

WILLBROS GROUP INC
Form 10-Q
November 09, 2006
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D. C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended September 30, 2006

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____

Commission file number 1-11953

Willbros Group, Inc.

(Exact name of registrant as specified in its charter)

Republic of Panama
(Jurisdiction of incorporation)

98-0160660
(I.R.S. Employer Identification Number)

Plaza 2000 Building

50th Street, 8th Floor

P.O. Box 0816-01098

Panama, Republic of Panama

Telephone No.: +50-7-213-0947

(Address, including zip code, and telephone number, including
area code, of principal executive offices of registrant)

NOT APPLICABLE

(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 No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act. (Check one): Large Accelerated Filer Accelerated Filer Non-Accelerated Filer

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

The number of shares of the registrant's Common Stock, \$.05 par value, outstanding as of November 1, 2006 was 25,525,914

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WILLBROS GROUP, INC.

FORM 10-Q

FOR QUARTER ENDED SEPTEMBER 30, 2006

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	September 30, 2006	December 31, 2005
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 15,476	\$ 55,933
Restricted cash	1,500	
Accounts receivable, net	102,414	83,986
Contract cost and recognized income not yet billed	14,963	7,619
Prepaid expenses	16,291	11,871
Parts and supplies inventories	2,135	2,509
Assets of discontinued operations	285,729	261,099
Total current assets	438,508	423,017
Deferred tax assets	3,700	4,247
Property, plant and equipment, net	66,467	59,706
Goodwill	6,894	6,687
Other assets	9,027	5,324
Total assets	\$ 524,596	\$ 498,981
LIABILITIES AND STOCKHOLDERS EQUITY		
Current liabilities:		
Notes payable and current portion of long-term debt	\$ 2,660	\$ 2,680
Accounts payable and accrued liabilities	82,219	67,582
Contract billings in excess of cost and recognized income	6,950	1,342
Accrued income tax	783	2,368
Liabilities of discontinued operations	180,153	144,085
Total current liabilities	272,765	218,057
2.75% Convertible senior notes	70,000	70,000
6.5% Senior convertible notes	84,500	65,000
Long-term debt	10,380	340
Other liabilities	337	350
Total liabilities	437,982	353,747
Contingencies and commitments (Note 10)		
Stockholders equity:		
Class A preferred stock, par value \$.01 per share, 1,000,000 shares authorized, none issued		
Common stock, par value \$.05 per share, 70,000,000 shares authorized (35,000,000 shares at December 31, 2005); 21,959,470 shares issued (21,649,475 at December 31, 2005)	1,099	1,082

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Capital in excess of par value	163,139	161,596
Accumulated deficit	(80,013)	(15,166)
Treasury stock at cost, 155,916 shares (98,863 at December 31, 2005)	(1,960)	(1,163)
Deferred compensation		(3,720)
Notes receivable for stock purchases		(231)
Accumulated other comprehensive income	4,349	2,836
Total stockholders' equity	86,614	145,234
Total liabilities and stockholders' equity	\$ 524,596	\$ 498,981

See accompanying notes to condensed consolidated financial statements.

Table of Contents**WILLBROS GROUP, INC.****CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS****(In thousands, except share and per share amounts)****(Unaudited)**

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2006	2005	2006	2005
Contract revenue	\$ 125,466	\$ 65,034	\$ 352,181	\$ 176,527
Operating expenses:				
Contract	113,418	59,430	320,628	161,368
Depreciation and amortization	3,265	2,996	9,180	8,547
General and administrative	11,092	10,376	33,133	30,262
	127,775	72,802	362,941	200,177
Operating loss	(2,309)	(7,768)	(10,760)	(23,650)
Other income (expense):				
Interest net	(2,709)	(1,602)	(6,132)	(2,637)
Other net	432	(674)	105	482
	(2,277)	(2,276)	(6,027)	(2,155)
Loss from continuing operations before income taxes	(4,586)	(10,044)	(16,787)	(25,805)
Provision (benefit) for income taxes	379	(1,094)	1,811	(1,969)
Net loss from continuing operations	(4,965)	(8,950)	(18,598)	(23,836)
Loss from discontinued operations net of provision for income taxes	(17,136)	(8,603)	(46,249)	(13,534)
Net loss	\$ (22,101)	\$ (17,553)	\$ (64,847)	\$ (37,370)
Basic loss per common share:				
Loss from continuing operations	\$ (0.23)	\$ (0.42)	\$ (0.87)	\$ (1.12)
Loss from discontinued operations	(0.80)	(0.41)	(2.15)	(0.64)
Net loss	\$ (1.03)	\$ (0.83)	\$ (3.02)	\$ (1.76)
Diluted loss per common share:				
Loss from continuing operations	\$ (0.23)	\$ (0.42)	\$ (0.87)	\$ (1.12)
Loss from discontinued operations	(0.80)	(0.41)	(2.15)	(0.64)
Net loss	\$ (1.03)	\$ (0.83)	\$ (3.02)	\$ (1.76)
Weighted average number of common shares outstanding:				
Basic	21,557,695	21,254,987	21,480,730	21,252,994

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Diluted	21,557,695	21,254,987	21,480,730	21,252,994
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See accompanying notes to condensed consolidated financial statements.

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WILLBROS GROUP, INC.

CONDENSED CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY

AND COMPREHENSIVE INCOME (LOSS)

(In thousands, except share amounts)

(Unaudited)

	Common Stock		Capital	Accumu-	Treasury	Compen-	Notes	Accumulated	Total
	Shares	Par Value	in Excess	lated	Stock	sation	Receivable	Other	Stock-
			of Par	Deficit			for	Compre-	holders
			Value				Stock	hensive	Equity
							Purchases	(Loss)	
Balance,									
January 1, 2006	21,649,475	\$ 1,082	\$ 161,596	\$ (15,166)	\$ (1,163)	\$ (3,720)	\$ (231)	\$ 2,836	\$ 145,234
Comprehensive loss:									
Net loss				(64,847)					(64,847)
Foreign currency translation adjustment								1,513	1,513
Total comprehensive loss									(63,334)
Adoption of SFAS 123R			(3,720)			3,720			
Amortization of note discount							(12)		