the Company's consolidated financial statements. In connection with the formation of Bayou Perma-Pipe Canada, Ltd. ("BPPC"), the Company and Perma-Pipe Canada, Inc. loaned BPPC an aggregate of $8.0 million for the purchase of capital assets and for operating purposes. Additionally, during January 2012, the Company and Perma-Pipe Canada, Inc. agreed to loan BPPC an additional $6.2 million for the purchase of capital assets increasing the total to $14.2 million. Of such amount, $4.3 million was designated as third-party debt in the Company's consolidated financial statements. The Company also held $0.1 million of third party notes and bank debt at December 31, 2014.

As of December 31, 2014, the Company had $27.3 million in letters of credit issued and outstanding under the Credit Facility. Of such amount, $10.2 million was collateral for the benefit of certain of our insurance carriers and $17.1 million was for letters of credit or bank guarantees of performance or payment obligations of foreign subsidiaries.

The Company's indebtedness at December 31, 2013 consisted of $341.3 million outstanding from the $350.0 million term loan under the Credit Facility and $35.5 million on the line of credit under the Credit Facility. Additionally, the Company and Wasco Energy loaned Bayou Wasco an aggregate of $14.0 million for the purchase of capital assets in 2012 and 2013, of which $6.9 million (representing funds loaned by Wasco Energy) was designated as third-party debt in the consolidated financial statements. In February 2014, the Company and Wasco Energy agreed to a five-year term on the funds loaned; therefore, the amounts have been reclassified to long-term debt as of December 31, 2013. In connection with the formation of BPPC, the Company and Perma-Pipe Canada, Inc. loaned BPPC an aggregate of $8.0 million for the purchase of capital assets and for operating purposes. Additionally, during January 2012, the Company and Perma-Pipe Canada, Inc. agreed to loan BPPC an additional $6.2 million for the purchase of capital assets increasing the total to $14.2 million. Of such amount, $4.9 million was designated as third-party debt in the Company's consolidated financial statements. The Company also held $0.1 million of third party notes and bank debt at December 31, 2013.

At December 31, 2014 and 2013, the estimated fair value of the Company's long-term debt was approximately $377.0 million and $380.1 million, respectively. Fair value was estimated using market rates for debt of similar risk and maturity and a discounted cash flow model, which are based on Level 3 inputs as defined in Note 11.

In July 2013, the Company entered into an interest rate swap agreement, for a notional amount of $175.0 million that is set to expire in July 2016. The notional amount of this swap mirrors the amortization of a $175.0 million portion of the Company's $350.0 million term loan drawn from the Credit Facility. The swap requires the Company to make a monthly fixed rate payment of 0.87% calculated on the amortizing $175.0 million notional amount, and provides for the Company to receive a payment based upon a variable monthly LIBOR interest rate calculated on the amortizing $175.0 million notional amount. The annualized borrowing rate of the swap at December 31, 2014 was approximately 2.21%. The receipt of the monthly LIBOR-based payment offsets a variable monthly LIBOR-based interest cost on a corresponding $175.0 million portion of the issuance under the 2013 Employee Plan. The 2013 Employee Plan is administered by the Compensation Committee of the Board of Directors, which determines eligibility, timing, pricing, amount and other terms or conditions of awards. At December 31, 2014, there were 5,546 options and 512,630 unvested shares of restricted stock and restricted stock units outstanding under the 2013 Employee Plan.

In April 2009, the Company's stockholders approved the 2009 Employee Equity Incentive Plan (the "2009 Employee Plan"), which replaced the 2006 Employee Equity Incentive Plan (the "2006 Employee Plan"). At December 31, 2014, there were 293,159 options and 254,910 unvested shares of restricted stock and restricted stock units outstanding under the 2009 Employee Plan.

At December 31, 2014, there were 204,429 options and no unvested shares of restricted stock and restricted stock units outstanding under the 2006 Employee Plan.

In April 2011, the Company's stockholders approved the 2011 Non-Employee Director Equity Plan ("2011 Director Plan"), which replaced the 2006 Non-Employee Director Equity Plan ("2006 Non-Employee Director Plan"). The 2011 Director Plan provides for equity-based compensation awards, including non-qualified stock options and stock units. There are 200,000 shares of the Company's common stock registered for issuance under the 2011 Director Plan. The Board of Directors administers the Director Plan and has the authority to establish, amend and rescind any rules and regulations related to the 2011 Director Plan. At December 31, 2014, there were 116,798 deferred stock units outstanding under the 2011 Director Plan.

The 2011 Director Plan replaced the 2006 Non-Employee Director Plan and contains substantially the same provisions as the former plan. At December 31, 2014, there were 50,098 deferred stock units outstanding under the 2006 Non-Employee Director Plan.

The 2006 Non-Employee Director Plan replaced the 2001 Non-Employee Director Equity Plan, and contains substantially the same provisions as the former plan. At December 31, 2014, there were 54,575 deferred stock units outstanding under the 2001 Non-Employee Director Equity Plan.

Activity and related expense associated with these plans are described in Note 8.

8. EQUITY-BASED COMPENSATION

Stock Awards

Stock awards, which include shares of restricted stock, restricted stock units and restricted performance units, are awarded from time to time to executive officers and certain key employees of the Company. Stock award compensation is recorded based on the award date fair value and charged to expense ratably through the requisite service period. The forfeiture of unvested restricted stock, restricted stock units and restricted performance units causes the reversal of all previous expense recorded as a reduction of current period expense.

A summary of stock award activity during the years ended December 31, 2014, 2013 and 2012 is as follows:

	For the Years Ended December 31,					
	2014		2013		2012	
	Stock Awards	Weighted Average Award Date Fair Value	Stock Awards	Weighted Average Award Date Fair Value	Stock Awards	Weighted Average Award Date Fair Value
Outstanding, beginning of period	555,025	$ 22.79	698,869	$ 19.39	643,117	$ 17.48
Restricted shares awarded	242,722	23.76	435,025	24.09	239,523	18.07
Restricted stock units awarded	395,352	21.75	112,401	25.11	222,379	18.11
Restricted shares distributed	(118,828)	23.55	(274,784)	19.04	(289,001)	13.42
Restricted stock units distributed	(15,277)	21.25	(13,761)	18.87	(15,177)	14.32
Restricted shares forfeited	(104,013)	23.77	(236,388)	23.10	(36,325)	20.13
Restricted stock units forfeited	(187,441)	24.48	(166,337)	19.55	(65,647)	18.18
Outstanding, end of period	767,540	$ 21.93	555,025	$ 22.79	698,869	$ 19.39

Expense associated with stock awards was $3.6 million, $3.0 million, and $4.1 million in 2014, 2013 and 2012, respectively. Unrecognized pre-tax expense of $11.2 million related to stock awards is expected to be recognized over the weighted average remaining service period of 2.0 years for awards outstanding at December 31, 2014.

The intrinsic value calculations are based on the Company's closing stock price of $18.61, $21.89 and $22.19 on December 31, 2014, 2013 and 2012, respectively. At December 31, 2014, 2,048,741 and 123,853 shares of common stock were available for equity-based compensation awards pursuant to the 2013 Employee Plan and the 2011 Non-Employee Director Plan, respectively.

The Company uses a binomial option-pricing model for valuation purposes to reflect the features of stock options granted. The fair value of stock options awarded during 2014, 2013 and 2012 was estimated at the date of grant based on the assumptions presented in the table below. Volatility, expected term and dividend yield assumptions were based on the Company's historical experience. The risk-free rate was based on a U.S. treasury note with a maturity similar to the option grant's expected term.

	2014		2013		2012	
	Range	Weighted Average	Range	Weighted Average	Range	Weighted Average
Grant-date fair value	$11.27	$11.27	12.92	$12.92	$8.14-$8.19	$8.19
Volatility	41.6%	41.6%	49.8%	49.8%	43.0%-45.2%	45.1%
Expected term (years)	7.0	7.0	7.0	7.0	7.0	7.0
Dividend yield	—%	—%	—%	—%	—%	—%
Risk-free rate	2.3%	2.3%	1.1%	1.1%	1.0%-1.5%	1.5%

9. TAXES ON INCOME (TAX BENEFITS)

Income (loss) from continuing operations before taxes on income (tax benefits) was as follows for the years ended December 31 (in thousands):

	2014	2013	2012
Domestic	$ (75,112)	$ 23,695	$ 45,290
Foreign	39,137	35,307	25,576
Total	$ (35,975)	$ 59,002	$ 70,866

Provisions (benefits) for taxes on income (tax benefit) from continuing operations consisted of the following components for the years ended December 31 (in thousands):

	2014	2013	2012
Current:			
Federal	$ (2,112)	$ 8,603	$ 9,237
Foreign	10,586	6,078	9,704
State	2,635	527	995
Subtotal	11,109	15,208	19,936
Deferred:			
Federal	(18,629)	(2,075)	(1,817)
Foreign	3,034	(727)	69
State	646	(252)	475
Subtotal	(14,949)	(3,054)	(1,273)
Total tax provision	$ (3,840)	$ 12,154	$ 18,663

The Company's tax assets and liabilities, netted by taxing location, are in the following captions in the balance sheets (in thousands):

	2014	2013
Current deferred income tax assets, net	$ 9,516	$ 4,640
Current deferred income tax liabilities, net	(3,935)	(4,304)
Noncurrent deferred income tax assets, net	3,334	6,957
Noncurrent deferred income tax liabilities, net	(22,913)	(38,217)
Net deferred income tax liabilities	$ (13,998)	$ (30,924)

The Company's deferred tax assets at December 31, 2014 included $19.4 million in federal, state and foreign net operating loss ("NOL") carryforwards. These NOLs include $10.5 million, which if not used will expire between the years 2015 and 2034, and $8.9 million that have no expiration dates. The Company also has foreign tax credit carryforwards of $1.5 million, of which $0.5 million has no expiration date.

For financial reporting purposes, a valuation allowance of $19.4 million has been recognized to reduce the deferred tax assets related to certain federal, state and foreign net operating loss carryforwards and other assets, for which it is more likely than not that the related tax benefits will not be realized, due to uncertainties as to the timing and amounts of future taxable income. The valuation allowance at December 31, 2013 was $7.8 million. Activity in the valuation allowance is summarized as follows for the years ended December 31 (in thousands):

	2014	2013	2012
Balance, at beginning of year	$ 7,797	$ 6,574	$ 4,691
Additions	14,442	1,754	2,062
Reversals	(2,090)	(131)	(191)
Other adjustments	(796)	(400)	12
Balance, at end of year	$ 19,353	$ 7,797	$ 6,574

The Company has recorded income tax expense at U.S. tax rates on all profits, except for undistributed profits of non-U.S. subsidiaries of approximately $277.0 million, which are considered indefinitely reinvested. Determination of the amount of unrecognized deferred tax liability related to the indefinitely reinvested profits is not feasible. A deferred tax asset is recognized only if the Company has definite plans to generate a U.S. tax benefit by repatriating earnings in the foreseeable future.

FASB ASC 740, *Income Taxes* ("FASB ASC 740"), prescribes a more-likely-than-not threshold for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. FASC ASC 740 also provides guidance on de-recognition, classification, interest and penalties, accounting in interim periods and disclosure of uncertain tax positions in financial statements.

A reconciliation of the beginning and ending balance of unrecognized tax benefits is as follows (in thousands):

	2014	2013	2012
Balance at January 1,	$ 2,936	$ 3,170	$ 1,050
Additions for tax positions of prior years related to acquisitions	—	—	3,145
Additions for tax positions of prior years	36	30	111
Lapse in statute of limitations	(252)	(236)	(1,162)
Foreign currency translation	(48)	(28)	26
Balance at December 31, total tax provision	$ 2,672	$ 2,936	$ 3,170

The total amount of unrecognized tax benefits, if recognized, that would affect the effective tax rate was $0.5 million at December 31, 2014.

The Company recognizes interest and penalties, if any, related to unrecognized tax benefits in income tax expense. During the years ended December 31, 2014, 2013 and 2012, approximately $0.3 million, $0.3 million and $0.6 million, respectively, was accrued for interest.

The Company believes that it is reasonably possible that the total amount of unrecognized tax benefits will change in 2015. The Company has certain tax return years subject to statutes of limitation that will expire within twelve months. Unless challenged by tax authorities, the expiration of those statutes of limitation is expected to result in the recognition of uncertain

Certain foreign subsidiaries maintain various other defined contribution retirement plans. Company contributions to such plans for the years ended December 31, 2014, 2013 and 2012 were $1.2 million, $1.2 million and $1.4 million, respectively.

In connection with the Company's 2009 acquisition of Corrpro, the Company assumed an obligation associated with a contributory defined benefit pension plan sponsored by a subsidiary of Corrpro located in the United Kingdom. Employees of this Corrpro subsidiary no longer accrue benefits under the plan; however, Corrpro continues to be obligated to fund prior period benefits. Corrpro funds the plan in accordance with recommendations from an independent actuary and made contributions of $0.2 million and $0.3 million in 2014 and 2013, respectively. Both the pension expense and funding requirements for the years ended December 31, 2014 and 2013 were immaterial to the Company's consolidated financial position and results of operations. The benefit obligation and plan assets at December 31, 2014 approximated $8.6 million and $10.1 million, respectively. The Company used a discount rate of 3.4% for the evaluation of the pension liability. The Company has recorded an asset associated with the overfunded status of this plan of approximately $1.5 million, which is included in other long-term assets on the consolidated balance sheet. The benefit obligation and plan assets at December 31, 2013 approximated $7.9 million and $9.6 million, respectively. Plan assets consist of investments in equity and debt securities as well as cash, which are primarily Level 2 investments under the fair value hierarchy of U.S. GAAP.

11. DERIVATIVE FINANCIAL INSTRUMENTS

As a matter of policy, the Company uses derivatives for risk management purposes, and does not use derivatives for speculative purposes. From time to time, the Company may enter into foreign currency forward contracts to hedge foreign currency cash flow transactions. For cash flow hedges, gain or loss is recorded in the consolidated statements of operations upon settlement of the hedge. All of the Company's hedges that are designated as hedges for accounting purposes were highly effective; therefore, no notable amounts of hedge ineffectiveness were recorded in the Company's consolidated statements of operations for the outstanding hedged balance. During each of the years ended December 31, 2014, 2013 and 2012, the Company recorded less than $0.1 million as a gain on the consolidated statements of operations in the other income (expense) line item upon settlement of the cash flow hedges. At December 31, 2014, the Company recorded a net deferred gain of less than $0.1 million related to the cash flow hedges in other current assets and other comprehensive income on the consolidated balance sheets and on the foreign currency translation adjustment and derivative transactions line of the consolidated statements of equity. The Company presents derivative instruments in the consolidated financial statements on a gross basis. The gross and net difference of derivative instruments are considered to be immaterial to the financial position presented in the financial statements.

The Company engages in regular inter-company trade activities with, and receives royalty payments from its wholly-owned Canadian entities, paid in Canadian Dollars, rather than the Company's functional currency, U.S. Dollars. In order to reduce the uncertainty of the U.S. Dollar settlement amount of that anticipated future payment from the Canadian entities, the Company uses forward contracts to sell a portion of the anticipated Canadian Dollars to be received at the future date and buys U.S. Dollars.

In July 2013, the Company replaced its interest rate swap agreement with a notional amount of $83.0 million with an interest rate swap agreement with a notional amount of $175.0 million, which is set to expire in July 2016. The notional amount of this swap mirrors the amortization of a $175.0 million portion of the Company's $350.0 million term loan drawn from the Credit Facility. The swap requires the Company to make a monthly fixed rate payment of 0.87% calculated on the amortizing $175.0 million notional amount, and provides for the Company to receive a payment based upon a variable monthly LIBOR interest rate calculated on the amortizing $175.0 million notional amount. The annualized borrowing rate of the swap at December 31, 2014 was approximately 2.21%. The receipt of the monthly LIBOR-based payment offsets a variable monthly LIBOR-based interest cost on a corresponding $175.0 million portion of the Company's term loan from the Credit Facility. This interest rate swap is used to partially hedge the interest rate risk associated with the volatility of monthly LIBOR rate movement, and will be accounted for as a cash flow hedge.

	Total Fair Value at December 31, 2013	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Liabilities:				
Forward Currency Contracts	$ —	$ —	$ —	$ —
Interest Rate Swap	1,220	—	1,220	—
Total	$ 1,220	$ —	$ 1,220	$ —

The following table summarizes the Company's derivative positions at December 31, 2014:

	Position	Notional Amount	Weighted Average Remaining Maturity In Years	Average Exchange Rate
Australian Dollar/USD	Sell	$ 3,221,784	0.5	0.82
USD/British Pound	Sell	£ 3,050,450	0.5	1.56
EURO/British Pound	Sell	£ 10,245,902	0.5	0.78
Interest Rate Swap		$ 159,687,500	1.6	

The Company had no transfers between Level 1, 2 or 3 inputs during 2014. Certain financial instruments are required to be recorded at fair value. Changes in assumptions or estimation methods could affect the fair value estimates; however, the Company does not believe any such changes would have a material impact on our financial condition, results of operations or cash flows. Other financial instruments including cash and cash equivalents and short-term borrowings, including notes payable, are recorded at cost, which approximates fair value, which are based on Level 2 inputs as previously defined.

12. DISCONTINUED OPERATIONS

During the second quarter of 2013, the Company's Board of Directors approved a plan of liquidation for its BWW business in an effort to improve the Company's overall financial performance and align the operations with its long-term strategic initiatives. BWW provided specialty welding and fabrication services from its facility in New Iberia, Louisiana.

BWW ceased bidding new work and substantially completed all ongoing projects during the second quarter of 2013. As a result of the closure of BWW, Aegion recognized a pre-tax, non-cash charge of approximately $3.9 million ($2.4 million after-tax, or $0.06 per diluted share) to reflect the impairment of goodwill and intangible assets. The Company also recognized additional non-cash impairment charges for equipment and other assets of approximately $1.1 million on a pre-tax basis ($0.7 million on an after-tax basis, or $0.02 per diluted share), which also was recorded in the second quarter of 2013. The Company also incurred cash charges to exit the business of approximately $0.1 million on a pre-tax and post-tax basis, which included property, equipment and vehicle lease termination and buyout costs, employee termination benefits and retention incentives, among other ancillary shut-down expenses. During the fourth quarter of 2014, the Company completed final liquidation of BWW. Included within the final liquidation was the settlement of outstanding receivables with a single customer associated with a larger fabrication project. The Company also incurred cash charges of $1.4 million related to certain professional fees incurred during dissolution as well as in connection with the settlement discussed above. This resulted in a recorded pre-tax charge of approximately $6.0 million within discontinued operations.

The discontinuation of BWW signified a triggering event for the Bayou reporting unit goodwill. The Company updated its analysis of the Bayou reporting unit as of the date of discontinuation. In its previous Bayou reporting unit analysis on October 1, 2012, the Company tested the Bayou reporting unit as a whole, which included the carrying value and future cash flows associated with the BWW business. In the updated analysis associated with this triggering event, the Company removed any carrying value associated with BWW (as it was tested separately) and updated its income projections to reflect the removal of BWW and the current future cash flows of the Bayou reporting unit. Additionally, the Company updated the data points associated with the market approach. In this analysis, it was determined that the Bayou reporting unit did not result in an impairment at the date of discontinuation.

Financial information by segment was as follows (in thousands):

	2014	2013	2012
Revenues:			
Infrastructure Solutions	$ 567,205	$ 529,301	$ 502,856
Corrosion Protection	458,409	453,886	513,975
Energy Services	305,807	108,233	—
Total revenues	$ 1,331,421	$ 1,091,420	$ 1,016,831
Operating income (loss):			
Infrastructure Solutions	$ (6,194)	$ 28,487	$ 21,809
Corrosion Protection	(31,010)	37,253	59,994
Energy Services	17,392	1,142	—
Total operating income (loss)	$ (19,812)	$ 66,882	$ 81,803
Total assets:			
Infrastructure Solutions	$ 485,785	$ 514,778	$ 531,124
Corrosion Protection	506,659	547,280	569,109
Energy Services	197,858	190,688	—
Corporate	105,371	116,316	101,851
Discontinued Operations	—	8,356	15,810
Total assets	$ 1,295,673	$ 1,377,418	$ 1,217,894
Capital expenditures:			
Infrastructure Solutions	$ 13,096	$ 8,828	$ 7,848
Corrosion Protection	12,107	14,399	34,796
Energy Services	3,720	968	—
Corporate	3,976	1,890	2,094
Total capital expenditures	$ 32,899	$ 26,085	$ 44,738
Depreciation and amortization:			
Infrastructure Solutions	$ 15,726	$ 16,552	$ 17,800
Corrosion Protection	19,259	18,736	18,175
Energy Services	7,004	3,218	—
Corporate	2,323	1,823	1,683
Total depreciation and amortization	$ 44,312	$ 40,329	$ 37,658

14. SELECTED QUARTERLY FINANCIAL DATA (UNAUDITED)

Unaudited quarterly financial data was as follows for the years ended December 31, 2014 and 2013 (in thousands, except per share data):

	First Quarter	Second Quarter	Third Quarter[1]	Fourth Quarter[2]
Year ended December 31, 2014:				
Revenues	$ 306,234	$ 322,868	$ 350,138	$ 352,181
Gross profit	61,063	71,918	63,939	83,063
Operating income (loss)	9,134	20,619	(13,934)	(35,631)
Income (loss) from continuing operations	4,560	12,776	(16,101)	(32,800)
Loss from discontinued operations	(132)	(364)	(130)	(3,221)
Net income (loss)	4,428	12,412	(16,231)	(36,021)
Basic earnings per share:				
Income (loss) from continuing operations	$ 0.12	$ 0.34	$ (0.45)	$ (0.90)
Loss from discontinued operations	—	(0.01)	—	(0.09)
Net income (loss)	$ 0.12	$ 0.33	$ (0.45)	$ (0.99)
Diluted earnings per share				
Income (loss) from continuing operations	$ 0.12	$ 0.33	$ (0.45)	$ (0.90)
Loss from discontinued operations	—	(0.01)	—	(0.09)
Net income (loss)	$ 0.12	$ 0.32	$ (0.45)	$ (0.99)

(1) Includes expenses of $40.0 million related to our 2014 Restructuring Plan (see Note 3).

(2) Includes expenses of $9.5 million related to our 2014 Restructuring Plan and $52.7 million related to certain goodwill and definite-lived intangible asset impairments (see Notes 2, 3 and 5).

	First Quarter	Second Quarter	Third Quarter[3]	Fourth Quarter[3]
Year ended December 31, 2013:				
Revenues	$ 225,976	$ 242,100	$ 307,665	$ 315,679
Gross profit	48,137	58,568	69,411	70,905
Operating income	6,818	15,823	22,032	22,209
Income from continuing operations	4,258	18,396	14,623	14,730
Loss from discontinued operations	(921)	(4,977)	(558)	(5)
Net income	3,337	13,419	14,065	14,725
Basic earnings per share:				
Income from continuing operations	$ 0.09	$ 0.47	$ 0.37	$ 0.38
Loss from discontinued operations	(0.02)	(0.13)	(0.01)	—
Net income	$ 0.07	$ 0.34	$ 0.36	$ 0.38
Diluted earnings per share				
Income from continuing operations	$ 0.09	$ 0.47	$ 0.37	$ 0.37
Loss from discontinued operations	(0.02)	(0.13)	(0.01)	—
Net income	$ 0.07	$ 0.34	$ 0.36	$ 0.37

(3) Includes the financial results of Brinderson, which was acquired in July 2013 (see Note 1).

Aegion Corporation and Subsidiaries

Consolidated Financial Statements and Consolidating Information

December 31, 2013 and 2012

(With Report of Independent Auditors)

Independent Auditor's Report

To the Board of Directors and Stockholders of Aegion Corporation

We have audited the accompanying consolidated financial statements of Aegion Corporation and its subsidiaries, which comprise the consolidated balance sheets as of December 31, 2013 and 2012, and the related consolidated statements of operations, comprehensive income, equity and cash flows for the years then ended.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Aegion Corporation and its subsidiaries at December 31, 2013 and 2012, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The consolidating information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves and other additional procedures, in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating information is fairly stated, in all material respects, in relation to the consolidated financial statements taken as a whole. The consolidating information is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, results of operations and cash flows of the individual companies and is not a required part of the consolidated financial statements. Accordingly, we do not express an opinion on the financial position, results of operations and cash flows of the individual companies.

/s/ PricewaterhouseCoopers LLP
February 28, 2014

AEGION CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(in thousands)

	2013	2012	2011
Net income	$ 45,546	$ 56,849	$ 27,670
Other comprehensive income:			
Currency translation adjustments	(13,428)	9,691	(12,691)
Pension activity, net of tax[(1)]	38	154	(551)
Deferred loss on hedging activity, net of tax[(2)]	(255)	(134)	(135)
Total comprehensive income	31,901	66,560	14,293
Less: comprehensive income attributable to noncontrolling interests	(749)	(4,501)	3
Comprehensive income attributable to Aegion Corporation	$ 31,152	$ 62,059	$ 14,296

(1) Amounts presented net of tax of $11, $46, and $(184) for the years ended December 31, 2013, 2012, and 2011, respectively.

(2) Amounts presented net of tax of $(168), $(89) and $(88) for the years ended December 31, 2013, 2012 and 2011, respectively.

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

AEGION CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF EQUITY
(in thousands, except number of shares)

	Common Stock		Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income	Non-Controlling Interests	Total Equity
	Shares	Amount					
BALANCE, December 31, 2010	39,246,015	$ 392	$ 251,578	$ 347,249	$ 18,113	$ 9,375	$ 626,707
Net income	—	—	—	26,547	—	1,123	27,670
Issuance of common stock upon stock option exercises, including tax benefit	128,052	1	3,610	—	—	—	3,611
Restricted shares issued	168,018	2	—	—	—	—	2
New shares issued	246,760	2	3,998	—	—	—	4,000
Issuance of shares pursuant to restricted stock units	9,934	—	—	—	—	—	—
Issuance of shares pursuant to deferred stock unit awards	20,640	—	—	—	—	—	—
Forfeitures of restricted shares	(140,448)	—	—	—	—	—	—
Repurchase of common stock	(326,596)	(3)	(4,997)	—	—	—	(5,000)
Equity-based compensation expense	—	—	6,491	—	—	—	6,491
Investment by non-controlling interests	—	—	—	—	—	546	546
Distribution to non-controlling interests	—	—	—	—	—	(1,661)	(1,661)
Currency translation adjustment and derivative transactions, net	—	—	—	—	(12,251)	(1,126)	(13,377)
BALANCE, December 31, 2011	39,352,375	$ 394	$ 260,680	$ 373,796	$ 5,862	$ 8,257	$ 648,989
Net income	—	—	—	52,661	—	4,188	56,849
Issuance of common stock upon stock option exercises, including tax benefit	52,676	1	1,175	—	—	—	1,176
Restricted shares issued	239,523	2	—	—	—	—	2
Issuance of shares pursuant to restricted stock units	15,177	—	—	—	—	—	—
Issuance of shares pursuant to deferred stock unit awards	34,132	—	—	—	—	—	—
Forfeitures of restricted shares	(36,325)	—	—	—	—	—	—
Repurchase of common stock	(704,997)	(7)	(12,301)	—	—	—	(12,308)
Equity-based compensation expense	—	—	6,767	—	—	—	6,767
Investment by non-controlling interests	—	—	—	—	—	4,939	4,939
Purchase of non-controlling interests	—	—	888	—	—	(893)	(5)
Currency translation adjustment and derivative transactions, net	—	—	—	—	9,398	313	9,711
BALANCE, December 31, 2012	38,952,561	$ 390	$ 257,209	$ 426,457	$ 15,260	$ 16,804	$ 716,120
Net income	—	—	—	44,351	—	1,195	45,546
Issuance of common stock upon stock option exercises, including tax benefit	29,511	—	899	—	—	—	899
Restricted shares issued	435,025	4	—	—	—	—	4
Issuance of shares pursuant to restricted stock units	13,761	—	—	—	—	—	—
Issuance of shares pursuant to deferred stock unit awards	7,029	—	—	—	—	—	—
Forfeitures of restricted shares	(236,388)	(2)	—	—	—	—	(2)
Repurchase of common stock	(1,218,385)	(12)	(27,636)	—	—	—	(27,648)
Equity-based compensation expense	—	—	5,647	—	—	—	5,647
Currency translation adjustment and derivative transactions, net	—	—	9	—	(13,208)	(446)	(13,645)
BALANCE, December 31, 2013	37,983,114	$ 380	$ 236,128	$ 470,808	$ 2,052	$ 17,553	$ 726,921

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

AEGION CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. DESCRIPTION OF BUSINESS

Aegion Corporation is a global leader in infrastructure protection and maintenance, providing proprietary technologies and services: (i) to protect against the corrosion of industrial pipelines; (ii) to rehabilitate and strengthen water, wastewater, energy and mining piping systems and buildings, bridges, tunnels and waterfront structures; and (iii) to utilize integrated professional services in engineering, procurement, construction, maintenance and turnaround services for a broad range of energy related industries. The Company's business activities include manufacturing, distribution, maintenance, construction, installation, coating and insulation, cathodic protection, research and development and licensing. The Company's acquisition of Brinderson, L.P. and related entities ("Brinderson") on July 1, 2013 opens new markets for the Company through the maintenance, engineering and construction services for downstream and upstream facilities in the North American oil and gas market. The Company's products and services are currently utilized and performed in more than 80 countries across six continents. The Company believes that the depth and breadth of its products and services platform make us a leading "one-stop" provider for the world's infrastructure rehabilitation and protection needs.

The Company is primarily built on the premise that it is possible to use technology to extend the structural design life and maintain, if not improve, the performance of a pipe. The Company is proving that this expertise can be applied in a variety of markets to protect pipelines in oil, gas, mining, wastewater and water applications and extending this to the rehabilitation of commercial structures. Many types of infrastructure must be protected from the corrosive and abrasive materials that pass through or near them. The Company's expertise in non-disruptive corrosion engineering and abrasion protection is now wide-ranging, opening new markets for growth. The Company has a long history of product development and intellectual property management. The Company manufactures most of the engineered solutions it creates as well as the specialized equipment required to install them. Finally, decades of experience give the Company an advantage in understanding municipal, energy, mining, industrial and commercial customers. Strong customer relationships and brand recognition allow the Company to support the expansion of existing and innovative technologies into new high growth end markets.

The Company originally incorporated in Delaware in 1980 to act as the exclusive United States licensee of the Insituform® cured-in-place pipe ("CIPP") process, which Insituform's founder invented in 1971. The Insituform® CIPP process served as the first trenchless technology for rehabilitating sewer pipelines and has enabled municipalities and private industry to avoid the extraordinary expense and extreme disruption that can result from conventional "dig-and-replace" methods. For the past 40 years, the Company has maintained its leadership position in the CIPP market from manufacturing, to technological innovations, and market share.

In order to strengthen the Company's ability to service the emerging demands of the infrastructure protection market and to better position the Company for sustainable growth, the Company embarked on a diversification strategy in 2009 to expand its product and service portfolio and its geographical reach. Through a series of strategic initiatives and complementary acquisitions, the Company now possesses one of the broadest portfolios of cost-effective solutions for rehabilitating aging or deteriorating infrastructure and protecting new infrastructure from corrosion worldwide. Management believes the depth and breadth of its products and services within the Energy and Mining, Commercial and Structural and Water and Wastewater platforms make it a leading "one-stop" provider for the world's infrastructure rehabilitation and protection needs.

On October 25, 2011, Insituform Technologies, LLC (formerly known as Insituform Technologies, Inc. ("Insituform")) reorganized by creating a new holding company structure (the "Corporate Reorganization"). The new parent company, Aegion Corporation ("Aegion" or the "Company"), includes Insituform as a direct, wholly-owned subsidiary. As part of the Corporate Reorganization, Insituform's outstanding shares of common stock (and associated attached preferred stock rights) were automatically converted, on a share for share basis, into identical shares of Aegion common stock (and associated attached preferred stock rights).

Upon effectiveness of the Corporate Reorganization, Aegion's certificate of incorporation, bylaws, executive officers and board of directors were identical to Insituform's in effect immediately prior to the Corporate Reorganization, and the rights, privileges and interests of Insituform's former stockholders remained the same with respect to the new holding company. Additionally, as a result of the Corporate Reorganization, Aegion is deemed the successor registrant to Insituform under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and shares of Aegion common stock are deemed registered under Section 12(g) of the Exchange Act.

20, 2014, provided notice to Stupp regarding the Company's intent to exercise such option. The Company currently anticipates closing on the acquisition of such forty-one percent (41%) interest in Bayou Delta on March 31, 2014.

International Water and Wastewater Segment

In June 2013, the Company sold its fifty percent (50%) interest in Insituform Rohrsanierungstechniken GmbH ("Insituform-Germany") to Per Aarsleff A/S, a Danish company ("Aarsleff"). Insituform-Germany, a company that was jointly owned by Aegion and Aarsleff, is active in the business of no-dig pipe rehabilitation in Germany, Slovakia and Hungary. The sale price was €14 million, approximately $18.3 million. The sale resulted in a gain on the sale of approximately $11.3 million (net of $0.5 million of transaction expenses) recorded in other income (expense) on the consolidated statement of operations. In connection with the sale, Insituform-Germany also entered into a tube supply agreement with the Company whereby Insituform-Germany will purchase on an annual basis at least GBP 2.3 million, approximately $3.6 million, of felt cured-in-place pipe ("CIPP") liners during the two-year period from June 26, 2013 to June 30, 2015.

Commercial and Structural Segment

In April 2012, the Company purchased Fyfe Group LLC's Asian operations ("Fyfe Asia"), which included all of the equity interests of Fyfe Asia Pte. Ltd, a Singaporean entity (and its interest in two joint ventures located in Borneo and Indonesia), Fyfe (Hong Kong) Limited, Fibrwrap Construction (M) Sdn Bhd, a Malaysian entity, Fyfe Japan Co. Ltd., a Japanese entity, and Fibrwrap Construction Pte. Ltd and Technologies & Art Pte. Ltd., Singaporean entities. Customers in India and China are served through a product supply and license arrangement. Fyfe Asia provides Fibrwrap® installation services throughout Asia, as well as provides product and engineering support to installers and applicators of fiber reinforced polymer systems in Asia. The cash purchase price at closing was $40.7 million. The purchase price was funded out of the Company's cash balances and by borrowing $18.0 million against the Company's line of credit.

In January 2012, the Company purchased Fyfe Group LLC's Latin American operations ("Fyfe LA"), which included all of the equity interests of Fyfe Latin America S.A., a Panamanian entity (and its interest in various joint ventures located in Peru, Costa Rica, Chile and Colombia), Fyfe – Latin America S.A. de C.V., an El Salvadorian entity, and Fibrwrap Construction Latin America S.A., a Panamanian entity. Fyfe LA provides Fibrwrap® installation services throughout Latin America, as well as product and engineering support to installers and applicators of fiber reinforced polymer systems in Latin America. The cash purchase price at closing was $2.3 million and funded out of the Company's cash balances. During the first quarter of 2012, the Company paid the sellers an additional $1.1 million based on a preliminary working capital adjustment. An annual payout can be earned based on the achievement of certain performance targets in each year over the three-year period ending December 31, 2014. No annual payout has been earned to date as the performance targets have not been met. As of December 31, 2013, the Company calculated the fair value of the contingent consideration arrangement to be zero, which is based on Level 3 inputs as defined in Note 10.

In August 2011, the Company purchased the North American business of Fyfe Group, LLC ("Fyfe NA") for a purchase price at closing of $115.8 million (subject to working capital adjustments calculated from an agreed upon target), which was funded by borrowings under the Company's credit facility. Fyfe NA, based in San Diego, California, is a pioneer and industry leader in the development, manufacture and installation of fiber reinforced polymer (FRP) systems for the structural repair, strengthening and restoration of pipelines (water, wastewater, oil and gas), buildings (commercial, federal, municipal, residential and parking structures), bridges and tunnels and waterfront structures. Fyfe NA has a comprehensive portfolio of patented and other proprietary technologies and products, including its Tyfo® Fibrwrap® System, the first fiber solution on the market that complies with 2009 International Building Code requirements. Fyfe NA's product and service offering also includes pipeline rehabilitation, concrete repair, epoxy injection, corrosion mitigation and specialty coatings services. This purchase resulted in a new reportable segment for the Company, the Commercial and Structural segment.

The following table summarizes the fair value of identified assets and liabilities of the Brinderson and Fyfe Asia acquisitions at their respective acquisition dates (in thousands):

	Brinderson	Fyfe Asia
Cash	$ 3,842	$ 1,303
Receivables and cost and estimated earnings in excess of billings	28,353	9,022
Prepaid expenses and other current assets	655	1,262
Property, plant and equipment	6,848	938
Identified intangible assets	60,210	14,130
Other assets	1,071	—
Accounts payable, accrued expenses and billings in excess of cost and estimated earnings	(16,122)	(4,109)
Deferred tax liabilities	—	(2,410)
Total identifiable net assets	$ 84,857	$ 20,136
Total consideration	$ 147,605	$ 40,144
Less: total identifiable net assets	84,857	20,136
Goodwill at December 31, 2013	$ 62,748	$ 20,008

The following adjustments were made during the first quarter of 2013 relative to the acquisition of Fyfe Asia as the Company finalized its purchase price accounting, subject to final working capital adjustments and settlement of escrow accounts (in thousands):

Total identifiable net assets at December 31, 2012	$ 20,342
Accounts payable, accrued expenses and billings in excess of cost and estimated earnings	206
Total identifiable net assets at December 31, 2013	$ 20,136
Goodwill at December 31, 2012	$ 19,802
Increase in goodwill related to acquisition	206
Goodwill at December 31, 2013	$ 20,008

The following adjustments were made during the fourth quarter of 2013 relative to the acquisition of Brinderson as the Company substantially completed its purchase price accounting (in thousands):

Total identifiable net assets at July 1, 2013	$ 84,907
Accounts payable, accrued expenses and billings in excess of cost and estimated earnings	50
Total identifiable net assets at December 31, 2013	$ 84,857
Goodwill at July 1, 2013	$ 62,698
Increase in goodwill related to acquisition	50
Goodwill at December 31, 2013	$ 62,748

2. ACCOUNTING POLICIES

Principles of Consolidation

The consolidated financial statements include the accounts of the Company, its wholly-owned subsidiaries and majority-owned subsidiaries in which the Company is deemed to be the primary beneficiary. All significant intercompany transactions and balances have been eliminated. Additionally, certain prior year amounts have been reclassified to conform to the current year presentation.

Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure

When estimates indicate that a loss will be incurred on a contract, a provision for the expected loss is recorded in the period in which the loss becomes evident. Revenues from change orders, extra work and variations in the scope of work are recognized when it is probable that they will result in additional contract revenue and when the amount can be reliably estimated. Any revenue recognized is only to the extent costs have been recognized in the period. Additionally, the Company expenses all costs for unpriced change orders in the period in which they are incurred.

Revenues from Brinderson are derived mainly from multiple engineering and construction type contracts, as well as maintenance contracts, under multi-year long-term Master Service Agreements and alliance contracts. Brinderson enters into contracts with its customers that contain three principal types of pricing provisions: time and materials, cost plus fixed fee and fixed price. Although the terms of these contracts vary, most are made pursuant to cost reimbursable contracts on a time and materials basis under which revenues are recorded based on costs incurred at agreed upon contractual rates. Brinderson also performs services on a cost plus fixed fee basis under which revenues are recorded based upon costs incurred at agreed upon rates and a proportionate amount of the fixed fee or percentage stipulated in the contract.

Earnings per Share

Earnings per share have been calculated using the following share information:

	2013	2012	2011
Weighted average number of common shares used for basic EPS	38,692,658	39,222,737	39,362,138
Effect of dilutive stock options and restricted and deferred stock unit awards	389,684	313,654	336,317
Weighted average number of common shares and dilutive potential common stock used in dilutive EPS	39,082,342	39,536,391	39,698,455

The Company excluded 318,026, 223,536 and 189,202 stock options in 2013, 2012 and 2011, respectively, from the diluted earnings per share calculations for the Company's common stock because they were anti-dilutive as their exercise prices were greater than the average market price of common shares for each period.

Classification of Current Assets and Current Liabilities

The Company includes in current assets and current liabilities certain amounts realizable and payable under construction contracts that may extend beyond one year. The construction periods on projects undertaken by the Company generally range from less than one month to 24 months.

Cash, Cash Equivalents and Restricted Cash

The Company classifies highly liquid investments with original maturities of 90 days or less as cash equivalents. Recorded book values are reasonable estimates of fair value for cash and cash equivalents. Restricted cash consists of payments from certain customers placed in escrow in lieu of retention in case of potential issues regarding future job performance by the Company or advance customer payments and compensating balances for bank undertakings in Europe. Restricted cash is similar to retainage and is therefore classified as a current asset, consistent with the Company's policy on retainage.

Inventories

Inventories are stated at the lower of cost (first-in, first-out) or market. Actual cost is used to value raw materials and supplies. Standard cost, which approximates actual cost, is used to value work-in-process, finished goods and construction materials. Standard cost includes direct labor, raw materials and manufacturing overhead based on normal capacity. For certain businesses within our Energy and Mining segment, the Company uses actual costs or average costs for all classes of inventory.

Retainage

Many of the contracts under which the Company performs work contain retainage provisions. Retainage refers to that portion of revenue earned by the Company but held for payment by the customer pending satisfactory completion of the project. The Company generally invoices its customers periodically as work is completed. Under ordinary circumstances, collection from municipalities is made within 60 to 90 days of billing. In most cases, 5% to 15% of the contract value is withheld by the municipal owner pending satisfactory completion of the project. Collections from other customers are generally made within 30 to 45 days of billing. Unless reserved, the Company believes that all amounts retained by customers under such provisions are fully collectible. Retainage on active contracts is classified as a current asset regardless of the term of the contract. Retainage is generally collected within one year of the completion of a contract, although collection can extend beyond one year from time to time. As of December 31, 2013, retainage receivables aged greater than 365 days approximated 12% of the total retainage balance and collectibility was assessed as described in the allowance for doubtful accounts section below.

multiples for comparable companies are based upon current enterprise value. The enterprise value is based upon current market capitalization and includes a control premium. Management believes this approach is appropriate because it provides a fair value estimate using multiples from entities with operations and economic characteristics comparable to the Company's reporting units.

The income approach is based on forecasted future (debt-free) cash flows that are discounted to present value using factors that consider timing and risk of future cash flows. Management believes this approach is appropriate because it provides a fair value estimate based upon the reporting unit's expected long-term operating cash flow performance. Discounted cash flow projections are based on financial forecasts developed from operating plans and economic outlooks, growth rates, estimates of future expected changes in operating margins, terminal value growth rates, future capital expenditures and changes in working capital requirements. Estimates of discounted cash flows may differ from actual cash flows due to, among other things, changes in economic conditions, changes to business models, changes in the Company's weighted average cost of capital or changes in operating performance.

The discount rate applied to the estimated future cash flows is one of the most significant assumptions utilized under the income approach. Management determines the appropriate discount rate for each of the Company's reporting units based on the Weighted Average Cost of Capital ("WACC") for each individual reporting unit. The WACC takes into account both the pre-tax cost of debt and cost of equity (a major component of the cost of equity is the current risk-free rate on twenty year U.S. Treasury bonds). As each reporting unit has a different risk profile based on the nature of its operations, including market-based factors, the WACC for each reporting unit may differ. Accordingly, the WACCs were adjusted, as appropriate, to account for company specific risk premiums. The discount rates used for calculating the fair values in our October 2013 goodwill review were commensurate with the risks associated with each reporting unit and ranged from 13.0% to 16.5%.

Other significant assumptions used in the Company's October 2013 goodwill review included: (i) annual revenue growth rates generally ranging from 2% to 17%; (ii) sustained or slightly increased gross margins; (iii) peer group EBITDA multiples; and (iv) terminal values for each reporting unit using a long-term growth rate of 1% to 3.5%. If actual results differ from estimates used in these calculations, we could incur future impairment charges.

During the assessment of its reporting units' fair values in relation to their respective carrying values, at the high end, five had a fair value in excess of 30% of their carrying value and, at the low end, two were within 10% percent of their carrying value. These two reporting units were Bayou and Fyfe North America, whose fair value exceeded their carrying value by 2.8% and 5.4%, respectively. Due to a lack of project activity available in the Gulf of Mexico market, customer-driven project delays and discontinued operations, the fair value of the Bayou reporting unit decreased $32.3 million, or 17.2%, from the prior year analysis. The impairment analysis includes an annual revenue growth rate of 10%; however, only a modest increase in revenue is contemplated in year one, but at a level that is still below our five-year average, and higher growth rates thereafter due to visibility of larger bidding opportunities in the Gulf of Mexico. The analysis also assumes a weighted average cost of capital of 13.5% and a long-term growth rate of 3%. For Fyfe North America, the values derived from both the income approach and market approach decreased from the prior year analysis; however, the overall fair value of the reporting unit increased 2.7% from the prior year due to a difference in working capital levels as of the valuation dates. The assumptions used in the impairment analysis include an annual revenue growth rate of 17%, due to the low revenue levels achieved in 2013, a weighted average cost of capital of 16.0% and a long-term growth rate of 3.5%. The total value of goodwill recorded at the impairment testing date for these two reporting units was $72.9 million.

As with all of its reporting units, the Company continuously monitors potential triggering events that may cause an interim impairment valuation.

Investments in Affiliated Companies

In June 2013, the Company sold its fifty percent (50%) interest in Insituform-Germany to Aarsleff. Insituform-Germany, a company that was jointly owned by Aegion and Aarsleff, is active in the business of no-dig pipe rehabilitation in Germany, Slovakia and Hungary. The sale price was €14 million, approximately $18.3 million. The sale resulted in a gain on the sale of approximately $11.3 million (net of $0.5 million of transaction expenses) recorded in other income (expense) on the consolidated statement of operations. In connection with the sale, Insituform-Germany also entered into a tube supply agreement with the Company whereby Insituform-Germany will purchase on an annual basis at least GBP 2.3 million, approximately $3.6 million, of felt cured-in-place pipe ("CIPP") liners during the two-year period from June 26, 2013 to June 30, 2015.

The Company, through its subsidiary, Insituform Technologies Netherlands BV, owns a forty-nine percent (49%) equity interest in WCU Corrosion Technologies Pte. Ltd. ("WCU"). WCU offers the Company's Tite Liner® process in the oil and gas sector and onshore corrosion services in Asia and Australia.

The Company, through its subsidiary, Bayou, owns a forty-nine percent (49%) equity interest in Bayou Coating. Bayou Coating provides pipe coating services from its facility in Baton Rouge, Louisiana, and is adjacent to and services the Stupp pipe mill in Baton Rouge. See discussion of Bayou Coating in Note 1.

- whether the entity has the obligation to absorb losses of the entity that could potentially be significant to the variable interest entity or the right to receive benefits from the entity that could potentially be significant to the variable interest entity.

Based on its evaluation of the above factors and judgments, as of December 31, 2013, the Company consolidated any VIEs in which it was the primary beneficiary. Also, as of December 31, 2013, the Company had significant interests in certain VIEs primarily through its joint venture arrangements for which the Company was not the primary beneficiary. Other than the sale of Insituform-Germany discussed in Note 1, there have been no changes in the status of the Company's VIE or primary beneficiary designations during 2013.

Financial data for consolidated variable interest entities at December 31, 2013 and 2012 and for each of the years in the three-year period ended December 31, 2013 are summarized in the following tables (in thousands):

	December 31,	
Balance sheet data	**2013**	**2012**
Current assets	$ 55,651	$ 65,251
Non-current assets	47,606	47,086
Current liabilities	33,886	45,604
Non-current liabilities	25,020	23,169

Income statement data	**2013**	**2012**	**2011**
Revenue	$ 85,908	$ 107,821	$ 55,792
Gross profit	12,998	19,625	12,005
Net income	1,892	3,622	1,959

The Company's non-consolidated variable interest entities are accounted for using the equity method of accounting and discussed further under "Investments in Affiliated Companies" above.

Newly Adopted Accounting Pronouncements

ASU No. 2013-1 updates standard ASU No. 2011-11 and provides guidance to implement the balance sheet offsetting disclosures that require the presentation of gross and net information about transactions that are (1) offset in the financial statements or (2) subject to an enforceable master netting arrangement or similar agreement, regardless of whether the transactions are actually offset in the statement of financial position. The disclosure requirements are effective for annual reporting periods beginning on or after January 1, 2013, and interim periods within those annual periods. Refer to Note 10 for discussion of the new accounting pronouncement.

ASU No. 2013-2 generally provides guidance to improve the reporting of reclassifications out of accumulated other comprehensive income to various components in the income statement. This standard requires an entity to present either parenthetically on the face of the financial statements or in the notes, significant amounts reclassified from each component of accumulated other comprehensive income and the income statement line items affected by the reclassification. ASU 2013-2 was effective for fiscal years, and interim periods within those years, beginning after December 15, 2012. The Company evaluated this pronouncement effective January 1, 2013 and determined reclassifications out of accumulated other comprehensive income to various components in the income statement is immaterial to the financial statements to the Company. Refer to Note 10 for discussion of the new accounting pronouncement.

3. SUPPLEMENTAL BALANCE SHEET INFORMATION

Allowance for Doubtful Accounts

Activity in the allowance for doubtful accounts is summarized as follows for the years ended December 31 (in thousands):

	2013	2012	2011
Balance, at beginning of year	$ 2,953	$ 3,077	$ 2,536
Charged to expense	1,043	428	397
Write-offs and adjustments	(555)	(552)	144
Balance, at end of year	$ 3,441	$ 2,953	$ 3,077

Accrued Expenses

Accrued expenses consisted of the following at December 31 (in thousands):

	2013	2012
Vendor and other accrued expenses	$ 36,778	$ 32,394
Estimated casualty and healthcare liabilities	13,775	12,899
Job costs	13,843	14,077
Accrued compensation	15,942	12,943
Income tax payable and deferred income taxes	10,628	7,267
Total	$ 90,966	$ 79,580

4. GOODWILL AND INTANGIBLE ASSETS

Goodwill

The following table presents a reconciliation of the beginning and ending balances of the Company's goodwill at January 1, 2013 and December 31, 2013 (in millions):

	Energy and Mining [1][2]	North American Water and Wastewater	International Water and Wastewater	Commercial and Structural [3]	Total
Beginning balance at January 1, 2013	$ 76.7	$ 101.9	$ 28.1	$ 65.6	$ 272.3
Additions to goodwill through acquisitions	62.7	—	—	0.2	62.9
Foreign currency translation	(0.8)	(0.3)	0.4	(0.3)	(1.0)
Goodwill at December 31, 2013	$ 138.6	$ 101.6	$ 28.5	$ 65.5	$ 334.2

(1) During the second quarter of 2013, the Company approved a plan of liquidation with respect to BWW and, in connection therewith, recorded a write-down of the $1.4 million of goodwill associated with BWW, which operation now is reported as discontinued. Consequently, the goodwill associated with BWW is no longer included in this table. Additionally, all prior year balances have been retrospectively adjusted. For further information, see Note 11.

(2) During 2013, the Company recorded an increase of goodwill of $62.7 million related to the Brinderson acquisition.

(3) During 2013, the Company recorded an increase of goodwill of $0.2 million related to the Fyfe Asia acquisition.

Intangible Assets

Intangible assets at December 31, 2013 and 2012 were as follows (in thousands):

	As of December 31, 2013 [1][2]				As of December 31, 2012		
	Weighted Average Useful Lives (Years)	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
License agreements	6	$ 3,917	$ (2,977)	$ 940	$ 3,925	$ (2,821)	$ 1,104
Backlog	0	4,745	(4,745)	—	4,756	(4,756)	—
Leases	13	2,067	(477)	1,590	2,067	(331)	1,736
Trademarks	16	21,394	(4,167)	17,227	21,290	(3,317)	17,972
Non-competes	5	1,140	(753)	387	710	(710)	—
Customer relationships	14	182,703	(28,287)	154,416	123,301	(18,912)	104,389
Patents and acquired technology	17	57,419	(22,696)	34,723	55,672	(21,244)	34,428
		$ 273,385	$ (64,102)	$ 209,283	$ 211,721	$ (52,091)	$ 159,629

(1) During the second quarter of 2013, the Company approved a plan of liquidation with respect to BWW and, in connection therewith, recorded a write-down of the $2.5 million of intangible assets associated with BWW, which operation now is reported as discontinued. Consequently, the intangible assets and accumulated amortization associated with BWW are no longer included in this table. Additionally, all prior year balances have been retrospectively adjusted. For further information, see Note 11.

Wasco"), a joint venture between the Company and Wasco Energy, an aggregate of $14.0 million for the purchase of capital assets in 2012 and 2013, of which $6.9 million (representing funds loaned by Wasco Energy) was designated as third-party debt in the consolidated financial statements. In February 2014, the Company and Wasco Energy agreed to a five-year term on the funds loaned; therefore, the amounts have been reclassified to long-term debt as of December 31, 2013. In connection with the formation of Bayou Perma-Pipe Canada, Ltd. ("BPPC"), the Company and Perma-Pipe Canada, Inc. loaned BPPC an aggregate of $8.0 million for the purchase of capital assets and for operating purposes. Additionally, during January 2012, the Company and Perma-Pipe Canada, Inc. agreed to loan BPPC an additional $6.2 million for the purchase of capital assets increasing the total to $14.2 million. Of such amount, $4.9 million was designated as third-party debt in the Company's consolidated financial statements. The Company also held $0.1 million of third party notes and bank debt at December 31, 2013.

As of December 31, 2013, the Company had $18.2 million in letters of credit issued and outstanding under the Credit Facility. Of such amount, $10.2 million was collateral for the benefit of certain of our insurance carriers and $8.0 million was for letters of credit or bank guarantees of performance or payment obligations of foreign subsidiaries.

The Company's indebtedness at December 31, 2012 consisted of $218.8 million outstanding from an original $250.0 million term loan under the Old Credit Facility and $26.0 million on the line of credit under the Old Credit Facility. Additionally, the Company and Wasco Energy loaned Bayou Wasco $11.0 million for the purchase of capital assets in 2012, of which $5.5 million (representing funds loaned by Wasco Energy) was designated as third-party debt in the consolidated financial statements. In connection with the formation of BPPC, the Company and Perma-Pipe Canada, Inc. loaned BPPC an aggregate of $8.0 million for the purchase of capital assets and for operating purposes. Additionally, during January 2012, the Company and Perma-Pipe Canada, Inc. agreed to loan BPPC an additional $6.2 million for the purchase of capital assets increasing the total to $14.2 million. As of December 31, 2012, $4.1 million of the additional $6.2 million had been funded. As of December 31, 2012, $5.2 million of such total amount (representing funds loaned by Perma-Pipe Canada Inc.) was designated as third-party debt in the consolidated financial statements. The Company also held $0.1 million of third party notes and bank debt at December 31, 2012.

At December 31, 2013 and 2012, the estimated fair value of the Company's long-term debt was approximately $380.1 million and $253.6 million, respectively. Fair value was estimated using market rates for debt of similar risk and maturity and a discounted cash flow model, which are based on Level 3 inputs as defined in Note 10.

In July 2013, the Company entered into an interest rate swap agreement, for a notional amount of $175.0 million that is set to expire in July 2016. The notional amount of this swap mirrors the amortization of a $175.0 million portion of the Company's $350.0 million term loan drawn from the Credit Facility. The swap requires the Company to make a monthly fixed rate payment of 0.87% calculated on the amortizing $175.0 million notional amount, and provides for the Company to receive a payment based upon a variable monthly LIBOR interest rate calculated on the amortizing $175.0 million notional amount. The annualized borrowing rate of the swap at December 31, 2013 was approximately 2.17%. The receipt of the monthly LIBOR-based payment offsets a variable monthly LIBOR-based interest cost on a corresponding $175.0 million portion of the Company's term loan from the Credit Facility. This interest rate swap is used to partially hedge the interest rate risk associated with the volatility of monthly LIBOR rate movement, and will be accounted for as a cash flow hedge.

The Credit Facility is subject to certain financial covenants, including a consolidated financial leverage ratio and consolidated fixed charge coverage ratio. Subject to the specifically defined terms and methods of calculation as set forth in the Credit Facility's credit agreement, the financial covenant requirements, as of each quarterly reporting period end, are defined as follows:

- Consolidated financial leverage ratio compares consolidated funded indebtedness to Credit Facility defined income. The initial maximum amount was not to initially exceed 3.75 to 1.00 and will decrease periodically at scheduled reporting periods to not more that 3.50 to 1.00 beginning with the quarter ending June 30, 2014. At December 31, 2013, the Company's consolidated financial leverage ratio was 2.73 to 1.00 and, using the Credit Facility defined income, the Company had the capacity to borrow up to approximately $145.2 million of additional debt.
- Consolidated fixed charge coverage ratio compares Credit Facility defined income to Credit Facility defined fixed charges with a minimum permitted ratio of not less than 1.25 to 1.00. At December 31, 2013, the Company's fixed charge ratio was 1.66 to 1.00.

At December 31, 2013, the Company was in compliance with all of its debt and financial covenants as required under the Credit Facility.

6. STOCKHOLDERS' EQUITY

Share Repurchase Plan

In December 2012, the Company's Board of Directors authorized the repurchase of up to $5.0 million of the Company's common stock to be made during 2013. This amount represented the then maximum open market repurchases authorized in any calendar year under the terms of the Old Credit Facility. In May 2013, the Company's Board of Directors authorized the repurchase

7. EQUITY-BASED COMPENSATION

Stock Awards

Stock awards, which include shares of restricted stock, restricted stock units and restricted performance units, are awarded from time to time to executive officers and certain key employees of the Company. Stock award compensation is recorded based on the award date fair value and charged to expense ratably through the requisite service period. The forfeiture of unvested restricted stock, restricted stock units and restricted performance units causes the reversal of all previous expense recorded as a reduction of current period expense.

A summary of stock award activity during the years ended December 31, 2013, 2012 and 2011 is as follows:

	For the Years Ended December 31,					
	2013		2012		2011	
	Stock Awards	Weighted Average Award Date Fair Value	Stock Awards	Weighted Average Award Date Fair Value	Stock Awards	Weighted Average Award Date Fair Value
Outstanding, beginning of period	698,869	$ 19.39	643,117	$ 17.48	888,855	$ 15.25
Restricted shares awarded	435,025	24.09	239,523	18.07	168,018	26.41
Restricted stock units awarded	112,401	25.11	222,379	18.11	6,768	26.60
Restricted shares distributed	(274,784)	19.04	(289,001)	13.42	(270,142)	13.38
Restricted stock units distributed	(13,761)	18.87	(15,177)	14.32	(9,934)	11.19
Restricted shares forfeited	(236,388)	23.10	(36,325)	20.13	(140,448)	22.97
Restricted stock units forfeited	(166,337)	19.55	(65,647)	18.18	—	—
Outstanding, end of period	555,025	$ 22.79	698,869	$ 19.39	643,117	$ 17.48

Expense associated with stock awards was $3.0 million, $4.0 million, and $3.7 million in 2013, 2012 and 2011, respectively. Unrecognized pre-tax expense of $7.5 million related to stock awards is expected to be recognized over the weighted average remaining service period of 1.9 years for awards outstanding at December 31, 2013.

Deferred Stock Unit Awards

Deferred stock units generally are awarded to directors of the Company and represent the Company's obligation to transfer one share of the Company's common stock to the grantee at a future date and generally are fully vested on the date of grant. The expense related to the issuance of deferred stock units is recorded as of the date of the award.

The following table summarizes information about deferred stock unit activity during the years ended December 31, 2013, 2012 and 2011:

	For the Years Ended December 31,					
	2013		2012		2011	
	Deferred Stock Units	Weighted Average Award Date Fair Value	Deferred Stock Units	Weighted Average Award Date Fair Value	Deferred Stock Units	Weighted Average Award Date Fair Value
Outstanding, beginning of period	181,518	$ 19.06	173,916	$ 20.12	163,318	$ 19.43
Awarded	39,966	22.33	41,734	17.78	31,238	23.75
Shares distributed	(7,029)	22.67	(34,132)	22.90	(20,640)	20.13
Outstanding, end of period	214,455	$ 19.56	181,518	$ 19.06	173,916	$ 20.12

Expense associated with awards of deferred stock units was $0.9 million, $0.7 million and $0.7 million in 2013, 2012 and 2011, respectively.

Stock Options

Stock options on the Company's common stock are awarded from time to time to executive officers and certain key employees of the Company. Stock options granted generally have a term of seven to ten years and an exercise price equal to the market value of the underlying common stock on the date of grant.

Provisions (benefits) for taxes on income (tax benefit) from continuing operations consisted of the following components for the years ended December 31 (in thousands):

	2013	2012	2011
Current:			
Federal	$ 8,603	$ 9,237	$ 1,789
Foreign	6,078	9,704	8,878
State	527	995	423
Subtotal	15,208	19,936	11,090
Deferred:			
Federal	(2,075)	(1,817)	(2,064)
Foreign	(727)	69	492
State	(252)	475	(1,334)
Subtotal	(3,054)	(1,273)	(2,906)
Total tax provision	$ 12,154	$ 18,663	$ 8,184

Income tax (benefit) expense differed from the amounts computed by applying the U.S. federal income tax rate of 35% to income (loss) before income taxes, equity in income (loss) of joint ventures and minority interests as a result of the following (in thousands):

	2013	2012	2011
Income taxes at U.S. federal statutory tax rate	$ 20,651	$ 24,803	$ 11,539
Increase (decrease) in taxes resulting from:			
Change in the balance of the valuation allowance for deferred tax assets allocated to income tax expense	1,447	3,714	477
State income taxes, net of federal income tax benefit	179	956	(547)
Transaction costs	—	509	574
Meals and entertainment	1,034	962	570
Changes in taxes previously accrued	(3,098)	(2,422)	263
Foreign tax rate differences	(4,892)	(4,236)	(3,412)
Recognition of uncertain tax positions	(89)	(800)	(214)
Contingent consideration reversal	(1,461)	(2,869)	—
Domestic Production Activities Deduction	(1,548)	(1,440)	(52)
Other matters	(69)	(514)	(1,014)
Total tax provision	$ 12,154	$ 18,663	$ 8,184
Effective tax rate	20.6%	26.3%	24.8%

financial statements.

A reconciliation of the beginning and ending balance of unrecognized tax benefits is as follows (in thousands):

	2013	2012	2011
Balance at January 1,	$ 3,170	$ 1,050	$ 1,672
Additions for tax positions of prior years related to acquisitions	—	3,145	—
Additions for tax positions of prior years	30	111	41
Reductions for tax positions of prior years	—	—	(238)
Lapse in statute of limitations	(236)	(1,162)	(406)
Foreign currency translation	(28)	26	(19)
Balance at December 31, total tax provision	$ 2,936	$ 3,170	$ 1,050

The total amount of unrecognized tax benefits, if recognized, that would affect the effective tax rate was $0.8 million at December 31, 2013.

The Company recognizes interest and penalties, if any, related to unrecognized tax benefits in income tax expense. During the years ended December 31, 2013, 2012 and 2011, approximately $0.3 million, $0.6 million and $0.1 million, respectively, was accrued for interest.

The Company believes that it is reasonably possible that the total amount of unrecognized tax benefits will change in 2014. The Company has certain tax return years subject to statutes of limitation that will expire within twelve months. Unless challenged by tax authorities, the expiration of those statutes of limitation is expected to result in the recognition of uncertain tax positions in the amount of approximately $0.3 million.

The Company is subject to taxation in the United States, various states and foreign jurisdictions. With few exceptions, the Company is no longer subject to U.S. federal, state, local or foreign examinations by tax authorities for years before 2009.

9. COMMITMENTS AND CONTINGENCIES

Leases

The Company leases a number of its administrative and operations facilities under non-cancellable operating leases expiring at various dates through 2030. In addition, the Company leases certain construction, automotive and computer equipment on a multi-year, monthly or daily basis. Rental expense in the years ended December 31, 2013, 2012 and 2011 was $19.5 million, $18.7 million and $21.3 million, respectively.

At December 31, 2013, the future minimum lease payments required under the non-cancellable operating leases were as follows (in thousands):

Year	Minimum Lease Payments
2014	$ 17,559
2015	13,509
2016	8,940
2017	5,457
2018	3,082
Thereafter	2,721
Total	$ 51,268

Litigation

The Company is involved in certain litigation incidental to the conduct of its business and affairs. Management, after consultation with legal counsel, does not believe that the outcome of any such litigation, individually or in the aggregate, will have a material adverse effect on the Company's consolidated financial condition, results of operations or cash flows.

Purchase Commitments

The Company had no material purchase commitments at December 31, 2013.

cost on a corresponding $175.0 million portion of the Company's term loan from the Credit Facility. This interest rate swap is used to partially hedge the interest rate risk associated with the volatility of monthly LIBOR rate movement, and will be accounted for as a cash flow hedge.

The following table provides a summary of the fair value amounts of our derivative instruments, all of which are Level 2 (as defined below) inputs (in thousands):

Designation of Derivatives	Balance Sheet Location	December 31, 2013	December 31, 2012
Derivatives Designated as Hedging Instruments:			
Forward Currency Contracts	Prepaid expenses and other current assets	$ 24	$ —
	Total Assets	$ 24	$ —
Forward Currency Contracts	Accrued expenses	$ —	$ 9
Interest Rate Swaps	Other non-current liabilities	1,220	764
	Total Liabilities	$ 1,220	$ 773
Derivatives Not Designated as Hedging Instruments:			
Forward Currency Contracts	Prepaid expenses and other current assets	$ 752	$ —
	Total Assets	$ 752	$ —
Forward Currency Contracts	Accrued Expenses	$ —	$ 585
	Total Derivative Assets	$ 776	$ —
	Total Derivative Liabilities	1,220	1,358
	Total Net Derivative Liability	$ 444	$ 1,358

FASB ASC 820, *Fair Value Measurements* ("FASB ASC 820"), defines fair value, establishes a framework for measuring fair value and expands disclosure requirements about fair value measurements for interim and annual reporting periods. The guidance establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. These tiers include: Level 1 – defined as quoted prices in active markets for identical instruments; Level 2 – defined as inputs other than quoted prices in active markets that are either directly or indirectly observable; and Level 3 – defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions. In accordance with FASB ASC 820, the Company determined that the instruments summarized below are derived from significant observable inputs, referred to as Level 2 inputs.

The following table represents assets and liabilities measured at fair value on a recurring basis and the basis for that measurement (in thousands):

	Total Fair Value at December 31, 2013	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets:				
Forward Currency Contracts	$ 776	$ —	$ 776	$ —
Total	$ 776	$ —	$ 776	$ —
Liabilities:				
Interest Rate Swap	$ 1,220	$ —	$ 1,220	$ —
Total	$ 1,220	$ —	$ 1,220	$ —

Operating results for discontinued operations are summarized as follows for the years ended December 31 (in thousands):

	2013	2012	2011
Revenues	$ 9,763	$ 11,132	$ 12,819
Gross profit (loss)	(4,255)	(645)	445
Operating expenses	1,973	2,038	1,615
Closure charges of welding business	5,019	—	—
Operating loss	(11,247)	2,683	(1,170)
Loss before tax benefits	(10,731)	(2,904)	(1,206)
Tax benefits	4,270	1,191	619
Net loss	(6,461)	(1,713)	(587)

Balance sheet data for discontinued operations was as follows at December 31 (in thousands):

	2013	2012
Restricted cash	$ 1,193	$ 1,192
Receivables, net	4,038	4,380
Costs and estimated earnings in excess of billings	4	2,775
Inventories	—	386
Prepaid expenses and other current assets	200	253
Property, plant and equipment, less accumulated depreciation	1,118	2,803
Other assets	1,803	4,021
Total assets	$ 8,356	$ 15,810
Accounts payable	$ 2,050	$ 3,225
Accrued expenses	20	1,660
Deferred tax liability	197	—
Total liabilities	$ 2,267	$ 4,885

12. SEGMENT AND GEOGRAPHIC INFORMATION

The Company operates in three distinct markets: energy and mining; water and wastewater; and commercial and structural services. Management organizes the Company around differences in products and services, as well as by geographic areas. Within the water and wastewater market, the Company operates in two distinct geographies: North America and internationally outside of North America. As such, the Company is organized into four reportable segments: Energy and Mining; North American Water and Wastewater; International Water and Wastewater; and Commercial and Structural. Each segment is regularly reviewed and evaluated separately.

During the first quarter of 2013, the Company re-organized its Water and Wastewater businesses to bring all of its operations under one central leadership team. The Company hired a Senior Vice President - Global Water and Wastewater and a Vice President of International Water and Wastewater. The Vice President of International Water and Wastewater is responsible for the European Water and Wastewater operations as well as the Asia-Pacific Water and Wastewater operations and reports directly to the Senior Vice President - Global Water and Wastewater. In connection with this management re-organization, the Company combined its European Water and Wastewater and Asia-Pacific Water and Wastewater reportable segments into one reportable segment titled International Water and Wastewater.

During the third quarter of 2013, the Company acquired Brinderson. Brinderson is a leading integrated service provider of maintenance, construction, engineering and turnaround activities for the upstream and downstream oil and gas markets. For reportable segment purposes, management reports Brinderson in the Company's Energy and Mining segment.

The year ended December 31, 2013 results include $5.8 million for costs incurred related to the Company's acquisition of Brinderson and other acquisition targets. The year ended December 31, 2012 results include $3.1 million for costs incurred related to the acquisitions of Fyfe LA and Fyfe Asia and other acquisition targets. The year ended December 31, 2011 results include $6.4 million for costs incurred related to the acquisitions of CRTS, Hockway and Fyfe NA. The Company recorded these costs under "Acquisition-related expenses" on its consolidated statements of operations. Additionally, the year ended December 31, 2011 results include $2.2 million for restructuring charges. The Company recorded these charges under "Restructuring charges" on its consolidated statements of operations.

The following table summarizes revenues, gross profit and operating income (loss) by geographic region (in thousands):

	2013	2012	2011
Revenues:			
United States	$ 672,192	$ 589,027	$ 539,378
Canada	179,236	180,283	178,739
Europe	90,646	86,883	102,471
Other foreign	149,346	160,638	105,178
Total revenues	$ 1,091,420	$ 1,016,831	$ 925,766
Operating income (loss):			
United States	$ 24,977	$ 40,676	$ (1,042)
Canada	28,955	31,376	31,892
Europe	6,276	6,196	9,391
Other foreign	6,674	3,555	5,466
Total operating income	$ 66,882	$ 81,803	$ 45,707
Long-lived assets: (1)			
United States	$ 154,367	$ 151,337	$ 144,151
Canada	28,539	28,724	22,998
Europe	10,007	16,396	12,474
Other foreign	12,806	14,040	12,693
Total long-lived assets	$ 205,719	$ 210,497	$ 192,316

(1) Long-lived assets as of December 31, 2013, 2012 and 2011 do not include intangible assets, goodwill or deferred tax assets.

13. SELECTED QUARTERLY FINANCIAL DATA (UNAUDITED)

Unaudited quarterly financial data was as follows for the years ended December 31, 2013 and 2012 (in thousands, except per share data):

	First Quarter	Second Quarter	Third Quarter(1)	Fourth Quarter(1)
Year ended December 31, 2013:				
Revenues	$ 225,976	$ 242,100	$ 307,665	$ 315,679
Gross profit	48,137	58,568	69,411	70,905
Operating income	6,818	15,823	22,032	22,209
Income from continuing operations	4,258	18,396	14,623	14,730
Loss from discontinued operations	(921)	(4,977)	(558)	(5)
Net income	3,337	13,419	14,065	14,725
Basic earnings per share:				
Income from continuing operations	$ 0.10	$ 0.47	$ 0.37	$ 0.38
Loss from discontinued operations	(0.03)	(0.13)	(0.01)	0.00
Net income	$ 0.07	$ 0.34	$ 0.36	$ 0.38
Diluted earnings per share				
Income from continuing operations	$ 0.09	$ 0.47	$ 0.37	$ 0.37
Loss from discontinued operations	(0.03)	(0.13)	(0.01)	0.00
Net income	$ 0.06	$ 0.34	$ 0.36	$ 0.37

(1) Includes the financial results of Brinderson, which was acquired in July 2013.

Aegion Corporation and Subsidiaries
Consolidating Schedule - Balance Sheet
As of December 31, 2013 (in thousands)

SCHEDULE 1

	IT LLC	IT USA	Corrpro Companies Inc.	UPS Inc.	CRTS	CCSI	Brinderson, L.P.	Fibwrap Construction Svs. Inc.	Fibwrap Construction Svs. USA	Other Aegion Subsidiaries and Eliminations	Consolidated Aegion
Assets											
Current assets											
Cash and cash equivalents	$ 11,769	$ -	$ 14,674	$ 3,779	$ 4,055	$ 6,489	$ 1,275	$ 3,822	$ 914	$ 111,751	$ 158,528
Receivables, net	48,820	12,652	25,769	2,299	6,970	2,796	24,377	11,055	2,287	94,750	231,775
Retainage	11,138	5,032	1,127	-	2,235	-	-	470	452	10,377	30,831
Costs and estimated earnings in excess of billings	17,092	1,640	4,587	1,488	4,571	406	14,333	2,004	536	33,342	79,999
Inventories	10,922	1	7,507	1,342	2,491	485	-	366	366	35,288	58,768
Prepaid expenses and other	2,226	1,833	3,153	241	661	501	5,319	1,236	199	28,588	43,957
Total current assets	101,967	21,158	56,817	9,149	20,983	10,677	45,304	18,953	4,754	314,096	603,858
Property, plant and equipment, net	40,056	2,887	7,345	5,075	3,301	7,045	6,641	539	66	109,348	182,303
Non-current assets											
Goodwill	29,749	12,235	18,828	-	20,079	16,323	62,748	19,441	5,116	149,661	334,180
Other long-term assets	20,150	2,008	34,563	66	23,385	9,491	59,127	17,986	4,752	71,049	242,577
Total non-current assets	49,899	14,243	53,391	66	43,464	25,814	121,875	37,427	9,868	220,710	576,757
Total assets	$ 191,922	$ 38,288	$ 117,553	$ 14,290	$ 67,748	$ 43,536	$ 173,820	$ 56,919	$ 14,688	$ 644,154	$ 1,362,918
Liabilities and stockholders' equity											
Current liabilities											
Accounts payable and accrued expenses	$ 42,893	$ 15,226	$ 17,984	$ 4,702	$ 3,193	$ 2,731	$ 51,120	$ 1,588	$ 1,288	$ 32,728	$ 173,453
Billings in excess of costs and estimated earnings	5,179	2,644	3,610	2,709	613	-	167	1,140	122	8,794	24,978
Current maturities of long-term debt	-	-	-	-	-	-	-	-	-	22,024	22,024
Total current liabilities	48,072	17,870	21,594	7,411	3,806	2,731	51,287	2,728	1,410	63,546	220,455
Non-current liabilities											
Deferred income taxes	10,382	979	13,716	326	8,823	5,282	-	1,529	368	(3,188)	38,217
Other long-term liabilities	167	-	2,092	(10)	4,123	-	-	-	-	370,953	377,325
Total non-current liabilities	10,549	979	15,808	316	12,946	5,282	-	1,529	368	367,765	415,542
Stockholders' equity											
Common stock	-	1	-	-	-	14	-	-	-	365	380
Additional paid-in capital	176,117	2,509	3,293	-	38,820	28,968	147,605	13,809	5,502	(180,495)	236,128
Currency translation adjustment	5,459	-	-	-	-	-	-	-	-	(3,407)	2,052
Due from parent	(50,525)	(52,365)	42,161	(8,528)	11,229	3,642	(31,175)	39,389	9,477	36,696	0
Retained earnings	2,250	69,294	34,697	15,091	947	2,899	6,103	(536)	(2,069)	342,132	470,808
Non-controlling interest	-	-	-	-	-	-	-	-	-	17,553	17,553
Total stockholders' equity	133,301	19,439	80,151	6,563	50,996	35,523	122,533	52,662	12,910	212,843	726,921
Total liabilities and stockholders' equity	$ 191,922	$ 38,288	$ 117,553	$ 14,290	$ 67,748	$ 43,536	$ 173,820	$ 56,919	$ 14,688	$ 644,154	$ 1,362,918
	-	-	-	-	-	-	-	-	-	-	-

CAROL HENZLER
SENIOR ACCOUNT MANAGER

April 6, 2015

To Whom It May Concern

RE: **Insituform Technologies, LLC**
(a subsidiary of Aegion Corporation)
Insituform Technologies USA, LLC
(a subsidiary of Insituform Technologies, LLC)

Following is our insured's "interstate" experience mod rating factors, based on worksheets received and promulgated by NCCI:

Effective	Promulgated	Factor
7/1/15	4/1/15	.78
7/1/14	4/1/15	.84
7/1/13	10/17/13	.86
7/1/12	2/8/13	.99
7/1/11	10/25/12	.82

Experience rating combined with Aegion Corporation subsidiaries.

Sincerely,

LOCKTON COMPANIES, LLC

Carol

Carol Henzler, CIC
Senior Account Manager

Phone #314-812-3284
Fax #314-812-6584