

IT'S SIMPLE.



Aegion Corporation Annual Report 2012

We protect pipe.

In recent years, Aegion has undergone a transformation, adding business platforms and diversifying our portfolio with a more robust mix of products and services. But one thing has not changed. **At heart, we are still a pipeline protection company.**

It's just that the types of pipes and the ways we protect them have grown. Today we employ a variety of ways to protect oil and gas pipelines. Mining pipelines. Water and wastewater pipelines. Industrial process pipelines. Some of these pipelines are new; others are approaching the end of their lives. They may be buried far below the earth's surface or rest deep on the ocean floor.

We coat, line, cathodically protect, insulate, monitor and maintain pipes. We draw on our world-class engineering capabilities to design solutions that protect pipelines, no matter what flows through them or what harsh environments they endure.

Among our solutions is Fibrwrap®, a breakthrough technology versatile enough to protect not only pipelines, but other types of infrastructure as well. We're excited about the attractive new end-markets this technology opens for us. But it doesn't change the common denominator that links all we do.

It's simple. It all comes back to pipe.

FINANCIAL HIGHLIGHTS

	2012	2011	2010	2009	2008
(IN THOUSANDS, EXCEPT PER SHARE DATA)		FOR THE YEARS ENDED DECEMBER 31			
Revenue	\$1,027,963	\$938,585	\$914,975	\$726,866	\$536,664
Gross Profit	243,109	203,124	229,580	190,591	129,597
Operating Income	79,122	44,537	87,035	49,117	33,882
Income from Continuing Operations	52,661	26,547	60,562	30,241	24,076
Income from Continuing Operations, excluding restructuring charges, acquisition-related expenses and prior debt redemption expenses (Non-GAAP) ¹	55,351	36,873	60,562	38,926	24,076
Net Income	52,661	26,547	60,462	26,171	21,640
Diluted Earnings Per Share:					
Income per share from Continuing Operations	\$ 1.33	\$ 0.67	\$ 1.54	\$ 0.81	\$ 0.86
Income per share from Continuing Operations, excluding restructuring charges, acquisition-related expenses and prior debt redemption expenses (Non-GAAP) ¹	1.40	0.93	1.54	1.04	0.86
Net Income Per Share	1.33	0.67	1.53	0.70	0.77
Cash from Continuing Operations	\$110,721	\$22,884	\$53,475	\$58,296	\$41,859

¹ For the 2012, 2011 and 2009 Financial Reconciliations (Non-GAAP), see Page A-1

DEAR FELLOW STOCKHOLDERS,

At this writing, I am closing in on five years at the helm of the good ship Aegion. It has been an exciting journey and likely not the route any of us expected in spring 2008. If I had to select a word to describe our journey, I would choose **TRANSFORMATIVE**. Really, everything about what was Insituform Technologies has been transformed into what is now Aegion Corporation.

- Our Company, which was largely a single-product, single-market enterprise, has been transformed into a diversified and global pipeline protection and rehabilitation business.
- Our focus, which had centered primarily on municipal sewer repair linked to governmental funding, has transformed to the higher growth energy and mining pipeline protection and commercial rehabilitation sectors. These markets are almost universally seen as having robust growth prospects. Our future in each will be determined by the quality of our technologies, services and people.
- Our product portfolio, which was dominated by a 40-year old technology we invented, has been transformed to include world-class engineering, along with a rich mix of protective lining, coating, insulation, cathodic protection, robotics and fiber-reinforced polymer

technologies—all focused on protecting our customers’ valuable pipeline and infrastructure assets.

- Our workforce, which had been focused primarily on contracted installations, has been transformed to include more than 300 engineers dedicated to creating complete engineering solutions to our customers’ complex structural integrity problems.

2012 was a pivotal year for Aegion as it marked the first year when all of the elements that defined our transformation were in place. So in my mind, we are at the start of what will be a very dynamic future for our Company. Let’s take a quick look at how we did in 2012.

ENERGY & MINING

Our Energy & Mining platform began to fulfill its potential as the primary growth vehicle for our Company, as revenues grew 21 percent to \$525 million, and operating income grew 64 percent to more than \$57 million. As important, we made significant progress on the strategies that will continue to fuel our growth.

Corrpro had a strong year, achieving \$222 million in revenues and operating margins of over 12 percent. When we acquired this business in 2009, operating margins were below 8 percent. This

dramatic improvement is due to a greater focus on the higher value-added engineering and inspection services in the Corrpro portfolio. As regulations for pipeline inspections and maintenance requirements become more stringent globally, prospects for growth and further margin enhancements are very bright for Corrpro, our most important business.

What is there to say about United Pipeline Systems other than, Wow? This business topped \$160 million in revenues in 2012, compared to just over \$40 million in 2007, while maintaining a 17 percent operating margin. United Pipeline Systems continues to expand its reach, executing projects in North America, South America, Africa, the Middle East and Asia. In particular, we made significant progress in the Middle East, successfully completing the installation of our proprietary Tite Liner® system to protect vital pipeline assets in Oman, Bahrain, Kuwait and Saudi Arabia. At the end of 2012, backlog in the region was \$35 million. The Tite Liner® system continues to gain broad acceptance with the technical staffs of major national oil companies in the Middle East.

We are also in the process of completing the largest project in our Energy & Mining platform’s history, a 140-mile phosphate slurry pipeline project in Morocco. As projects like these indicate,

we continue our efforts to expand the adoption of the Tite Liner® system and believe significant markets remain yet untapped for this robust pipeline protection technology.

Our coatings businesses delivered mixed results in 2012. Bayou’s New Iberia facility strongly supported the growing activity in the Gulf of Mexico offshore market, but struggled with inconsistent backlog and performance. On the other hand, its Baton Rouge and Canadian pipe coating and insulation facilities achieved record results. Bayou continues to see spotty project development in onshore markets in the United States and we expect project activity will continue to be predominantly offshore.

In 2012, our offshore and onshore welded pipe joint coating businesses, CRTS and CCSI had strong years. CRTS successfully penetrated new markets, adding customers in Chile and Brazil while waiting for the main portion of the large-scale Wasit offshore project to start in Saudi Arabia. CCSI benefitted from a large international project in 2012, as well as strong specialty project sales in North America.

WATER & WASTEWATER

Our North American Water & Wastewater business recovered nicely from a dismal 2011. Despite an 11 percent drop

in revenues, the business achieved a 7 percent operating margin and increased operating income by more than \$15 million. I’d judge that performance as pretty good in a market we believe is stable but still very competitive, particularly in the small-diameter pipeline sector.

This business ended the year with solid backlog, which should generate modest revenue growth in 2013. While we expect this top line growth, the overall market is essentially unchanged and continues to be constrained by local government fiscal pressure. The expected growth reflects bidding success in cities where municipal customers are in the project execution phase of previously negotiated consent decrees with the Environmental Protection Agency. In 2013, we expect significant project activity in Baltimore and St. Louis, two key long-term customers. We also expect to complete the rehabilitation of more than three miles of 96-inch diameter wastewater sewer lines for the Trinity River Authority in the Dallas area, a project awarded to us in 2012.

Our European operations faced considerable headwinds in 2012 due to economic contraction across the continent. Overall, revenues for this business declined 17 percent, and operating income was down almost

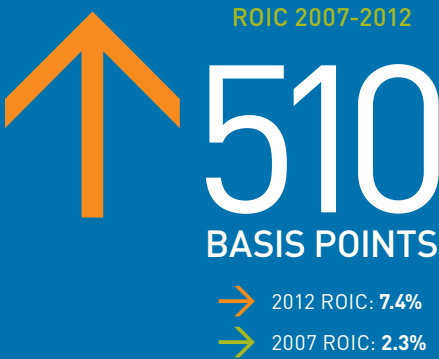
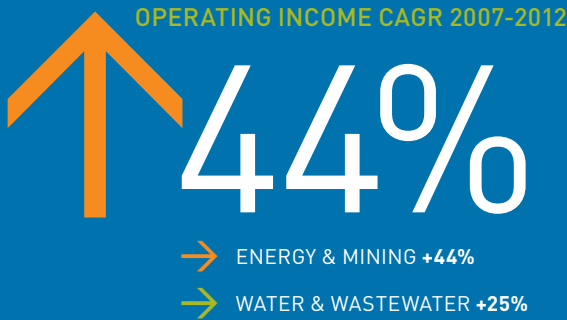
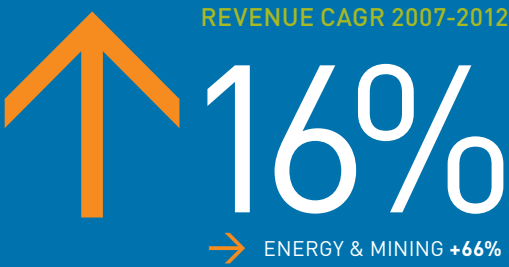
\$4 million, compared to 2011. We expect very modest improvement next year as market conditions are not improving. We will continue our strategy of rationalizing our contracting operations and expanding higher margin third-party tube and technical service sales.

The headline for our Asian experience to date can only be, “These Guys Do Not Know What They Are Doing.” Certainly an \$11.5 million operating loss in 2012 strongly suggests that. However, I believe the situation is more complex across this vast region than it first appears, and a little more patience is required. We clearly wrecked our early bids in India and Singapore, both in terms of cost estimation and contractual commercial protections. These projects were bid in late 2007 and late 2008 in India and Singapore, respectively—when we candidly lacked the proper estimating discipline and execution capabilities to be successful.

That is different now. We are successfully executing small projects in India. Our larger project in Kuala Lumpur is off to a great start. Further, our Australian business has proven it can produce solid results when it has the backlog. While we were disappointed by the pricing declines in the Sydney market, we have secured significant backlog in Brisbane and other cities, making for a stronger outlook in

AEGION’S COMPOUNDED GROWTH SINCE 2007*

Organic growth and acquired growth



*Because the Commercial & Structural platform was created in 2011, its financial data is included in the total compounded annual growth rate, but there are no platform comparisons to 2007.

2013. We believe we can now properly structure bids for larger cured-in-place pipe rehabilitation opportunities emerging in India. We will know more as these projects become available for bid, but I believe this market can be a growth area for our Water & Wastewater platform. Our baseline for 2013, however, is to return the effort to a break-even or modest profit position.

Our overall plan across the entire Water & Wastewater platform is to remain focused on bidding discipline and deliver exceptional project management to optimize cash flow, while opportunistically pushing the business more towards the less risky, higher return tube manufacturing and technical services segment.

COMMERCIAL & STRUCTURAL

Our Fibrwrap® technology for structural strengthening and rehabilitation got off to a great start in 2012, achieving revenues of \$75 million while producing a gross margin of 49 percent. The versatility of this remarkable product continues to be demonstrated in the marketplace as we grow our presence in the pressure pipe, buildings, transportation structures and port verticals.

While North America remains our strongest market, we expanded our presence globally in 2012 with the acquisitions of Fyfe Latin America at the start of the year and Fyfe Asia in April. We are investing in our business development efforts to accelerate the growth we believe is achievable for

this technology both in North America and internationally. We are particularly bullish on Asia, where in 2012 we were awarded two significant contracts in Hong Kong and smaller awards in Singapore and Indonesia, signaling a robust 2013 for this sector.

We continue to see this entire platform as a 30 percent growth business at highly attractive margins.

IT'S SIMPLE

As you can see from the cover, the theme of our annual report this year is "It's Simple." And yet, I have described our journey as transformative, which is not a word generally associated with simple. I reconcile that, simply, by telling you that our transformation was guided by simple principles.

- **WE PROTECT PIPE.** We are a pipeline protection company. Our people, our services and our technology applications are focused on protecting pipelines. We believe the market drivers around expanding and protecting these critical arteries of our way of life will afford us sustained growth opportunities.
- **WE ASPIRE TO BECOME A PREMIUM RETURN COMPANY.** That means, simply, we will approach our existing businesses from the point of view of improving returns for our stockholders. External growth opportunities must be judged to be accretive to our return position over a near-term horizon.

With these simple principles in mind, we have already accomplished a great deal. Revenues have more than doubled since 2007, and we are increasingly focused on higher growth and higher margin end markets. Our non-GAAP operating income has increased by an average of 44 percent annually over the last five years. We have made steady progress in becoming a premium return company, adding an average of more than 100 basis points annually to return on invested capital—all while strengthening our balance sheet and becoming a much more "cash conscious" company.

Still, simply, there is more to do. We believe 2013 will be another step forward on our path to becoming a preeminent service provider in the pipeline protection space and a step forward on the path to delivering consistent premium returns for our investors.

Thank you for your continued interest in Aegion.



J. Joseph Burgess
President and Chief Executive Officer

AEGION BUSINESS UNIT LEADERS



ENERGY & MINING
Dorwin E. Hawn
Senior Vice President



WATER & WASTEWATER
Thomas E. Vossman
Senior Vice President



COMMERCIAL & STRUCTURAL
Chibby A. Alloway
Vice President

David A. Martin
Senior Vice President and
Chief Financial Officer

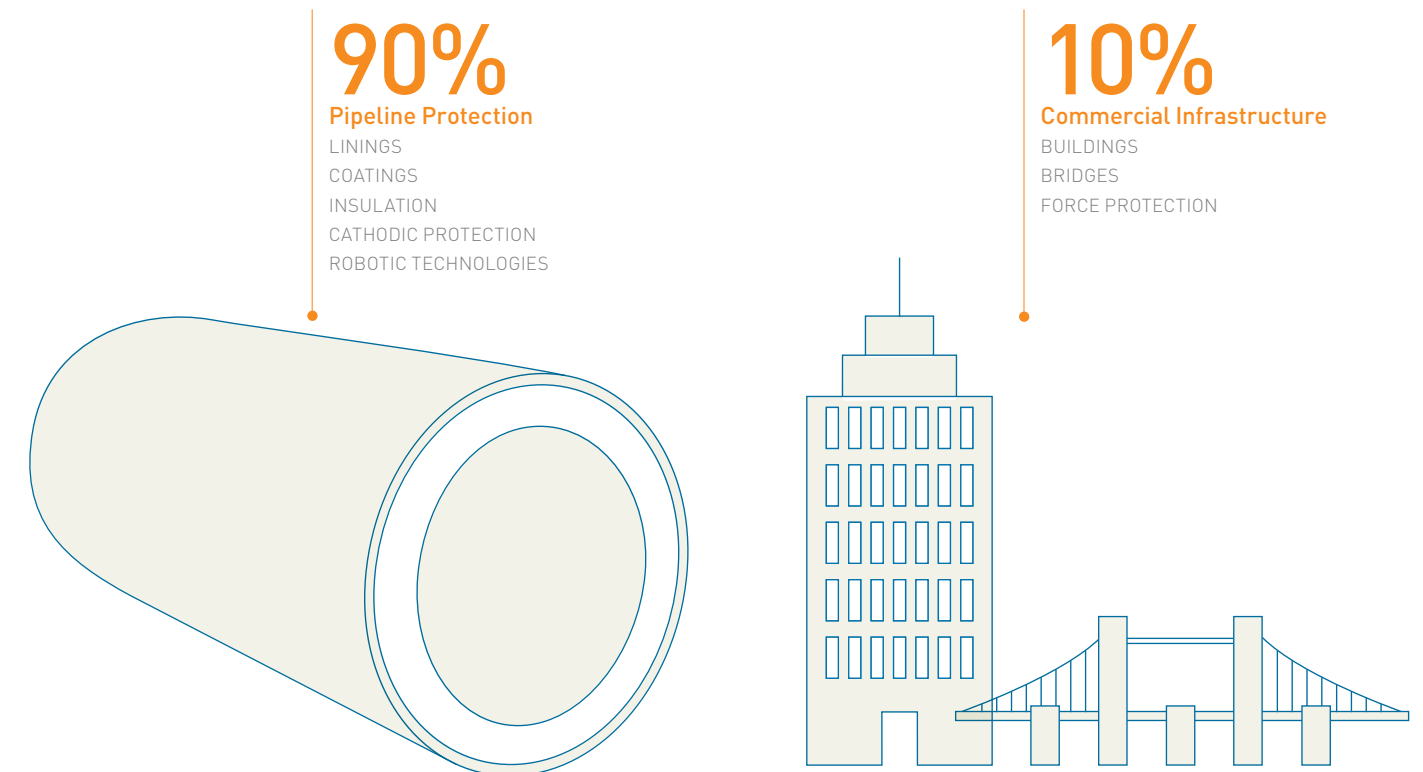
Brian J. Clarke
Senior Vice President,
Business Integration

J. Joseph Burgess
President and Chief
Executive Officer

David F. Morris
Senior Vice President,
General Counsel and Chief
Administrative Officer

More than 90% of Aegion's revenues are tied directly to pipeline protection.

The remainder are from opportunities in emerging commercial and structural rehabilitation markets.



WHY PIPELINES?

Out of sight and out of mind, pipelines are the world's workhorses that make our way of life possible by transporting vital resources and waste by-products.

Costly to construct, pipeline systems are subjected daily to corrosive materials and hazardous conditions that threaten their integrity. Leaks, lost production and, in some cases, environmental disasters can result when they fail.

Aegion's mission is to protect these high-value assets using technologies and asset management programs designed to extend their lives, safeguard their contents and protect the surrounding environment. Two of our three business platforms — Energy & Mining and

Water & Wastewater — are devoted almost entirely to protecting pipelines and the structures related to them. Pipelines are also a significant portion of the business for our Commercial & Structural platform.

Our engineers draw from our portfolio of lining, coating, insulation, cathodic protection, fiber-reinforced polymers and robotic technologies to design these solutions and asset management programs.

The other 10 percent

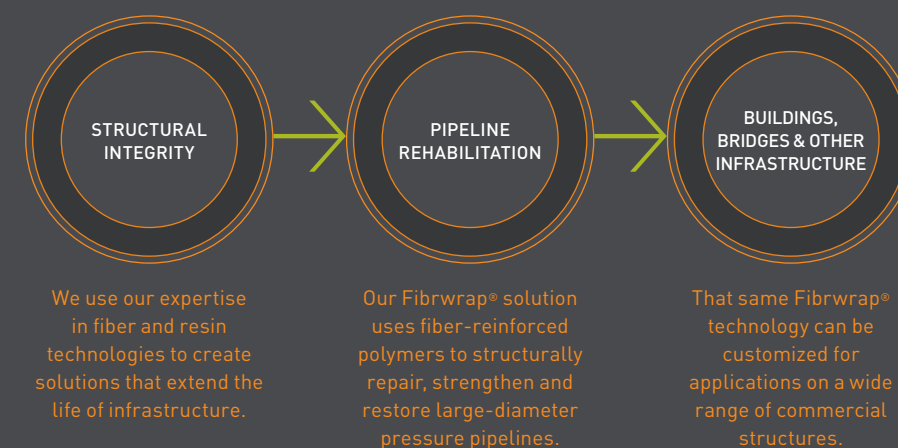
Aegion's newest business platform — Commercial & Structural — takes its technology for pressure pipe rehabilitation and leverages it on applications outside of our core pipeline end markets. Known as Tyfo® Fibrwrap®, this patented technology uses a lightweight fiber-reinforced polymer composite to strengthen, rehabilitate, improve and extend the

design lives of pipelines, buildings, bridges, waterfront structures and other infrastructure. Our mission is to convert the market from using traditional concrete and steel rehabilitation to this truly remarkable engineered solution. 2012 projects ranged from strengthening Bay Area Rapid Transit (BART) viaducts and stations, to seismic retrofits of buildings in New Zealand, to blast hardening of United States military assets in Afghanistan.

While representing a small portion of Aegion's 2012 revenues, Fibrwrap® has considerable promise. We are making the necessary investments to participate in higher growth commercial and structural markets worldwide. This includes the Asia-Pacific market, where we are pursuing certification for structural strength equivalency capabilities of the Fibrwrap® system in Japan and Hong Kong.

How we made the leap from pipes to bridges

Bridges, buildings and other commercial structures share several characteristics in common with pipelines: all are highly engineered as weight-bearing structures, all are weakened by the stresses of daily wear and the environment and all are costly to replace. By customizing the technology we use to strengthen and restore pressure pipelines, we are now able to restore structural integrity to these commercial structures as well.



CASE STUDY

Protecting Hong Kong's water supply

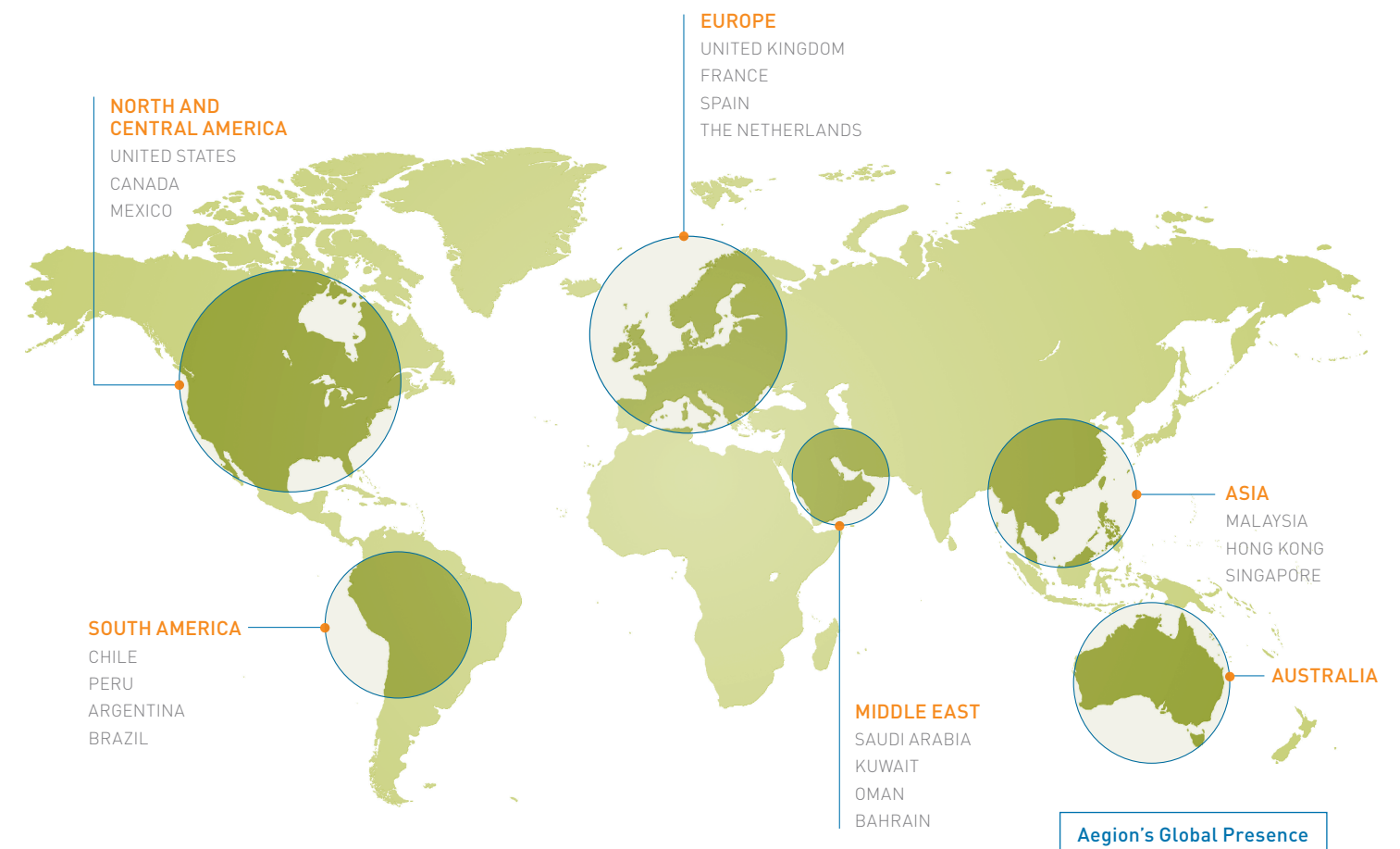
Hong Kong is one of the world's most densely populated areas. With few fresh water resources, its seven million residents rely heavily on drinking water imported from southern China.

The water supply infrastructure was built 40 years ago and has shown severe signs of aging. Fyfe Hong Kong is currently undertaking several projects on behalf of the Hong Kong Water Services Department to rehabilitate pipelines. Under these projects, more than 13 miles of water mains will be rehabilitated using the patented Tyfo® Fibrwrap® system, with a total contract value of \$26.5 million (USD).

Fyfe introduced the Tyfo® Fibrwrap® system in Hong Kong more than 10 years ago and has been rehabilitating large-diameter pipelines there with Fibrwrap® for the last seven years.

We have a **growing presence** in **11** of the world's top sustainable energy markets.

In 2012, approximately 17% of our total revenues were generated in emerging markets, compared to less than 3% five years ago.



GROWTH STRATEGY

Emerging markets in parts of the Middle East, Asia-Pacific and Latin America comprise a growing percentage of the world's gross domestic product. Aegion's investments in these regions put us in an excellent position to participate in this growth. Consider our Energy & Mining platform's expansion into the Middle East markets, where in 2012 our United Pipeline Systems-led joint venture was awarded contracts totaling \$30 million. We also completed our first Tite Liner® system projects in Kuwait, Bahrain, Abu Dhabi and Laos in 2012. Further, we're positioned to expand Corrpro's pipeline integrity solutions in Saudi Arabia and other Middle East countries. United Pipeline Systems remains well-established in the mining-rich Chilean market and is growing its presence in Brazil and Argentina. CRTS successfully completed projects in Chile and Brazil

in 2012. In all, our Energy & Mining platform had projects in 11 of the world's top sustainable energy markets in 2012.

Aegion's growth strategy is also demonstrated by our 2012 acquisitions of Fyfe's Asia and Latin America businesses. Fyfe's Tyfo® Fibrwrap® system holds great promise in the Asia-Pacific region, where it was used in 2012 to rehabilitate critical segments of Hong Kong's drinking water pipelines. In Japan and Hong Kong's growing seismic protection markets, we are pursuing certification for structural strength equivalency of the Fibrwrap® system. Opportunities in Latin America are also emerging as we introduce Fibrwrap® in Mexico, Chile, Colombia and Peru, where we used it in 2012 to strengthen more than 400 structural columns critical to the operation of the Lima Metro, a regional light rail system in Lima, Peru. We've established joint ventures in these markets that are aimed at accelerating our expansion.

All of our growth, however, is not international. In North America, new oil and gas pipeline projects and environmental and safety regulations are driving increased demand for Corrpro's pipeline integrity services. Our Bayou subsidiary is benefiting from the resumption of activity in the Gulf of Mexico, where we have provided protective coatings for a majority of the pipe installed since the 1970s. Our United Pipeline Systems business enjoys strong relationships with oil, gas and mining companies that continue to fuel the growth of our Tite Liner® system. Moreover, investments we are making in our Commercial & Structural platform are aimed at accelerating our growth in pressure pipelines, buildings and transportation structures. Taken together, Aegion's approach to growth is geographically balanced.

Cured-in-place pipe leadership

Throughout the world, we've adapted our business approach to strengthen our cured-in-place pipe leadership. In North America, increased operating discipline and investments in project management have resulted in improved financial performance and positioned us for consistent execution and strong cash generation. In Europe, economic conditions prompted us to accelerate the optimization of our product and service mix according to the market needs of individual countries. We are now concentrating our contracting efforts in the Netherlands, the United Kingdom, Spain and France – markets that are competitive, but fairly stable – while focusing on third-party product sales in Russia, Scandinavia and Eastern European countries. In Asia-Pacific, we are applying lessons learned in India and Singapore to maximize profits and lower risk in these countries, as well as in Australia, where the 2013 outlook is especially promising.

CASE STUDY Largest Tite Liner® project in history

Our Energy & Mining platform generated more than \$85 million (USD) in revenues in the Middle East and North Africa in 2012. The single biggest contributor was the Office Cherifien des Phosphates (OCP) Slurry Pipeline project now underway in Morocco, the largest single project in United Pipeline Systems' history.

A United Pipeline Systems-led joint venture installed more than 30 miles of our Tite Liner® product in the new slurry pipeline in 2012. When the project is complete in 2013, we will have installed approximately 140 miles of our thermoplastic technology in the new pipeline, which will carry phosphates through various terrains to the Jorf Lasfar Terminal on the Atlantic coast of Morocco.

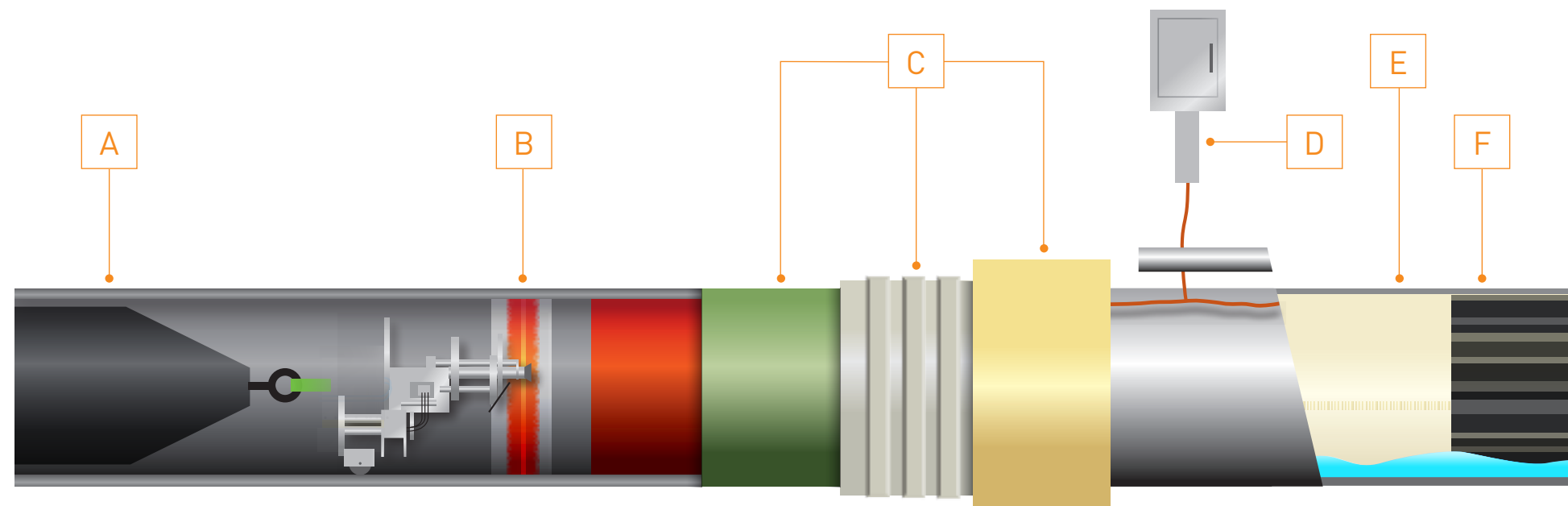
CASE STUDY CIPP in Malaysia

More than 20 miles of medium- and large-diameter sewer pipelines in the Malaysian capital of Kuala Lumpur are being rehabilitated using Insituform® CIPP, the result of two contracts totaling \$9.3 million (USD) awarded by the Government of Malaysia to our Insituform subsidiary.

Rehabilitation work on the pipelines, which run through residential and commercial areas, began in summer 2012 and will continue through the end of 2013. The work is part of a five-year infrastructure improvement program undertaken by the Malaysian government.

Aegion's portfolio today includes more than **30 pipe protection technologies.**

By diversifying our asset protection business, we are lowering our exposure to market volatility.



An Aegion® technology primer

No matter what flows through a pipe or where it is located, we have technologies and services that extend its life, while minimizing maintenance and replacement costs.

CUSTOMIZED PROTECTION

Depending on the environment in which they reside and the content they carry, pipes can age at remarkably different rates.

Many factors must be considered when selecting the best methods for protecting these assets, ranging from the age and composition of the original asset, to the makeup and temperature of the surrounding environment, to the proximity of local power supplies, and more.

In some cases, the most effective solutions require a combination of technologies. Aegion today has more than 30 lining, coating and pipeline integrity technologies that can be used individually or in combination to solve the toughest pipeline challenges. We not only engineer custom solutions, but often also supply the materials, construction services and logistics needed to install them onshore or offshore.

Recurring revenues grow

The largest company in our Energy & Mining platform is our Corrpro subsidiary, which provides cathodic protection systems, coatings services and other long-term corrosion control solutions. Corrpro's revenues do not only come from the design and installation of these systems, but also from the long-term monitoring and maintenance required for regulatory compliance. Corrpro's expertise in these areas allows its engineers and technical staff to quickly respond to customer needs.

A sizeable portion of our Tite Liner® work is performed in the oil and gas pipeline rehabilitation market in the western hemisphere, another source of recurring project activity. Typically, recurring revenues from these two sources represent approximately 40% of our Energy & Mining revenues.

→ Our goal is to significantly increase recurring or maintenance oriented revenues for our Energy & Mining platform.

CASE STUDY What's next: A partner in innovation

A collaboration between our Bayou Wasco Insulation joint venture and The Dow Chemical Company resulted in a breakthrough innovation for our new insulation coating facility which will meet the growing demand of pipelines installed in ultra-deep water environments. Designed for the broader temperature ranges and higher pressures common in these harsh environments, the proprietary DOW NEPTUNE™ Advanced Subsea Insulation System was selected to receive the Offshore Technology Conference's 2013 Spotlight on New Technology Award, which recognizes innovative new products that significantly impact offshore exploration and production.

A Corrosion and abrasion protection

United Pipeline Systems' Tite Liner® and Safetyliner™ technologies protect pipelines that transport corrosive or abrasive materials.

B Field joint coatings

CRTS and CCSI use robotic and other custom equipment to apply internal and external field joint coatings to offshore and onshore pipelines.

C Environmental and temperature protection

Bayou's fusion-bonded epoxy coating, thermal insulations and multi-layered coatings protect pipes from harsh temperatures and environments.

D Corrosion control

Corrpro's cathodic protection systems, coatings services and other long-term corrosion control solutions protect pipelines, tanks and other structures.

E Pipeline rehabilitation

Insituform® Cured-in-Place Pipe restores structural integrity to aging water and wastewater pipes.

F Structural integrity

Fyfe's Tyfo® Fibrwrap® technology uses fiber-reinforced polymer composites to restore structural integrity to pipelines, bridges, buildings and other commercial structures.

Aegion has **more than 300 engineers** dedicated to designing custom infrastructure protection solutions.

Our unique and rich talent pool creates a competitive advantage for us in the marketplace.



FIELD ENGINEER

Deborah Bartley is an Insituform field engineer and has served as project manager on more than 175 cured-in-place pipe sewer rehabilitation projects over the past nine years.

TECHNOLOGY ENGINEER

With 19 years of service at United Pipeline Systems, **Ted Compton** is responsible for the company's engineering, project technical support, equipment design and research and development.

CORROSION ENGINEER

Dale Lindemuth, Corrpro's Director of Engineering, has 30 years of experience with Corrpro in corrosion control engineering for water and wastewater pipelines and the regulated energy pipeline industry. He is a NACE certified corrosion and cathodic protection specialist.

STRUCTURAL ENGINEER

Tomás Jiménez, P.E. leads Fyfe's Industrial and Pipelines Divisions in the United States and Canada and specializes in water transmission and industrial pipes and structures.

CORROSION EXPERTS

Corrosion wreaks havoc on infrastructure. There are many causes for it and many complex factors to consider in engineering solutions to protect against it.

Our staff, which includes certified technicians and engineers with backgrounds in metallurgy, polymer science, chemical engineering and liner manufacturing and installation, enables us to take on the toughest corrosion challenges associated with pipelines, bridges, harbors and other underground, submerged or embedded structures.

Our institutional knowledge of resins and epoxies, advanced research and rigorous engineering procedures have resulted in composite solutions that are thinner, stronger and more versatile.

Our contracting crews and field technicians are highly trained as well, promoting a strong "zero-injury" safety culture and productive work environment.

Investing in project management

Whether a project is very large or very small, successful execution depends on effective project management. In 2012, Aegion invested in talent development and IT systems, including Oracle® Primavera, that will benefit projects of all sizes by helping us improve our forecasting and cost control, optimize

crew and equipment utilization, improve contracting execution and speed our payment cycle. Our North American Water & Wastewater segment will be our first business to implement the new Oracle® Primavera system, which is scheduled for final rollout in 2013.

What is a master service agreement?

Cathodic protection systems use an electrochemical process to control corrosion of metal surfaces that are exposed to a corrosive environment. Often mandated by environmental regulations, these systems require ongoing monitoring and maintenance.

Corrpro delivers these services through long-term master service agreements that require regular job site visits,

frequent measurements and testing, ongoing system adjustments and regulatory reporting. Our master service agreement customers range from oil and gas companies to water and wastewater utilities to engineering firms.

→ Aegion's investment in talent acquisition and effective project management tools benefit projects of all sizes across all business platforms.

CASE STUDY A record CIPP project in Texas

Everything is bigger in Texas, including the sewer mains. That's where Insituform is completing the longest super-large diameter (i.e., 84 inches and bigger) cured-in-place pipe project in our history. Working for the Trinity River Authority of Texas, we are rehabilitating more than three miles of 96-inch sewers in the Dallas area. Given the \$16.3 million project's unprecedented complexity and size — it requires more than three million pounds of resin alone — our engineering, research and development and project management staff played an especially active role in project planning, engineering and logistics. Scheduled for completion in summer 2013, this was also the first project to employ our new Oracle® Primavera project management system.

CASE STUDY On-site engineers help oil refinery improve production

Engineers from our Corrpro subsidiary were first called to the site of a large North American oil refinery 26 years ago after more than 1,000 leaks were discovered in 250 miles of underground pipe. Since then, the cathodic protection systems we designed for these pipelines and, later, more than 500 above-ground tanks, have dramatically reduced corrosion in these critical assets.

Today, seven Corrpro engineers are stationed at the refinery year-round to maintain existing cathodic protection systems, design and construct new ones and perform the ongoing surveys required for effective corrosion protection for regulatory compliance. Unscheduled production interruptions due to pipe and tank corrosion are virtually non-existent.

Aegion crossed the **\$1 billion mark in revenues** for the first time in 2012.

We also generated a record \$111 million in operating cash for the year.



TRANSFORMATION-FUELED RESULTS

Aegion's 2012 financial results demonstrate the momentum building from our business transformation. They include:

Strong earnings per share growth

Earnings increased 50 percent to \$1.40 per diluted share in 2012, compared to \$0.93 in 2011 (non-GAAP). This excludes one-time acquisition related expenses. Our ability to expand earnings affirms the strength of our three-platform business model and validates that our portfolio additions and focus on attractive end-markets are working.

Record operating cash

Aegion significantly improved cash from operations in 2012, generating a record \$111 million. Earnings growth from our Energy & Mining platform, the strong recovery of our North American Water & Wastewater business, support from our Commercial & Structural platform, and improvements in our working capital management all contributed to this record.

Improving return on invested capital

At 7.4 percent, our return on invested capital (ROIC) for 2012 improved 150 basis points from 2011. Our improving ROIC reflects the growth in our Energy & Mining platform, changes we made to our North American Water & Wastewater business and the value of our Commercial & Structural acquisitions.

→ By expanding our portfolio with technologies we can combine into complete solutions, we increase our value to customers and shareholders alike.

New customers in 2012

We have strong relationships with our customers built on the success of our projects and the technologies we offer. We continue to expand geographically and attract customers in new end markets. Among our newest customers are:

- Merit Energy Company, a leading oil and gas company with over 11,000 wells located throughout the United States
- Government of Malaysia under the Department of Sewerage Services, Ministry of Energy, Green Technology & Water, based in Kuala Lumpur, Malaysia
- Armidale Dumaresq Council, the local government for a region of New South Wales in Australia
- Hong Kong Electric Co., one of Hong Kong's two primary electricity providers

Improved safety performance

Maintaining a safe workplace remains Aegion's top operational priority, a fact supported by our 2012 safety results. Our Energy & Mining and Water & Wastewater platforms all achieved recordable incident rates below our 2012 goals, and in some cases, substantially so. Each improved on their 2011 results. These results contribute to a highly productive work environment and take us a step closer to achieving the "zero-injury" safety culture we envision.

CASE STUDY

United Pipeline Systems and CRTS join forces in Chile

Many of the products in our portfolio are complementary and can work together. By integrating them into complete solutions, we are increasing our value to customers and leveraging our operating costs. That's what happened in Chile, where our United Pipeline Systems and CRTS subsidiaries teamed together for the first time on a 50-mile, 24-inch pipeline used to transport pre-treated sea water from a desalination plant in Caldera Bay to the Candelaria Copper Mine in northern Chile. United Pipeline Systems supplied support services and resources to CRTS, which then used its proprietary robotic technology to coat 6,400 pipe welded joints on the line.

Looking forward.

IT'S SIMPLE. IT'S AEGION.

2012 is not the end of Aegion's transformation, but a new beginning. Our task now is to build upon and leverage the strong foundation we have created through organic and inorganic initiatives that will improve our ability to address critical market needs.

Our priorities for 2013 are simple. We will focus on:

- protecting and rehabilitating pipelines in growth markets using technologies that matter to our customers;
- expanding our reach in building, transportation, industrial and other infrastructure markets that can benefit from our innovative solutions; and
- delivering sustainable earnings growth, converting earnings to cash efficiently and improving return on invested capital.





CORPORATE INFORMATION

EXECUTIVE OFFICERS OF AEGION CORPORATION

- ① **J. Joseph Burgess**
President and Chief Executive Officer
- ② **David F. Morris**
Senior Vice President, General Counsel, Chief Administrative Officer and Secretary
- ③ **David A. Martin**
Senior Vice President and Chief Financial Officer
- ④ **Brian J. Clarke**
Senior Vice President – Business Integration
- ⑤ **Laura M. Villa**
Vice President – Human Resources
- ⑥ **Kenneth L. Young**
Vice President and Treasurer

INDEPENDENT ACCOUNTANTS

PricewaterhouseCoopers LLP
800 Market Street | St. Louis, Missouri 63101

TRANSFER AGENT & REGISTRAR

American Stock Transfer & Trust Company
59 Maiden Lane | New York, New York 10038

PRICE RANGE OF SECURITIES

The Company's common shares, \$.01 par value, are traded on The Nasdaq Global Select Market under the symbol "AEGN." The following table sets forth the range of quarterly high and low sales prices for the years ended December 31, 2012 and 2011, as reported on The Nasdaq Global Select Market. Quotations represent prices between dealers and do not include retail mark-ups, mark-downs or commissions.

Period	High	Low
2012:		
First Quarter	\$ 20.25	\$ 15.75
Second Quarter	18.50	14.49
Third Quarter	22.00	16.96
Fourth Quarter	22.39	17.32
2011:		
First Quarter	\$ 30.00	\$ 24.00
Second Quarter	27.16	18.10
Third Quarter	22.86	11.39
Fourth Quarter	16.53	10.45

FORM 10-K

A copy of the Company's Annual Report on Form 10-K for the year ended December 31, 2012, as filed with the Securities and Exchange Commission, is available, free of charge, on our website, www.aegion.com. It also is available without charge upon request by writing to the Company's investor relations department at 17988 Edison Avenue, St. Louis, Missouri 63005.

BOARD OF DIRECTORS



Alfred L. Woods

Chairman of the Board
Ex Officio Member
All Standing Board Committees
*President,
Woods Group, LLC*



J. Joseph Burgess

Strategic Planning & Finance Committee
*President & CEO,
Aegion Corporation*



Stephen P. Cortinovis

Corporate Governance &
Nominating Committee [Chair]
Strategic Planning & Finance Committee
*Co-owner,
Lasco Foods, Inc.*



Stephanie A. Cuskley

Audit Committee [Chair]
Compensation Committee
*CEO,
NPower*



John P. Dubinsky

Strategic Planning & Finance Committee [Chair]
Compensation Committee
*President & CEO,
Westmoreland Associates, LLC*



Charles R. Gordon

Audit Committee, Corporate Governance
& Nominating Committee
*President & COO,
Heckmann Corporation*



Juanita H. Hinshaw

Compensation Committee [Chair]
Audit Committee
*President & CEO,
H & H Advisors*



M. Richard Smith

Corporate Governance & Nominating Committee
Strategic Planning & Finance Committee
*Board Member and Consultant,
Sithe Global Power, LLC*



Phillip D. Wright

Compensation Committee
Strategic Planning & Finance Committee
*Retired President & CEO,
Williams Energy Services, LLC*



Aegion Corporation

17988 Edison Avenue

St. Louis, MO 63005

(636) 530-8000

www.aegion.com

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