

WILLBROS GROUP INC
Form 424B3
August 07, 2007

**Filed pursuant to Rule 424(b)(3)
Registration No. 333-139499**

**Prospectus Supplement No. 6
(To Prospectus dated May 4, 2007)**

**4,280,714
SHARES
WILLBROS GROUP, INC.
COMMON STOCK**

This prospectus supplement No. 6 supplements and amends the prospectus dated May 4, 2007, as supplemented and amended by that certain prospectus supplement No. 1 dated May 10, 2007, that certain prospectus supplement No. 2 dated May 17, 2007, that certain prospectus supplement No. 3 dated May 24, 2007, that certain prospectus supplement No. 4 dated May 30, 2007 and that certain prospectus supplement No. 5 dated June 8, 2007 (the Prospectus). This prospectus supplement should be read in conjunction with the Prospectus, which is to be delivered with this prospectus supplement.

There are significant risks associated with an investment in our securities. These risks are described under the caption Risk Factors beginning on page 6 of the Prospectus, as the same may be updated in prospectus supplements.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying Prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus supplement is August 7, 2007.

Second Quarter 2007 Results from Continuing Operations

On August 7, 2007, Willbros Group, Inc. (the Company) reported its unaudited results from continuing operations for the second quarter of 2007. Revenue from continuing operations for the second quarter of 2007 was \$156.7 million, compared to first quarter revenue of \$206.7 million. The net loss from continuing operations for the second quarter was \$40.4 million or \$1.47 per share compared to \$3.3 million, or \$0.13 per share in the first quarter of 2007. The net loss from continuing operations for the second quarter includes

a charge of \$24.0 million in estimated payments relating to settlement discussions with the Department of Justice (DOJ) and the Securities and Exchange Commission (SEC) and

a charge of \$15.4 million relating to the loss on early extinguishment of debt associated with the induced conversion of approximately \$52 million of the Company's 6.5% Senior Convertible Notes due 2012.

As previously disclosed in January 2005, the Company is under investigation by the DOJ concerning possible violations of the Foreign Corrupt Practices Act and the SEC for possible violations of the Securities Act of 1933 and the Securities Exchange Act of 1934. These investigations stem primarily from the Company's former operations in Bolivia, Ecuador and Nigeria. The Company is currently engaged in preliminary settlement discussions with both the DOJ and the SEC relating to their investigations. There can be no assurance as to the type and number of charges against the Company in any final resolution of these investigations, nor can there be any assurance regarding the amount of the payments, including fines and penalties, that may be imposed. Although these discussions are still preliminary, the Company recorded a charge of \$24.0 million (\$0.87 per basic and diluted share) in the second quarter of 2007. This charge represents the Company's best estimate of the payments necessary to resolve the government investigations. The Company may be required to record an additional provision or reduce this provision if the actual settlement amount of these matters differs from the current provision. The Company anticipates that the terms for these payments will not materially impact the Company's working capital position or otherwise negatively impact its compliance with debt covenants and other contractual commitments. Although the Company believes that it is moving towards a final resolution of both investigations, it is not possible to predict definitively when final resolution will occur.

WILLBROS GROUP, INC.
(In Thousands, Except Per Share Amounts)

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|--|--------------------------------|------------|------------------------------|-------------|
| | 2007 | 2006 | 2007 | 2006 |
| <u>Statement of Operations Data</u> | | | | |
| <u>Contract revenue</u> | | | | |
| Construction | \$ 111,949 | \$ 87,235 | \$ 282,654 | \$ 166,383 |
| Engineering | 20,801 | 19,924 | 40,456 | 35,405 |
| EPC | 23,993 | 11,969 | 40,342 | 24,927 |
| | 156,743 | 119,128 | 363,452 | 226,715 |
| <u>Contract cost</u> | | | | |
| Construction | 99,558 | 78,551 | 264,562 | 155,260 |
| Engineering | 14,543 | 15,734 | 30,132 | 29,306 |
| EPC | 23,768 | 1,462 | 37,007 | 22,644 |
| | 137,869 | 105,747 | 331,701 | 207,210 |
| <u>Contract income</u> | | | | |
| Construction | 12,391 | 8,684 | 18,092 | 11,123 |
| Engineering | 6,258 | 4,190 | 10,324 | 6,099 |
| EPC | 225 | 507 | 3,335 | 2,283 |
| | 18,874 | 13,381 | 31,751 | 19,505 |
| Depreciation and amortization | 4,310 | 2,924 | 7,766 | 5,915 |
| General and administrative | 13,422 | 11,636 | 24,847 | 22,041 |
| Government fines and penalties | 24,000 | | 24,000 | |
| Operating loss | (22,858) | (1,179) | (24,862) | (8,451) |
| <u>Other income (expense):</u> | | | | |
| Interest net | (187) | (1,787) | (1,077) | (3,423) |
| Other net | (502) | (452) | (692) | (327) |
| Loss on early Extinguishment of debt | (15,375) | | (15,375) | |
| | (16,064) | (2,239) | (17,144) | (3,750) |
| Loss before income taxes | (38,922) | (3,418) | (42,006) | (12,201) |
| Provision for income taxes | 1,457 | 1,686 | 1,712 | 1,432 |
| Loss from continuing operations | \$ (40,379) | \$ (5,104) | \$ (43,718) | \$ (13,633) |
| Basic loss per share Continuing operations | \$ (1.47) | (0.24) | (1.65) | (0.63) |
| | \$ (1.47) | (0.24) | (1.65) | (0.63) |
| Diluted loss per share Continuing operations | \$ (1.47) | (0.24) | (1.65) | (0.63) |

\$ (1.47) (0.24) (1.65) (0.63)

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| | Three Months Ended | | Six Months Ended | |
|-----------------------------|--------------------|------------|------------------|-------------|
| | June 30, | | June 30, | |
| | 2007 | 2006 | 2007 | 2006 |
| <u>Cash Flow Data</u> | | | | |
| Continuing operations: | | | | |
| Cash provided by (used in): | | | | |
| Operating activities | \$ 9,743 | \$ (8,692) | \$ 2,403 | \$ (10,426) |
| Investing activities | (25,911) | 3,649 | 102,877 | 21,312 |
| Financing activities | (17,907) | (3,400) | (22,092) | 11,181 |
| Foreign exchange effects | (636) | (158) | (453) | (118) |

Other Data (Continuing Operations)

Weighted average shares outstanding:

| | | | | |
|----------------------|-------------|----------|-------------|------------|
| Basic | 27,516 | 21,539 | 26,505 | 21,442 |
| Diluted | 27,516 | 21,539 | 26,505 | 21,442 |
| EBITDA (2) | \$ (34,425) | \$ 1,293 | \$ (33,163) | \$ (2,863) |
| Capital expenditures | (8,334) | (1,594) | (10,836) | (5,157) |

Reconciliation of Non-GAAP Financial MeasureEBITDA (2)

| | | | | |
|---------------------------------|-------------|------------|-------------|-------------|
| Net loss, continuing operations | \$ (40,379) | \$ (5,104) | \$ (43,718) | \$ (13,633) |
| Interest net | 187 | 1,787 | 1,077 | 3,423 |
| Income taxes | 1,457 | 1,686 | 1,712 | 1,432 |
| Depreciation and amortization | 4,310 | 2,924 | 7,766 | 5,915 |
| EBITDA | \$ (34,425) | \$ 1,293 | \$ (33,163) | \$ (2,863) |

| | 6/30/2007 | 3/31/2007 | 12/31/2006 |
|---------------------------|------------|------------|------------|
| <u>Balance Sheet Data</u> | | | |
| Cash and cash equivalents | \$ 107,762 | \$ 145,439 | \$ 37,643 |
| Working capital | 116,426 | 161,046 | 170,825 |
| Total assets | 406,568 | 410,714 | 588,254 |
| Total debt | 136,420 | 167,789 | 166,152 |
| Stockholders' equity | 102,155 | 84,569 | 97,931 |

Backlog Data (1)By Reporting Segment:

| | | | |
|--------------|--------------|------------|------------|
| Construction | \$ 808,617 | \$ 397,080 | \$ 320,461 |
| Engineering | 90,943 | 92,615 | 109,122 |
| EPC | 144,686 | 158,594 | 172,689 |
| | \$ 1,044,246 | \$ 648,289 | \$ 602,272 |

By Geographic Area:

| | | | |
|---------------|-----------|---------|---------|
| North America | 1,009,524 | 611,630 | 565,408 |
| Middle East | 34,722 | 36,659 | 36,864 |

\$ 1,044,246 \$ 648,289 \$ 602,272

- (1) Backlog is anticipated contract revenue from projects for which award is either in hand or assured.
- (2) EBITDA is earnings before net interest, income taxes and depreciation and amortization. EBITDA as presented may not be comparable to other similarly titled measures reported by other companies. The Company believes EBITDA is a useful measure of evaluating its financial performance because of its focus on the Company's results from operations before net interest, income taxes, depreciation and amortization. EBITDA is not a measure of financial performance under generally accepted accounting

principles.
However,
EBITDA is a
common
alternative
measure of
operating
performance
used by
investors,
financial
analysts and
rating agencies.

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