

WILLBROS GROUP INC
Form 11-K
June 29, 2001

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 11-K

(Mark One)

(X) ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2000

OR

() TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

FOR THE TRANSITION PERIOD FROM TO _____ to _____

COMMISSION FILE NUMBER 333-21399

A. Full title of the plan and the address of the plan, if different from that
of the issuer named below:

Willbros Employees' 401(k) Investment Plan
4400 Post Oak Parkway, Suite 1000
Houston, Texas 77027

B. Name of the issuer of the securities held pursuant to the plan and the
address of its principal executive office:

Willbros Group, Inc.
Plaza Bancomer Building
50th Street, 8th Floor
Apartado 6307
Panama 5, Republic of Panama
Telephone No.: (50-7) 213-0947

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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the
Willbros Employees' 401(k) Investment Plan has duly caused this annual report to
be signed on its behalf by the undersigned hereunto duly authorized.

WILLBROS EMPLOYEES' 401(k)
INVESTMENT PLAN

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Date: June 29, 2001

By: /s/ Warren L. Williams

Warren L. Williams
Willbros Employee Benefits Committee

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WILLBROS EMPLOYEES' 401(k) INVESTMENT PLAN

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FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULES

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| Schedule H, Line 4I - Schedule of Assets Held at End of Year | 1 |

All other schedules required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 are omitted as they are inapplicable or not required.

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INDEPENDENT AUDITORS' REPORT

Willbros Employee Benefits Committee
Willbros USA, Inc.:

We have audited the accompanying statements of net assets available for plan

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benefits of Willbros Employees' 401(K) Investment Plan as of December 31, 2000 and 1999 and the related statements of changes in net assets available for plan benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for plan benefits of Willbros Employees' 401(K) Investment Plan as of December 31, 2000 and 1999 and the changes in net assets available for plan benefits for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental information included in Schedule 1 is presented for purposes of additional analysis and is not a required part of the basic financial statements but is supplemental information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The supplemental schedule is the responsibility of the Plan's management. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

KPMG LLP

Houston, Texas
May 25, 2001

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WILLBROS EMPLOYEES' 401(K) INVESTMENT PLAN

Statements of Net Assets Available for Plan Benefits

December 31, 2000 and 1999

| | 2000 | 1999 |
|----------------------------|--------------|--------------|
| | ----- | ----- |
| Investments, at fair value | \$19,343,059 | \$21,158,012 |
| Accrued investment income | 26,079 | 4,968 |
| Contributions receivable: | | |

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| | | |
|--|--------------|--------------|
| Employer | 16,078 | -- |
| Participants | 47,161 | -- |
| Cash | -- | 19,848 |
| Due (to) from broker | 17 | (23,895) |
| | ----- | ----- |
| Net assets available for plan benefits | \$19,432,394 | \$21,158,933 |
| | ===== | ===== |

See accompanying notes to financial statements.

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WILLBROS EMPLOYEES' 401(K) INVESTMENT PLAN

Statements of Changes in Net Assets Available for Plan Benefits

Years ended December 31, 2000 and 1999

| | 2000 | 1999 |
|---|-------------|--------------|
| | ----- | ----- |
| Additions to net assets attributed to: | | |
| Investment income: | | |
| Net appreciation in fair value of investments | \$ 428,083 | \$ 2,319,957 |
| Dividends | 102,551 | 121,233 |
| Interest | 55,251 | 57,431 |
| | ----- | ----- |
| | 585,885 | 2,498,621 |
| Contributions: | | |
| Employer, net of forfeitures | 552,991 | 609,247 |
| Participants | 1,757,978 | 1,613,362 |
| | ----- | ----- |
| | 2,310,969 | 2,222,609 |
| | ----- | ----- |
| Total additions | 2,896,854 | 4,721,230 |
| Deductions from net assets attributed to: | | |
| Benefits paid to participants | 4,516,281 | 3,739,919 |
| Trustee and other fees | 107,112 | 115,158 |
| | ----- | ----- |
| Total deductions | 4,623,393 | 3,855,077 |
| | ----- | ----- |
| Net (decrease) increase | (1,726,539) | 866,153 |

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| | | |
|---|---------------|---------------|
| Net assets available for plan benefits: | | |
| Beginning of year | 21,158,933 | 20,292,780 |
| | ----- | ----- |
| End of year | \$ 19,432,394 | \$ 21,158,933 |
| | ===== | ===== |

See accompanying notes to financial statements.

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WILLBROS EMPLOYEES' 401(K) INVESTMENT PLAN

Notes to Financial Statements

December 31, 2000 and 1999

(1) DESCRIPTION OF PLAN

The following description of the Willbros Employees' 401(K) Investment Plan (the Plan) provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

GENERAL

The Plan is a defined contribution plan covering all full-time employees of Willbros USA, Inc., Willbros Engineers, Inc., and Rogers and Phillips, Inc. and all salaried employees of Willbros Energy Services Company (collectively the Company) who have one year of eligible service. It is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA).

CONTRIBUTIONS

Participants may contribute, by payroll deductions, from 1% to 20% of their compensation to the Plan and allocate these amounts as deferred or taxable contributions. The Company matches employee contributions, up to a maximum of 4% of salary as follows: 100% in the form of cash or 125% in the form of Willbros Group, Inc. common stock, as elected by the employee.

PARTICIPANT ACCOUNTS

Each participant's account is credited with the participant's contributions and the Company contributions. At each valuation date, participants' accounts for each investment option are credited with their share of the net income and gains and charged with losses. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

VESTING

Participants are immediately vested in their voluntary contribution account and their salary reduction account plus actual earnings thereon. Vesting in the Company contribution account is based on years of service earned as follows: 3 years - 50%; 4 years - 75%; and 5 years - 100%.

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FORFEITURES

The portion of a participant's employer contribution that is forfeited because of termination of employment before full vesting is applied to reduce the Company's future contributions.

PAYMENT OF PLAN BENEFITS

On termination of service, participants may elect to receive a lump-sum amount equal to the vested value of their accounts, or, if vested plan benefits exceed \$5,000, defer distribution until age 70 is reached or death occurs.

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WILLBROS EMPLOYEES' 401(K) INVESTMENT PLAN

Notes to Financial Statements

December 31, 2000 and 1999

Participants who are age 55 may also withdraw their salary reduction accounts. Hardship withdrawals from salary reduction accounts before age 59-1/2 are also permitted under certain circumstances.

PARTICIPANT LOANS

Participants may borrow from the Plan pursuant to Section 408(b)(1) of ERISA. Loans to a participant may not exceed the lesser of 50% of the present value of the nonforfeitable accrued benefit of the participant, the balance of the participant's voluntary and salary reduction contribution accounts plus the vested portion of his or her Company contribution account, or \$50,000. The minimum loan is \$1,000.

Loans are stated at cost, which approximates fair value.

INVESTMENT OPTIONS

Participants may direct investment of their funds to one or more of the following investment options:

- Specifically Directed Investments
- Specifically Directed Flexible Choice Investments
- The Frank Russell Investment Contract Fund
- The Frank Russell Fixed Income I Fund
- The Frank Russell Balanced Income Fund
- The Frank Russell Domestic Conservative Balanced Fund
- The Frank Russell Global Balanced Fund
- The Frank Russell Aggressive Balanced Fund
- The Frank Russell Global Equity Fund
- The Frank Russell Equity I Fund
- The Frank Russell All International Markets Fund
- The Frank Russell Small Cap Fund
- Willbros Group, Inc. Common Stock

ADMINISTRATIVE EXPENSES

Administrative expenses of the Plan (except transaction fees for participants' specifically directed investments and trustee fees) are

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paid by the Company.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION

The accompanying financial statements of the Plan have been prepared on an accrual basis. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of net assets available for plan benefits and changes in net assets available for plan benefits during the reporting period. Actual results could differ from those estimates.

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WILLBROS EMPLOYEES' 401(K) INVESTMENT PLAN

Notes to Financial Statements

December 31, 2000 and 1999

NET ASSETS AVAILABLE FOR PLAN BENEFITS

Net assets available for plan benefits include benefits payable to current participants and those who have withdrawn from the Plan. The annual information return filed with the Internal Revenue Service (Form 5500) requires amounts due to participants who have withdrawn from the Plan to be stated as a liability and a distribution. There were no such benefits payable at December 31, 2000 and 1999.

INVESTMENTS

Investments are held in pooled trust funds and mutual funds and are stated at the Plan's proportionate share of the fair value of the holdings of the pooled trust funds. If available, quoted market prices are used to value investments in mutual funds and other securities. The difference between the current value and the historical cost is reflected as net appreciation and depreciation. Purchases and sales of investments are recorded on a trade date basis.

NEWLY ISSUED ACCOUNTING PRONOUNCEMENTS

In September 1999, the American Institute of Certified Public Accountants issued Statement of Position 99-3, Accounting for and Reporting of Certain Defined Contribution Plan Investments and Other Disclosure Matters (SOP 99-3). SOP 99-3 simplifies the disclosure for certain investments and is effective for plan years ending after December 15, 1999. The Plan adopted SOP 99-3 during the Plan year ended December 31, 1999. Accordingly, information previously required to be disclosed about participant-directed fund investment programs is not presented in the Plan's 2000 or 1999 financial statements.

(3) PLAN TERMINATION

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of plan termination, participants will become 100% vested in their accounts.

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(4) TAX STATUS

The Plan was established January 1, 1976 under the provisions of ERISA. The Internal Revenue Service has determined that the Plan is qualified under Sections 401(a) and 401(k) of the Internal Revenue Code (IRC) and that the Plan is exempt from federal income taxes under Section 501(a) which provides that earned income is taxable only upon distribution thereof. A favorable determination letter covering the Plan has been received from the Internal Revenue Service. The Plan has been amended since receiving the determination letter. However, management believes that the Plan is designed and is currently operated within the applicable requirements of the IRC.

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WILLBROS EMPLOYEES' 401(K) INVESTMENT PLAN

Notes to Financial Statements

December 31, 2000 and 1999

(5) INVESTMENTS

The Plan's investments and cash are held by Bank of Oklahoma, N.A. and administered under a trust agreement with the Company. The Plan's investment options are managed by Frank Russell Trust Company (FRTC), which has full discretionary authority for purchase and sale of investments not specifically directed by participants within the approved Plan options; however, the Willbros Employee Benefits Committee retains the right to change the options available to participants.

The following table presents the fair values of investments at December 31, 2000 and 1999. Investments that represent 5% or more of the Plan's net assets are separately identified (*).

| | 2000 | 1999 |
|---|---------------|---------------|
| | ----- | ----- |
| Specifically Directed Investment Fund | \$ 5,742,136* | \$ 5,862,958* |
| Specifically Directed Flexible Choice Investment Fund | 225,585 | -- |
| FRTC Investment Contract Fund | 1,501,798* | 1,433,443* |
| FRTC Fixed Income I Fund | 628,908 | 760,857 |
| FRTC Balanced Income Fund | 103,037 | 23,991 |
| FRTC Domestic Conservative Balanced Fund | 51,813 | 53,357 |
| FRTC Global Balanced Fund | 2,793,005* | 3,336,280* |
| FRTC Aggressive Balanced Fund | 284,851 | 372,354 |
| FRTC Global Equity Fund | 169,886 | 288,337 |
| FRTC Equity I Fund | 3,361,515* | 4,679,053* |
| FRTC All International Markets Fund | 991,988* | 1,265,609* |
| FRTC Small Cap Fund | 1,621,835* | 1,495,577* |
| Company Stock Fund | 1,401,914* | 883,648 |
| Participant Loan Fund | 464,788 | 702,548 |
| | ----- | ----- |
| | \$19,343,059 | \$21,158,012 |
| | ===== | ===== |

(6) PLAN AMENDMENTS

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Effective April 1, 2001, the Plan was amended to allow employees to participate after 90 days of service without regard to age of the employee. Vesting in the Company contribution account is based on years of service earned as follows: 1 to 2 years - 25%; 2 to 3 years - 50%; 3 to 4 years 75%; and over 4 years - 100%.

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SCHEDULE 1

WILLBROS EMPLOYEES' 401(K) INVESTMENT PLAN

Schedule H, Line 4I--Schedule of Assets Held at End of Year

December 31, 2000

| Column (a) | Column (b) | Column (c) |
|----------------------------------|--|--|
| PARTY-IN-INTEREST IDENTIFICATION | IDENTITY OF ISSUER, BORROWER, LESSOR OR SIMILAR PARTY | DESCRIPTION OF INVESTMENT INCLUDING MATURITY DATE, RATE OF INTEREST, PAR OR MATURITY VALUE |
| | Specifically Directed Investment Fund | Funds invested in various equity and interest-bearing securities at the direction of individual participants |
| | Specifically Directed Flexible Choice Investment Fund | Funds invested in various equity and interest-bearing mutual funds at the direction of individual participants |
| * | Frank Russell Trust Company Equity I Fund | Equity mutual fund invested in common stocks |
| * | Frank Russell Trust Company Fixed Income I Fund | Fixed income mutual fund invested in U.S. government bond, U.S. government agency, corporate, and mortgage-related bonds |
| * | Frank Russell Trust Company Global Balanced Fund | Pooled fund invested in other various equity and interest-bearing pooled funds |
| * | Frank Russell Trust Company Small Cap Fund | Aggressive equity fund invested in common stocks |
| * | Frank Russell Trust Company All International Markets Fund | Mutual fund invested in international equity investments |
| * | Frank Russell Trust Company Investment Contract Fund | Mutual fund invested in guaranteed investment contracts |
| * | Frank Russell Trust Company Balanced Income Fund | Mutual fund invested in U.S. common stocks and bonds |
| * | Frank Russell Trust Company Domestic Conservative | Mutual fund invested in U.S. common stocks and bonds |

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Balanced Fund

* Frank Russell Trust Company Aggressive equity fund invested in U.S.
Aggressive Balanced Fund and non-U.S. common stocks

* Frank Russell Trust Company Mutual fund invested in U.S. and
Global Equity Fund non-U.S. common stocks

Company Stock Fund Unitized fund in Willbros. Group, Inc.
common stock

Participant Loan Fund Loans extended to participants maturing in
less than 5 years with interest rates
ranging from 6% to 9%

Total

See accompanying independent auditors' report.

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EXHIBIT INDEX

| EXHIBIT NUMBER | EXHIBIT |
|-------------------|-------------------------------|
| 23 | Independent Auditors' Consent |