

WILLBROS GROUP INC  
Form 11-K  
June 30, 2003

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

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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, 2002

OR

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

FOR THE TRANSITION PERIOD FROM \_\_\_\_\_ 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 issuer of the securities held pursuant to the plan and the address  
of its principal executive office:

Willbros Group, Inc.  
Plaza 2000 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

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be signed on its behalf by the undersigned hereunto duly authorized.

WILLBROS EMPLOYEES' 401(k)  
INVESTMENT PLAN

Date: June 30, 2003

By: /s/ Warren L. Williams

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Warren L. Williams  
Willbros Employee Benefits Committee

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WILLBROS EMPLOYEES' 401(k) INVESTMENT PLAN

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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 Employees' Benefits Committee  
Willbros USA, Inc.:

We have audited the accompanying statements of net assets available for plan benefits of Willbros Employees' 401(k) Investment Plan as of December 31, 2002 and 2001, 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, 2002 and 2001, 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 performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule G, part III -- schedule of nonexempt transactions for the year ended December 31, 2002 and schedule H, line 4i - schedule of assets (held at end of year) as of December 31, 2002, are presented for purposes of additional analysis and are not a required part of the basic financial statements but are supplementary 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 schedules are the responsibility of the Plan's management. The supplemental schedules have been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Houston, Texas  
June 27, 2003

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WILLBROS EMPLOYEES' 401(k) INVESTMENT PLAN  
 Statements of Net Assets Available for Plan Benefits  
 December 31, 2002 and 2001

	2002	2001
	-----	-----
Investments, at fair value	\$ 17,297,502	23,585,782
Accrued investment income	3,625	4,840
Due from broker	227,169	--
Contributions receivable:		
Employer - cash	42,543	42,483
Employer - stock	10,923	--
Participants	121,499	62,407
Due to broker	(234,097)	(38,518)
	-----	-----
Net assets available for plan benefits	\$ 17,469,164	23,656,994
	=====	=====

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, 2002 and 2001

2002

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Investment income:		
Net (depreciation) appreciation in fair value of investments	\$ (2,926,002)	1
Dividends	49,611	
Interest	36,210	
	-----	-----
	(2,840,181)	2
Contributions:		
Employer - cash, net of forfeitures	619,900	
Employer - stock	453,813	
Participants	2,132,536	1
Rollovers	161,220	1
Other	--	
	-----	-----
	3,367,469	4
Benefits paid to participants		
Trustee and other fees	(6,619,390)	(2)
	(95,728)	
	-----	-----
Net (decrease) increase	(6,187,830)	4
Net assets available for plan benefits:		
Beginning of year	23,656,994	19
	-----	-----
End of year	\$ 17,469,164	23
	=====	=====

See accompanying notes to financial statements.

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WILLBROS EMPLOYEES' 401(k) INVESTMENT PLAN

Notes to Financial Statements

December 31, 2002 and 2001

(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.

(a) GENERAL

The Plan is a defined contribution plan covering eligible employees of Willbros USA, Inc., Willbros Engineers, Inc., Willbros RPI, Inc., Willbros Operating Services, Inc., and all salaried employees of Willbros Energy Services Company (collectively, the Company). It is

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subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA).

### (b) ELIGIBILITY

Eligible employees begin participation in the Plan after completing three months of service, as defined in the Plan document. Prior to April 1, 2001 the eligibility period was one year of service.

### (c) 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. Effective as of June 1, 2002, participants may contribute from 1% to 50% of their compensation. Effective June 1, 2002, participants who are age 50 or older at any time during the plan year may elect to make an additional catch-up contribution of up to \$1,000 in 2002. The catch-up contribution is not eligible for Company matching. 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. Matching contributions elected in the form of Willbros Group Inc. Common Stock are not subject to the participants investment direction for a two year period and are not available for loans or withdrawals during such two year period.

Participants may also elect to rollover distributions from a former employer's qualified retirement plan.

### (d) 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 and administrative expenses. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

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(Continued)

## WILLBROS EMPLOYEES' 401(k) INVESTMENT PLAN

### Notes to Financial Statements

December 31, 2002 and 2001

### (e) VESTING

Participants are immediately vested in their voluntary contribution account and their salary reduction account plus actual earnings thereon. Effective April 1, 2001, vesting in the Company contribution account is based on years of service earned as follows: one to two years - 25%; two to three years - 50%; three to four years - 75%; and

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over four years - 100%. Prior to April 1, 2001, vesting in the Company contribution account was based on years of service earned as follows: three to four years - 50%; four to five years - 75%; five or more years - 100%.

### (f) FORFEITURES

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

### (g) PAYMENT OF PLAN BENEFITS

Upon 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 65 is reached or death occurs.

Participants may make a withdrawal of their after-tax contribution account, the vested percentage of their Company contribution account and, if over age 59-1/2, their pre-tax contribution accounts provided that amounts withdrawn from any account have been in that account for more than two years. Only one withdrawal is permitted within any twelve-month period. If a participant makes a withdrawal the participant is suspended from Company matching contributions for a six-month period.

Hardship withdrawals from salary reduction accounts before age 59-1/2 are also permitted under certain circumstances.

### (h) 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 vested portion of his or her account, or \$50,000 less the participant's highest outstanding loan balance during the preceding 12 months. The minimum loan is \$1,000.

Loans are stated at cost, which approximates fair value.

### (i) INVESTMENT OPTIONS

Participants may direct the investment of their account as follows:

#### SPECIFICALLY DIRECTED INVESTMENTS

Participants who were employed by Willbros USA, Inc. or Willbros Energy Services Company on December 31, 1996 may direct the investment of their accounts into savings accounts, certificates of deposits, obligations of the United States, common and preferred stocks, call and put options, bonds, debentures and other debt instruments and stock, debt or securities issued by private placement.

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December 31, 2002 and 2001

## CORE INVESTMENT OPTIONS

Participants may direct the investment of their accounts into the following core 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 Capitalization Fund
- Willbros Group, Inc. Common Stock

## FLEXIBLE CHOICE OPTIONS

Participants who are currently employed may direct the investment of existing account balances, but not current contributions, in one percent increments into approximately 400 mutual funds.

The Plan holds units of the Frank Russell Trust Company Investment Contract Fund (Investment Contract Fund). The Investment Contract Fund invests primarily in group annuity contracts and synthetic investment contracts and is fully benefit-responsive. The Investment Contract Fund is recorded at contract value which approximates fair value. The average yield of the Investment Contract Fund was 5.46% and 6.37% for the years ended December 31, 2002 and 2001, respectively.

### (j) ADMINISTRATIVE EXPENSES

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

## (2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### (a) 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, 2002 and 2001

#### (b) 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, 2002 and 2001.

#### (c) INVESTMENTS

Investments in equity securities and mutual funds are recorded at fair value based upon quoted market prices. Investments in common collective trust funds are recorded at the Plan's proportionate share of the fair value of the holdings of the common collective trust funds. Participant loans are valued at cost, which approximates fair value. Realized gains (losses) on the sale of investments and unrealized appreciation (depreciation) in the fair value of investments are shown as net appreciation (depreciation) in fair value of investments in the statement of changes in net assets available for plan benefits.

Purchase and sales of securities are recorded on a trade-date basis. Interest is recorded as earned. Dividends are recorded on the ex-dividend date.

#### (3) RISKS AND UNCERTAINTIES

The Plan provides for investments in equity securities, mutual funds common/collective trust funds and Willbros Group, Inc. common stock. Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the value of investment securities will occur in the near term.

#### (4) 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.

#### (5) TAX STATUS

The Plan was established January 1, 1976 under the provisions of ERISA. The Internal Revenue Service (IRS) has determined that the Plan is qualified under Section 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 was received from the IRS on August 1, 2002. The Plan has been amended since receiving the determination letter. However, management believes that the Plan is designed and is currently

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operated within the applicable requirements of the IRC.

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(Continued)

## WILLBROS EMPLOYEES' 401(k) INVESTMENT PLAN

### Notes to Financial Statements

December 31, 2002 and 2001

(6) ADMINISTRATION

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 Employees' Benefits Committee retains the right to change the options available to participants.

The following table presents the fair values of individual investments that represent 5% or more of the Plan's net assets at December 31, 2002 and 2001.

	2002 -----	2001 -----
The Frank Russell Investment Contract Fund	\$2,972,812	2,290,682
The Frank Russell Fixed Income I Fund	2,382,642	1,632,329
The Frank Russell Global Balanced Fund	1,880,900	2,751,195
The Frank Russell Equity I Fund	2,353,844	2,729,545
The Frank Russell Small Capitalization Fund	1,358,998	1,653,133
Willbros Group, Inc. common stock	1,520,453	2,658,976

During 2002 and 2001, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) (depreciated) appreciated in value by \$(2,926,002) and \$1,999,422, respectively as follows:

	2002 -----	2001 -----
Mutual Funds	\$(1,373,960)	1,359,607
Common stock	(1,552,042)	519,850
Government bonds	--	119,965
	-----	-----
	\$(2,926,002)	1,999,422

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(7) RECLASSIFICATIONS

Certain reclassifications have been made to the prior year amounts to conform to the current year presentation.

(8) WILLBROS GROUP, INC. COMMON STOCK

Each participant is entitled to exercise voting rights attributable to the shares of Willbros Group, Inc. common stock allocated to his or her account and is notified by the trustee prior to the time that such rights are to be exercised. If instructions have not been given by the participant, the trustee will vote the Willbros Group, Inc. common stock credited to the participant's account in the same proportion as it votes those shares allocated to participants' accounts for which it receives voting instructions.

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WILLBROS EMPLOYEES' 401(K) INVESTMENT PLAN

Notes to Financial Statements

December 31, 2002 and 2001

(9) SUBSEQUENT EVENT

Effective January 1, 2003, the Plan reduced the rate of matching Company stock contributions from \$1.25 per dollar of participant contributions to \$1.00 per dollar of participant contributions.

In addition, Company matching contributions elected in Willbros Group, Inc. common stock will be immediately subject to investment direction by the participant.

(10) NONEXEMPT TRANSACTIONS

As reported on Schedule 1, a participant's contribution was not remitted to the trust within the time frame specified by the Department of Labor's Regulation 29 CFR 2510.3-102, thus constituting nonexempt transactions between the Plan and the Company for the year ended December 31, 2002.

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SCHEDULE 1

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WILLBROS EMPLOYEES' 401(k) INVESTMENT PLAN

SCHEDULE G, PART III - SCHEDULE OF NONEXEMPT TRANSACTIONS

YEAR ENDED DECEMBER 31, 2002

IDENTITY OF PARTY INVOLVED	RELATIONSHIP TO PLAN	DESCRIPTION OF TRANSACTION
Willbros Group, Inc.	Employer	Lending of monies from the Plan to the em (participant contribution not timely remi the Plan) as follows:  Deemed loan dated February 22, 2002, matu June 21, 2002

See accompanying independent auditors' report.

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SCHEDULE 2

WILLBROS EMPLOYEES' 401(k) INVESTMENT PLAN

Schedule H, Line 4i - Schedule of Assets (Held at End of Year)

December 31, 2002

IDENTITY OF ISSUE, BORROWER, LESSOR, OR SIMILAR PARTY	DESCRIPTION OF INVESTMENT INCLUDING MATURITY DATE, RATE OF INTEREST, PAR, OR MATURITY VALUE
AP Cash Management	Cash
Cash	Cash
Flexible Choice Options	Various investments
Frank Russell Investment Company	Frank Russell Trust Equity I Fund
Frank Russell Investment Company	Frank Russell Trust Fixed Income I Fund
Frank Russell Investment Company	Frank Russell Trust Small Capitalization Fund
Frank Russell Investment Company	Frank Russell Trust Investment Contract Fund
Frank Russell Investment Company	Frank Russell Trust Balanced Income Fund
Frank Russell Investment Company	Frank Russell Trust Domestic Conservative Balanced Fund
Frank Russell Investment Company	Frank Russell Trust Global Balanced Fund
Frank Russell Investment Company	Frank Russell Trust Aggressive Balance Fund
Frank Russell Investment Company	Frank Russell Trust Global Equity Fund
Frank Russell Investment Company	Frank Russell Trust All International Markets Fund
*Participant Loans	Interest rates ranging from 5.25% to 10.5%
Specifically Directed Investments	Various investments
*Willbros Group, Inc.	Common Stock

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Total assets (held at end of year)

\* Indicates a party in interest.

See accompanying independent auditors' report.

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EXHIBIT INDEX

EXHIBIT NUMBER	EXHIBIT
23	Independent Auditors' Consent
99	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.