

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, DC 20549

**FORM 8-K**

**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): **August 12, 2010**

**WILLDAN GROUP, INC.**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State of other jurisdiction  
of incorporation)

**001-33076**  
(Commission File Number)

**14-1951112**  
(IRS Employer  
Identification No.)

**2401 East Katella Avenue, Suite 300, Anaheim, California 92806**  
(Address of Principal Executive Offices)

Registrant's telephone number, including area code: **(800) 424-9144**

**Not Applicable**  
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425).
- Soliciting material pursuant to Rule 14A-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

**Item 2.02. Results of Operation and Financial Condition**

Willdan Group, Inc. ("Willdan") issued a press release on August 12, 2010. The press release announced its financial results for the second quarter ended July 2, 2010. The press release is filed as Exhibit 99.1 and is hereby incorporated by reference in its entirety. The information in this Form 8-K and the exhibit attached hereto is being furnished (not filed) under Item 2.02 of Form 8-K.

**Item 9.01 Financial Statements and Exhibits**

(d) Exhibits.

99.1 Press Release of Willdan Group, Inc. dated August 12, 2010 (financial results for the second quarter ended July 2, 2010)

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 hereunto duly authorized.

WILLDAN GROUP, INC.

Date: August 12, 2010

By: /s/ Kimberly D. Gant  
Kimberly D. Gant  
Chief Financial Officer

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EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Document</u>
99.1	Press Release of Willdan Group, Inc. dated August 12, 2010 (Financial results for the second quarter ended July 2, 2010)

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## Willdan Reports Second Quarter 2010 Financial Results

ANAHEIM, Calif., August 12, 2010 (BUSINESS WIRE) — **Willdan Group, Inc. (“Willdan”)** (NASDAQ:WLDN), today announced financial results for its second quarter ended July 2, 2010.

For the second quarter of 2010, Willdan reported total contract revenue of \$20.4 million and net income of \$1.3 million, or \$0.17 per share.

Tom Brisbin, Willdan’s Chief Executive Officer, stated: *“We’re pleased to report our second consecutive quarter of profitability in 2010. Our energy and homeland security services groups are doing well and have a favorable outlook for the future.*

*Our traditional engineering group is now stable and breaking even. Our financial services group, which realized a decline in revenue, continued to be profitable. We believe that we have now turned the corner and that our diversified business model will position Willdan for continued profitable growth ahead.”*

### Second Quarter 2010 Results

For the second quarter of fiscal 2010, revenue was \$20.4 million, up \$4.9 million, or 31.6%, from revenue of \$15.5 million for the comparable period last year. On a sequential basis, revenue was up \$3.4 million, or 20.0%, from the first quarter of 2010. Income from operations was \$1.3 million for the second quarter of fiscal 2010, as compared to a loss from operations of \$1.4 million for the comparable period last year. On a sequential basis, income from operations was up \$0.9 million, or 225.0%, from income from operations of \$0.4 million for the first quarter of 2010.

Net income was \$1.3 million for the second quarter of fiscal 2010, as compared to a net loss of \$0.9 million in the comparable period last year and net income of \$0.4 million in the first quarter of 2010.

Basic and diluted earnings per share for the second quarter of fiscal 2010 was \$0.17 as compared to a loss per share of \$0.12 for the comparable period last year.

Willdan used \$0.4 million in cash flow from operations in the second quarter of fiscal year 2010.

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### Six Months 2010 Results

For the six months ended July 2, 2010, revenue was \$37.3 million, up \$4.6 million, or 14.1%, from revenue of \$32.7 million in the comparable period last year. Income from operations was \$1.7 million for the six months ended July 2, 2010 as compared to a loss from operations of \$2.1 million for the comparable period last year. Net income was \$1.7 million for the six months ended July 2, 2010 as compared to a net loss of \$1.4 million for the comparable period last year.

Basic and diluted earnings per share for the six months ended July 2, 2010 was \$0.23 as compared to a basic and diluted loss per share of \$0.19 for the comparable period last year.

Willdan used \$1.7 million in cash flow from operations in the six months ended July 2, 2010.

In thousands (except per share data)	Three Months Ended		Six Months Ended	
	July 2, 2010	July 3, 2009	July 2, 2010	July 3, 2009
Revenue	\$ 20,367	\$ 15,484	\$ 37,318	\$ 32,669
Income (loss) from operations	1,265	(1,433)	1,650	(2,138)
Interest income	1	11	6	23
Interest expense	(18)	(9)	(26)	(20)
Other, net	10	(3)	20	(3)
Income tax benefit	—	(536)	—	(786)
Net income (loss)	\$ 1,258	\$ (898)	\$ 1,650	\$ (1,352)
Basic and diluted earnings (loss) per share	\$ 0.17	\$ (0.12)	\$ 0.23	\$ (0.19)
Weighted average shares outstanding:				
Basic	7,229	7,188	7,226	7,178
Diluted	7,252	7,188	7,240	7,178

### Use of Non-GAAP Financial Measures

Adjusted EBITDA is a supplemental measure used by Willdan’s management to measure its operating performance. Willdan defines Adjusted EBITDA as net income (loss) plus net interest expense, income tax (benefit) expense, depreciation and amortization, lease abandonment expense, and loss (gain) on sales of equipment. Willdan’s definition of Adjusted EBITDA may differ from those of many companies reporting similarly named measures. This measure should be considered in addition to, and not as a substitute for or superior to, other measures of financial performance prepared in accordance with U.S. generally

accepted accounting principles, or GAAP, such as net income. Willdan believes Adjusted EBITDA enables management to separate unusual or infrequent income and expense items from its results of operations to provide a more normalized and consistent view of operating performance on a period-to-period basis. Willdan uses Adjusted EBITDA to evaluate its performance for, among other things, budgeting, forecasting and incentive compensation purposes. Willdan also believes Adjusted EBITDA is useful to investors, research analysts, investment bankers and lenders because it removes from its operational results the impact of certain unusual or infrequent income and expense items, which may facilitate comparison of its results from period-to-period.

Adjusted EBITDA is not a recognized term under GAAP and does not purport to be an alternative to income from operations or net income as an indicator of operating performance or any other GAAP measure.

Adjusted EBITDA increased \$3.1 million to \$2.2 million for the six months ended July 2, 2010 from \$(0.9) million for the comparable period last year.

The following is a reconciliation of net income (loss) to Adjusted EBITDA:

In thousands	Six Months Ended	
	July 2, 2010	July 3, 2009
Net income (loss)	\$ 1,650	\$ (1,352)
Interest income	(6)	(23)
Interest expense	26	20
(Gain) loss on sale of equipment	(19)	3
Income tax benefit	—	(786)
Depreciation and amortization	518	1,229
Lease abandonment expense, net	13	(19)
Adjusted EBITDA	\$ 2,182	\$ (928)

### Liquidity and Capital Resources

Willdan had \$6.8 million in cash and cash equivalents at July 2, 2010, compared with \$8.4 million at January 1, 2010. Willdan has a \$5.0 million revolving line of credit under a credit agreement with its bank. At July 2, 2010, there was \$1.0 million in outstanding borrowings under this agreement. Unless otherwise extended, the credit agreement matures on January 1, 2011.

### Conference Call and Webcast

Chief Executive Officer Thomas Brisbin and Chief Financial Officer Kimberly Gant plan to host a conference call on August 12, 2010 at 5:00 p.m. Eastern/2:00 p.m. Pacific, to further discuss the Company's financial results.

Interested parties may participate in the conference call by dialing 877-941-2332 (480-629-9722 for international callers). When prompted, ask for the "Willdan Group, Inc., Second Quarter 2010 Conference Call." The conference call will be webcast simultaneously on Willdan's website at [www.willdan.com](http://www.willdan.com) under Investors: Events.

The telephonic replay of the conference call may be accessed approximately two hours after the call through August 26, 2010, by dialing 800-406-7325 (303-590-3030 for international callers). The replay access code is 4330025. The webcast replay will be archived for 12 months.

### About Willdan Group, Inc.

Founded over 40 years ago, Willdan is a provider of outsourced services to public and private agencies and utilities located primarily in California and New York. Willdan assists cities, public utilities and other government agencies and, to a lesser extent, private industry with a broad range of services, including civil engineering, building and safety services, geotechnical engineering, energy efficiency, water conservation, renewable resource strategy, financial and economic consulting, and disaster preparedness and homeland security. For additional information, visit Willdan's website at [www.willdan.com](http://www.willdan.com).

### Forward-Looking Statements

Safe Harbor Statement: Statements in this press release which are not purely historical, including statements regarding Willdan's intentions, hopes, beliefs, expectations, representations, projections, estimates, plans or predictions of the future are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. The forward-looking statements involve risks and uncertainties including, but not limited to, the risk that Willdan will not be able to expand its services or meet the needs of customers in markets in which it operates. It is important to note that Willdan's actual results could differ materially from those in any such forward-looking statements. Factors that could cause actual results to differ materially include, but are not limited to, a slowdown in the local and regional economies of the states where Willdan conducts business and the loss of or inability to hire additional qualified professionals. Willdan's business could be affected by a number of other factors, including the risk factors listed from time to time in Willdan's SEC reports including, but not limited to, the Form 10-K annual report for the year ended January 1, 2010 filed on March 30, 2010. Willdan cautions investors not to place undue reliance on the forward-looking statements contained in this press release. Willdan disclaims any obligation to, and does not undertake to, update or revise any forward-looking statements in this press release.

**WILLDAN GROUP, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**

	July 2, 2010 (unaudited)	January 1, 2010
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 6,753,000	\$ 8,445,000
Accounts receivable, net of allowance for doubtful accounts of \$1,165,000 and \$1,862,000 at July 2, 2010 and January 1, 2010, respectively	11,533,000	10,097,000
Costs and estimated earnings in excess of billings on uncompleted contracts	11,220,000	6,649,000
Income tax receivable	51,000	51,000
Other receivables	32,000	73,000
Prepaid expenses and other current assets	1,504,000	1,500,000
<b>Total current assets</b>	<b>31,093,000</b>	<b>26,815,000</b>
Equipment and leasehold improvements, net	1,371,000	1,596,000
Goodwill	12,371,000	10,371,000
Other intangible assets, net	132,000	149,000
Other assets	355,000	318,000
Deferred income taxes, net of current portion	1,083,000	1,083,000
<b>Total assets</b>	<b>\$ 46,405,000</b>	<b>\$ 40,332,000</b>
<b>Liabilities and Stockholders' Equity</b>		
Current liabilities:		
Excess of outstanding checks over bank balance	\$ 798,000	\$ 488,000
Accounts payable	1,386,000	1,457,000
Purchase price payable	2,000,000	—
Accrued liabilities	6,346,000	4,509,000
Billings in excess of costs and estimated earnings on uncompleted contracts	1,380,000	1,030,000
Borrowings under line of credit	1,000,000	1,000,000
Current portion of notes payable	3,000	23,000
Current portion of capital lease obligations	102,000	125,000
Current portion of deferred income taxes	1,479,000	1,479,000
<b>Total current liabilities</b>	<b>14,494,000</b>	<b>10,111,000</b>
Capital lease obligations, less current portion	69,000	82,000
Deferred lease obligations	900,000	1,022,000
<b>Total liabilities</b>	<b>15,463,000</b>	<b>11,215,000</b>
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, \$0.01 par value, 10,000,000 shares authorized, no shares issued and outstanding	—	—
Common stock, \$0.01 par value, 40,000,000 shares authorized: 7,229,000 and 7,208,000 shares issued and outstanding at July 2, 2010 and January 1, 2010, respectively	72,000	72,000
Additional paid-in capital	33,615,000	33,440,000
Accumulated deficit	(2,745,000)	(4,395,000)
<b>Total stockholders' equity</b>	<b>30,942,000</b>	<b>29,117,000</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 46,405,000</b>	<b>\$ 40,332,000</b>

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**WILLDAN GROUP, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
**(Unaudited)**

	Three Months Ended		Six Months Ended	
	July 2, 2010	July 3, 2009	July 2, 2010	July 3, 2009
Contract revenue	\$ 20,367,000	\$ 15,484,000	\$ 37,318,000	\$ 32,669,000
Direct costs of contract revenue:				
Salaries and wages	5,612,000	4,502,000	10,626,000	9,292,000
Sub-consultant services	3,542,000	2,182,000	5,479,000	4,608,000
Other direct costs	1,644,000	740,000	2,986,000	1,827,000
<b>Total direct costs of contract revenue</b>	<b>10,798,000</b>	<b>7,424,000</b>	<b>19,091,000</b>	<b>15,727,000</b>
General and administrative expenses:				
Salaries and wages, payroll taxes and employee benefits	4,484,000	5,066,000	8,926,000	10,548,000
Facilities and facility related	1,035,000	1,098,000	2,129,000	2,236,000
Stock-based compensation	48,000	73,000	128,000	142,000
Depreciation and amortization	239,000	704,000	510,000	1,229,000

Other	2,498,000	2,552,000	4,884,000	4,925,000
Total general and administrative expenses	8,304,000	9,493,000	16,577,000	19,080,000
Income (loss) from operations	1,265,000	(1,433,000)	1,650,000	(2,138,000)
Other income (expense), net:				
Interest income	1,000	11,000	6,000	23,000
Interest expense	(18,000)	(9,000)	(26,000)	(20,000)
Other, net	10,000	(3,000)	20,000	(3,000)
Total other income (expense), net	(7,000)	(1,000)	—	—
Income (loss) before income taxes	1,258,000	(1,434,000)	1,650,000	(2,138,000)
Income tax benefit	—	(536,000)	—	(786,000)
Net income (loss)	\$ 1,258,000	\$ (898,000)	\$ 1,650,000	\$ (1,352,000)
Earnings (loss) per share:				
Basic and diluted	\$ 0.17	\$ (0.12)	\$ 0.23	\$ (0.19)
Weighted-average shares outstanding:				
Basic	7,229,000	7,188,000	7,226,000	7,178,000
Diluted	7,252,000	7,188,000	7,240,000	7,178,000

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**WILLDAN GROUP, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**(Unaudited)**

	Six Months Ended	
	July 2, 2010	July 3, 2009
Cash flows from operating activities:		
Net income (loss)	\$ 1,650,000	\$ (1,352,000)
Adjustments to reconcile net income (loss) to net cash (used in) provided by operating activities:		
Depreciation and amortization	518,000	1,229,000
Lease abandonment expense, net	13,000	(19,000)
(Gain) loss on sale of equipment	(19,000)	3,000
Provision for doubtful accounts	210,000	537,000
Stock-based compensation	128,000	142,000
Changes in operating assets and liabilities:		
Accounts receivable	(1,646,000)	2,440,000
Costs and estimated earnings in excess of billing on uncompleted contracts	(4,571,000)	(23,000)
Income tax receivable	—	(626,000)
Other receivables	41,000	(35,000)
Prepaid expenses and other current assets	(4,000)	138,000
Other assets	(38,000)	27,000
Accounts payable	(71,000)	(727,000)
Accrued liabilities	1,836,000	(438,000)
Billings in excess of costs and estimated earnings on uncompleted contracts	350,000	95,000
Deferred lease obligations	(134,000)	(111,000)
Net cash (used in) provided by operating activities	(1,737,000)	1,280,000
Cash flows from investing activities:		
Purchase of equipment and leasehold improvements	(241,000)	(66,000)
Proceeds from sale of equipment	30,000	—
Payments for business acquisitions	—	(1,009,000)
Net cash used in investing activities	(211,000)	(1,075,000)
Cash flows from financing activities:		
Changes in excess of outstanding checks over bank balance	310,000	430,000
Payments on notes payable	(20,000)	(26,000)
Borrowings under line of credit	5,470,000	—
Repayments of line of credit	(5,470,000)	—
Principal payments on capital lease obligations	(81,000)	(96,000)
Proceeds from sales of common stock under employee stock purchase plan	47,000	46,000
Net cash provided by financing activities	256,000	354,000
Net (decrease) increase in cash and cash equivalents	(1,692,000)	559,000
Cash and cash equivalents at beginning of the period	8,445,000	8,144,000
Cash and cash equivalents at end of the period	\$ 6,753,000	\$ 8,703,000
Supplemental disclosures of cash flow information:		
Cash paid during the period for:		
Interest	\$ 28,000	\$ 21,000
Income taxes	2,000	1,000

Supplemental disclosures of noncash investing and financing activities:

Equipment acquired under capital lease obligations	\$	51,000	\$	—
Purchase price payable		2,000,000		1,323,000

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SOURCE: Willdan Group, Inc.

**Contact:**

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