INSITUFORM TECHNOLOGIES INC
Form 10-Q/A
June 10, 2003

FORM 10-Q/A
AMENDMENT NO. 1
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

Quarterly Report Under Section 13 or 15(d)
of the Securities Exchange Act of 1934

For the Quarterly Period Ended March 31, 2003

Commission file number #0-10786

Insituform Technologies, Inc.
(Exact name of registrant as specified in its charter)

Delaware	13-3032158
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

702 Spirit 40 Park Drive, Chesterfield, Missouri 63005
(Address of Principal Executive Offices)

(636) 530-8000
(Registrant's telephone number including area code)

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes X No

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act).

Yes X No

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Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at May 30, 2003
Class A Common Stock, $.01 par value	26,465,915 Shares

EXPLANATORY NOTE

This Amendment No. 1 ("the Amendment") to the Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2003 (the "Form 10-Q") amends Part I, Item 2, "Management's Discussion and Analysis of Financial Condition and Results of Operations" to correct the rehabilitation segment's backlog amounts presented for contract backlog and apparent low bid expected in the next 12 months at March 31, 2003, and Part II, Item 6, "Exhibits and Reports on Form 8-K" to provide updated certifications pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

The remaining items in the registrant's Form 10-Q remain unchanged.

PART I - FINANCIAL INFORMATION

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following is management's discussion and analysis of certain significant factors that have affected the Company's financial condition and results of operations during the periods included in the accompanying consolidated financial statements. See the discussion of the Company's critical accounting policies in its Annual Report on Form 10-K for the year ended December 31, 2002; there have been no changes to these policies during the first quarter of 2003.

RESULTS OF OPERATIONS - Three Months Ended March 31, 2003 and 2002

The following table highlights the results for each of the segments and periods presented (in thousands):

	THREE MONTHS ENDED MARCH 31, 2003			
	REHABILITATION	TUNNELING	TITELINER(R)	TOTAL
Revenues	$ 92,367	$ 25,585	$5,396	$ 123,348
Gross Profit	23,468	3,161	1,640	28,269
Operating Income	8,814	1,441	931	11,186

	THREE MONTHS ENDED MARCH 31, 2002			
	REHABILITATION	TUNNELING	TITELINER(R)	TOTAL

Revenues	$ 91,442	$ 15,176	$4,558	$ 111,176
Gross Profit	24,307	3,051	1,531	28,889
Operating Income	8,626	1,866	742	11,234

Consolidated revenues from continuing operations for the first quarter of 2003 were $123.3 million, a 10.9% increase compared to first quarter 2002 revenues of $111.2 million. The tunneling segment, which increased revenues 68.6% to $25.6 million from $15.2 million in the first quarter of 2002, contributed most of the overall increase in revenues. First quarter 2003 tunneling revenues included $4.2 million directly attributable to the acquisition of Elmore Pipe Jacking, Inc. in May of 2002. The rest of the growth in tunneling was organic. First quarter 2003 rehabilitation revenues of $92.4 million represented a 1.0% increase over 2002 first quarter revenues. The relatively flat rehabilitation revenues were primarily a result of continued weak market conditions in North America, and problems in France. The Company is in the process of making changes to improve the French operation. Revenues for the Company's TiteLiner(R) segment ("TiteLiner") for the first quarter of 2003 were $5.4 million, 18.4% greater than 2002 first quarter revenues. In late 2002, the TiteLiner segment experienced an increase in orders and backlog, which translated into increased revenues in the first quarter of 2003. Orders were up in the tunneling segment in the first quarter of 2003 compared to the fourth quarter of 2002. This was offset by a decline in orders in the rehabilitation segment during the same time period. There is no apparent order trend going forward.

Cost of revenues from continuing operations for the first quarter of 2003 were $95.1 million, a 15.5% increase compared to first quarter 2002 cost of revenues of $82.3 million. Most of the increase in cost of revenues was attributable to growth in the tunneling segment. This growth increased cost of revenues $10.3 million in the first quarter of 2003 compared to the first quarter of 2002. Of the first quarter 2003 tunneling segment increase, $6.1 million was related to Elmore operations which were not added until May 2002.

Gross profit in the first quarter of 2003 decreased 2.1% to $28.3 million from $28.9 million in the first quarter of 2002. Overall gross margin for the first quarter of 2003 was 22.9%, a decrease from the 26.0% gross margin in the first quarter

of 2002. All segments experienced decreases in gross margin percentage, but the most pronounced change was in tunneling, where margins were 12.4% in the first quarter of 2003 compared to 20.1% in the first quarter of 2002. Unexpected costs from amounts owed to subcontractors on a project acquired from Elmore were primarily to blame for the lower margins in the tunneling segment. The tunneling segment has historically had operating income ratios comparable to or better than the Company's other segments. However, this is achieved with a lower and more volatile gross margin and lower operating expenses. As the tunneling segment becomes a more significant part of consolidated results, the tunneling segment results will tend to reduce the consolidated gross margin ratio but contribute to the consolidated operating income ratio.

Selling, general and administrative expenses were $17.1 million for the first quarter of 2003, a 3.3% improvement compared to $17.7 million for the first three months of 2002. The decrease in selling, general and administrative expenses was achieved despite an additional $0.6 million of selling, general and administrative expenses related to Elmore and is due primarily to a decrease in incentive compensation expense. Otherwise, selling, general and administrative expenses were flat over the same time period comparison. The Company has

substantially completed cost reduction and restructuring efforts announced in the fourth quarter of 2001 and the third quarter of 2002. See Note 5 regarding restructuring and discussion of amounts charged against the reserves during the first quarter of 2003.

Consolidated operating income from continuing operations remained unchanged at $11.2 million for the first quarter of 2003 compared to the first quarter of 2002. Rehabilitation and TiteLiner showed modest increases in operating income for the first quarter of 2003, which were offset by decreased operating income in tunneling. The previously discussed job acquired from Elmore primarily caused the decrease in tunneling operating income, but this unexpected cost item is expected to be a one-time event. In rehabilitation, strong profit performance in some domestic units was offset by weaker results in others. One of the normally strong rehabilitation units suffered from low backlog and under-performed significantly. The Company incurred large losses on unprofitable cured-in-place pipe ("CIPP") contracts in New York. The Kinsel rehabilitation operation had a difficult quarter with a combination of under-loading and operating difficulties. In Europe, performance in the Netherlands and Spain exceeded prior year while the French operation was unprofitable.

Interest expense of $1.2 million in the first quarter of 2003 was a 45.3% improvement compared to interest expense of $2.2 million in the first quarter of 2002. Approximately half of the decrease was due to the reversal of interest expense forgiven in a settlement with the former owners of the Kinsel operations. The remaining decrease in interest expense stems from lower interest rates on debt in 2003. Other income fell slightly to $0.4 million in the first quarter of 2003 from $0.5 million in the first quarter of 2002 due to interest rate decreases. The effective tax rate remained unchanged at 39.0% in the first quarter of 2003 compared to the first quarter of 2002.

Equity in earnings of affiliated companies decreased 83.7% in the first quarter of 2003 compared to the first quarter of 2002 due primarily to the discontinued affiliation with a joint venture partner in the third quarter of 2002. Minority interests remained flat during the same time periods.

Income from continuing operations for the first quarter of 2003 was $6.4 million, a 7.2% increase compared to $5.9 million in the first quarter of 2002. As operating income was consistent in the first quarter of 2003 compared to first quarter 2002, much of this increase in income from continuing operations resulted from the lower interest expense described above. Included in the results from continuing operations was a one-time gain of $0.6 million or $0.02 per diluted share from the settlement of claims against the former Kinsel owners. Discontinued operations provided $0.3 million of additional income due primarily to negotiated settlements between the Company and the former Kinsel owners, and between the Company and the purchasers of the wastewater treatment plant operations acquired from Kinsel. See Note 4 to the Consolidated Financial Statements for further discussion. This compares to a loss of $1.6 million from discontinued operations in the first quarter of 2002. Resulting net income was $6.6 million in the first quarter of 2003, a 53.4% increase compared to $4.3 million in net income in the first quarter of 2002.

The level of CIPP work bid by the Company in North America in the first quarter of 2003 was up slightly from 2002 but down from 2001. Bidding was stronger in March 2003. The Company's domestic CIPP bidding and order acquisition in April 2003 was high and comparable to the strong results for the same period in 2002. Tunneling prospects continue to be very strong but delays in bringing projects to market continue.

There is heightened uncertainty about the levels of municipal spending in fiscal 2004. While local budgets for water and sewer are relatively unaffected by the budget problems of state governments, there is concern about potential reductions in overall spending by cities.

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BACKLOG

The following table highlights backlog for each of the segments and at each date presented (in millions):

MARCH 31, 2003:

	CONTRACT BACKLOG	APPARENT LOW BID EXPECTED IN NEXT 12 MONTHS	UNRELEASED TERM EXPECTED IN NEXT 12 MONTHS	APPARENT LO AND UNRELE TERM AVAIL BEYOND 12 M
Rehabilitation	$ 92.5	$19.9	$38.2	$ 20
Tunneling	98.1	-	-	-
TiteLiner	5.5	-	-	-
Total	$196.1	$19.9	$38.2	$ 20

DECEMBER 31, 2002:

	CONTRACT BACKLOG	APPARENT LOW BID EXPECTED IN NEXT 12 MONTHS	UNRELEASED TERM EXPECTED IN NEXT 12 MONTHS	APPARENT LO AND UNRELE TERM AVAIL BEYOND 12 M
Rehabilitation	$112.1	$27.2	$34.3	$ 20
Tunneling	110.0	-	-	-
TiteLiner	5.1	-	-	-
Total	$227.2	$27.2	$34.3	$ 20

Contract backlog is management's expectation of revenues to be generated from received, signed, uncompleted contracts whose cancellation is not anticipated at the time of reporting. Reported contract backlog excludes any term contract amounts for which there is not specific and determinable work released. At March 31, 2003, the Company reported contract backlog (excluding projects where the Company has been advised that it is the low bidder, but not formally awarded the contract) of $196.1 million, a $31.1 million decrease from December 31, 2002 contract backlog of $227.2 million. The Company anticipates that a significant portion of contract backlog reported at March 31, 2003 and an additional $58.1 million of unreleased term contracts and jobs on which the Company is the apparent low bidder will be completed in the next twelve-month period. An additional $20.3 million of unreleased term contract work and work on which the Company is the apparent low bidder is anticipated for completion beyond the twelve-month period. Backlog estimates beyond one year are inherently subject to

greater uncertainty due to their long-term nature. All backlog values are the estimate of management based on contracts outstanding at March 31, 2003 and are subject to change due to factors beyond the control of the Company, such as modification or cancellation of the contract award.

LIQUIDITY AND CAPITAL RESOURCES

Cash and cash equivalents were $83.4 million at March 31, 2003, an $8.0 million increase in the first quarter of 2003 compared to $75.4 million at December 31, 2002. The balance of cash and cash equivalents included $3.4 million and $4.0 million at March 31, 2003 and December 31, 2002, respectively, restricted in various escrow accounts. Operating activities from continuing operations contributed $13.9 million to the increase, primarily from net income of continuing operations and a $4.1 million decrease in working capital. Operating cash flow from continuing activities contributed $6.2 million in the first quarter of 2002 when working capital increases used $4.3 million of cash. Discontinued operations provided an additional $1.8 million during the first quarter of 2003 mainly from the settlement of claims against the former Kinsel owners. This compares to the use of $0.3 million of cash by discontinued operations in the first quarter of 2002.

Spending on investing and financing activities was down 48.1% and 71.2%, respectively, in the first quarter of 2003 compared to the first quarter of 2002. The primary use of cash for investing in the first quarter of 2003 was $2.1 million in capital expenditures compared to the first quarter of 2002 when $5.5 million was spent on capital projects, $1.2 million was collected on the sale of fixed assets, and $1.5 million was contributed from the sale of Kinsel's wastewater treatment plant operations. Primary uses of cash for financing during the first three months of 2003 were $1.4 million for the repurchase of the Company's stock and $18.7 million to repay long-term debt, $15.7 million of which was a scheduled annual payment on the Company's Senior Notes. This was offset by the borrowing of an additional $14.5 million on the lines of credit during the quarter. By comparison, in the first quarter of 2002, $2.2 million was expended for the

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repurchase of Company stock and $17.2 million was paid on long-term debt. Much of the decrease in spending for capital items is due to cost containment and focused capital preservation efforts for the purpose of maintaining operational flexibility. The Company purchased 110,000 shares in the first quarter of 2003 for $1.4 million compared to 100,000 repurchased shares in the first quarter of 2002 for $2.2 million. On a cumulative basis, the Company has spent $74.0 million to repurchase 3,919,615 shares through March 31, 2003 since the inception of the stock repurchase program originally authorized in 1998. In April 2003, the Company indefinitely extended its repurchase program, which was due to expire in June 2003. Repurchased shares are held as treasury stock until reissued.

Trade receivables, along with retainage under construction contracts, totaled $116.2 million at March 31, 2003, an 8.9% increase compared to $106.7 million in combined receivables at December 31, 2002. A majority of this increase was due to the invoicing and reclassification of a significant amount of unbilled revenue in the tunneling segment for services rendered prior to December 31, 2002. Consolidated unbilled revenue decreased $7.3 million from $36.7 million at December 31, 2002 to $29.4 million at March 31, 2003.

Effective March 27, 2003, the Company entered into a new three-year bank

revolving credit facility (the "Credit Agreement") to replace its expiring bank credit facility. This new facility provides the Company with borrowing capacity of up to $75 million. The quarterly commitment fee ranges from 0.2% to 0.3% per annum on the unborrowed balance depending on the leverage ratio determined as of the last day of the Company's preceding fiscal quarter. At the Company's option, the interest rates will be either (i) the LIBOR plus an additional percentage that varies from 0.75% to 1.5% depending on the leverage ratio or (ii) the higher of (a) the prime rate or (b) the federal funds rate plus 0.50%. At March 31, 2003, the Company had unused committed bank credit facilities under the Credit Agreement totaling $28.8 million and the commitment fee was 0.25%. The interest rate under the Credit Agreement was 4.25% and the balance was $40.0 million as of March 31, 2003.

The Company's Senior Notes, Series A, due February 14, 2007, bear interest, payable semi-annually in August and February of each year, at the rate per annum of 7.88%. Each year, from February 2004 to February 2007, inclusive, the Company will be required to make principal payments of $15.7 million, together with an equivalent payment at maturity. On March 31, 2003, the principal amount of Senior Notes, Series A, outstanding was $62.9 million.

On April 24, 2003, the Company placed an additional $65 million of Senior Notes, Series 2003-A, with certain institutional investors through a private offering, bringing the total Series A and Series 2003-A Senior Notes outstanding to $127.9 million at that date. The Senior Notes, Series 2003-A, are due April 24, 2013 and bear interest, payable semi-annually in April and October of each year, at a rate of 5.29% per annum. The principal amount is due in a single payment on April 24, 2013. The Senior Notes, Series 2003-A, may be prepaid at the Company's option, in whole or in part, at any time, together with a make-whole premium. Upon specified change in control events, each holder has the right to require the Company to purchase its Senior Notes, Series 2003-A, without any premium thereon. The proceeds of the Senior Notes, Series 2003-A, were used to pay off the balance on the line of credit and to provide future liquidity.

The note purchase agreements pursuant to which the Senior Notes, Series A and Series 2003-A, were issued, and the Credit Agreement, obligate the Company to comply with certain financial ratios and restrictive covenants that, among other things, place limitations on operations and sales of assets by the Company or its subsidiaries, limit the ability of the Company to incur further secured indebtedness and liens and of subsidiaries to incur indebtedness, and, in the event of default, limit the ability of the Company to pay cash dividends or make other distributions to the holders of its capital stock or to redeem such stock. At March 31, 2003, the Company was in compliance with all debt covenants.

The Company believes it has adequate resources and liquidity to fund future cash requirements for working capital, capital expenditures and debt repayments with cash generated from operations, existing cash balances, additional short- and long-term borrowing and the sale of assets.

DISCLOSURE OF FINANCIAL OBLIGATIONS AND COMMERCIAL COMMITMENTS

The Company has entered into various financial obligations and commitments in the course of its ongoing operations and financing strategies. Financial obligations are considered to represent known future cash payments that the Company is required to make under existing contractual arrangements, such as debt and lease agreements. These obligations may result from both general financing activities as well as from commercial arrangements that are directly supported by related revenue-producing activities. Commercial commitments represent contingent obligations of the Company, which become payable only if certain pre-defined events were to occur, such as funding financial guarantees. See Note 14 to the Consolidated Financial Statements included in the Company's 2002 Annual Report on Form 10-K for additional disclosure of financial obligations and commercial commitments.

The following table provides a summary of the Company's financial obligations and commercial commitments as of March 31, 2003 (in thousands). This table includes cash obligations related to principal outstanding under existing debt arrangements and operating leases.

				PAYMENTS DUE BY PERIOD		
Cash Obligations*	TOTAL	2003	2004	2005	2006	20
Long-term debt**	$ 155,374	$ 23,360	$ 17,377	$ 17,007	$16,764	$15,
Line of credit facility***	40,498	40,498	-	-	-	
Operating leases	44,472	13,531	9,386	6,062	4,470	3,
Total contractual cash obligations	$ 240,344	$ 77,389	$ 26,763	$ 23,069	$21,234	$19,

* Cash obligations herein are not discounted and do not include related interest. See Notes 10 and 11 to the Consolidated Financial Statements regarding commitments and contingencies and debt issued subsequent to the balance sheet date, respectively.
** On April 24, 2003, the Company placed an additional $65 million of Senior Notes, Series 2003-A, with principal due in a single payment on April 24, 2013. See Note 11 to the Consolidated Financial Statements for additional discussion regarding the Senior Notes.
*** Effective March 27, 2003, the Company entered into a new three-year bank revolving credit facility to replace its expiring bank credit facility. The Company uses the credit facility for short-term borrowing and discloses amounts outstanding as a current liability. See Note 11 to the Consolidated Financial Statements for additional discussion regarding the credit facility.

NEW ACCOUNTING PRONOUNCEMENTS

In June 2002, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards No. 146 ("SFAS 146"), "Accounting for Costs Associated with Exit or Disposal Activities." SFAS 146 requires an entity to recognize, and measure at fair value, a liability for costs associated with an exit or disposal activity in the period in which the liability is incurred. SFAS 146 supercedes Emerging Issues Task Force Issue ("EITF") No. 94-3, "Liability Recognition for Certain Employee Termination Benefits and Other Costs to Exit an Activity (Including Certain Costs Incurred in a Restructuring)." SFAS 146 is effective for exit or disposal activities that are initiated after December 31, 2002. The Company has adopted the provisions of SFAS 146 effective January 1, 2003. There was no material impact upon adoption.

In November 2002, FASB issued FASB Interpretation No. 45 ("FIN 45"), "Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others," which elaborates on the disclosures to be made by a guarantor in its interim and annual financial statements about its obligations under certain guarantees that it has issued along with expanded disclosures of warranty reserves. It also requires that a

guarantor recognize a liability for the fair value of the obligation undertaken in issuing the guarantee at the inception of the guarantee. This interpretation incorporates the guidance in FIN 34, "Disclosure of Indirect Guarantees of Indebtedness of Others," which is being superseded. The initial recognition and initial measurement provisions of FIN 45 are applicable on a prospective basis to guarantees issued or modified after December 31, 2002, irrespective of the guarantor's fiscal year-end and the disclosure requirements are effective for financial statements of interim or annual periods ending after December 15, 2002. Adoption of FIN 45 did not have a material impact on the consolidated financial statements. See Note 10 to the Consolidated Financial Statements regarding commitments and contingencies.

In December 2002, FASB issued Statement of Financial Accounting Standards No. 148 ("SFAS 148"), "Accounting for Stock-Based Compensation -- Transition and Disclosure." SFAS 148 amends SFAS 123, "Accounting for Stock-Based Compensation" and allows two alternative methods of transition for a voluntary change to the more preferable fair value based method of accounting for stock-based employee compensation. These methods avoid the ramp-up effect arising from prospective application of the fair value based method. The Statement also amends Accounting Principles Board Opinion No. 28 ("APB 28"), "Interim Financial Reporting," and requires disclosure of comparable information for all companies regardless of whether, when, or how an entity adopts the fair value based method of accounting and requires the inclusion of the disclosure in financial reports for interim periods. SFAS 148 is effective for interim and year-end financial statements for fiscal years ending after December 15, 2002. As previously disclosed, the Company will continue to account for stock compensation pursuant to APB 25. However, it has adopted the disclosure provisions of SFAS 148 and continues to evaluate its options.

In January 2003, FASB issued FASB Interpretation No. 46 ("FIN 46"), "Consolidation of Variable Interest Entities," which addresses the reporting and consolidation of variable interest entities as they relate to a business enterprise. This

interpretation incorporates and supercedes the guidance set forth in Accounting Research Bulletin No. 51 ("ARB 51"), "Consolidated Financial Statements." It requires the consolidation of variable interests into the financial statements of a business enterprise if that enterprise holds a controlling financial interest via other means than the traditional voting majority. The requirements of FIN 46 are effective immediately for variable interest entities created after January 31, 2003 and thereafter, or the first reporting period after June 15, 2003 for variable interest entities for which an enterprise holds a variable interest that it acquired prior to February 1, 2003. The Company does not expect that the adoption of FIN 46 will have a material impact on its future consolidated financial statements.

MARKET RISK

The Company is exposed to the effect of interest rate changes and foreign currency fluctuations. Due to the immateriality of potential impacts from changes in these rates, the Company does not use derivative contracts to manage these risks.

INTEREST RATE RISK

The fair value of the Company's cash and short-term investment portfolio at March 31, 2003 approximated carrying value. Given the short-term nature of these

instruments, market risk, as measured by the change in fair value resulting from a hypothetical 10% change in interest rates, is not material.

The Company's objectives in managing exposure to interest rate changes are to limit the impact of interest rate changes on earnings and cash flows and to lower overall borrowing costs. To achieve these objectives, the Company maintains fixed rate debt as a percentage of its net debt in a percentage range set by policy. The impact to earnings and cash flows from a hypothetical 10% decrease in the Company's debt specific borrowing rates at March 31, 2003 was not material.

FOREIGN EXCHANGE RISK

The Company operates subsidiaries, and is associated with licensees and affiliates operating solely in countries outside of the United States, and in currencies other than the U.S. dollar. Consequently, these operations are inherently exposed to risks associated with fluctuation in the value of the local currencies of these countries compared to the U.S. dollar. The effect of a hypothetical adverse change of 10% in exchange rates (a strengthening of the U.S. dollar) was immaterial and would be largely offset by cash activity.

OFF-BALANCE SHEET ARRANGEMENTS

The Company uses various structures for the financing of operating equipment, including borrowing, operating and capital leases, and sale-leaseback arrangements. All debt, including the discounted value of future minimum lease payments under capital lease arrangements, is presented in the balance sheet. The Company also has exposure under performance guarantees by contractual joint ventures and indemnification of its bonding agent and licensees. However, the Company has never experienced any material adverse effects to financial position, results of operations or cash flows relative to these arrangements. The Company has no other off-balance sheet financing arrangements or commitments.

MANAGEMENT CHANGES

Effective April 1, 2003, Thomas S. Rooney, Jr. was named President and Chief Operating Officer, reporting to Anthony W. (Tony) Hooper, who remains Chairman and Chief Executive Officer. The new position was created to lead all of the Company's operating segments, which now report directly to Mr. Rooney. The addition of Mr. Rooney, who has over 20 years of experience with large construction companies, brings additional strength to the management team and will aid in the integration and development of the Company's business units.

FORWARD-LOOKING INFORMATION

This quarterly report contains various forward-looking statements that are based on information currently available to management and on management's beliefs and assumptions. When used in this document, the words "anticipate," "estimate," "believes," "plans," and similar expressions are intended to identify forward-looking statements, but are not the exclusive means of identifying such statements. Such statements are subject to risks and uncertainties. The Company's actual results may vary materially from those anticipated, estimated or projected due to a number of factors, such as the competitive environment for the Company's products and services, the geographical distribution and mix of the Company's work, the timely award or cancellation of projects, political circumstances impeding the progress of work, and other factors set forth in reports and other documents filed by the Company with the Securities and Exchange Commission from time to time. The Company does not assume a duty to update forward-looking statements. Please use caution and do not place reliance on forward-looking statements.

PART II - OTHER INFORMATION

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) The exhibits filed as part of this Quarterly Report on Form 10-Q/A are listed on the annexed Index to Exhibits.

(b) On March 12, 2003, the Company filed a Current Report on Form 8-K, under Item 9, to provide the Company's press release, dated March 12, 2003, announcing the creation of a Chief Operating Officer position. In addition, on April 25, 2003, the Company filed a Current Report on Form 8-K, under Item 9 and pursuant to Item 12, to provide the Company's earnings release, dated April 24, 2003, announcing its financial results for the fiscal quarter ended March 31, 2003. The Company also filed a Current Report on Form 8-K on May 1, 2003, under Item 9 and pursuant to Item 12, to provide a transcript of its April 25, 2003 conference call held to announce and discuss its financial results for the fiscal quarter ended March 31, 2003.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

INSITUFORM TECHNOLOGIES, INC.

June 10, 2003

/s/ Joseph A. White

Joseph A. White
Vice President - Chief Financial Officer
Principal Financial and Accounting Officer

CERTIFICATIONS

I, Anthony W. Hooper, certify that:

1. I have reviewed this quarterly report on Form 10-Q/A of Insituform Technologies, Inc.;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: June 10, 2003

/s/ Anthony W. Hooper

Anthony W. Hooper
Chairman and Chief Executive Officer

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I, Joseph A. White, certify that:

1. I have reviewed this quarterly report on Form 10-Q/A of Insituform Technologies, Inc.;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: June 10, 2003

/s/ Joseph A. White

Joseph A. White
Vice President and Chief Financial Officer

INDEX TO EXHIBITS

10.1 Note Purchase Agreement (the "Note Purchase Agreement") dated as of April 24, 2003 among the Company and each of the lenders listed therein.

10.2 Amended and Restated Intercreditor Agreement dated as of April 24, 2003 among Bank of America, N.A. and the Noteholders.

10.3 Employment Letter dated March 7, 2003 between the Company and Thomas S. Rooney, Jr. (1)

99.1 Certification of Anthony W. Hooper pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

99.2 Certification of Joseph A. White pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

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(1) Management contract or compensatory plan or arrangement.