

Farley Andrew D  
 Form 4  
 April 12, 2007

**FORM 4**

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
 Washington, D.C. 20549**

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
 Farley Andrew D

(Last) (First) (Middle)  
 601 JEFFERSON STREET, SUITE 3400  
 (Street)

HOUSTON, TX 77002

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
 KBR, INC. [KBR]

3. Date of Earliest Transaction (Month/Day/Year)  
 04/09/2007

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

\_\_\_ Director \_\_\_ 10% Owner  
 Officer (give title below) \_\_\_ Other (specify below)  
 SVP, Gen Counsel & Secretary

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 \_\_\_ Form filed by More than One Reporting Person

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
			Code	V	Amount (D) Price		
Common Stock	04/09/2007		A		19,189 (1) (3)	A	\$ 0 35,144 D

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

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1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Security (Instr. 3 and 4)	Amount or Number of Shares
Non-Qualified Stock Option	\$ 12.94	04/09/2007		A	2,423 <u>(3)</u>	04/09/2007 02/17/2015	Common Stock	2,423
Non-Qualified Stock Option	\$ 8.94	04/09/2007		A	4,016 <u>(3)</u>	04/09/2007 03/16/2004	Common Stock	4,016
Non-Qualified Stock Option	\$ 12.94	04/09/2007		A	2,423 <u>(2) (3)</u>	02/17/2008 02/17/2015	Common Stock	2,423

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Farley Andrew D 601 JEFFERSON STREET SUITE 3400 HOUSTON, TX 77002			SVP, Gen Counsel & Secretary	

## Signatures

Andrew D. Farley  
04/12/2007

\_\_Signature of Reporting Person                      Date

## Explanation of Responses:

- \* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
- \*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
 

All converted restricted stock that was awarded (originally as Halliburton restricted stock) on or after January 1, 2003 vests at a rate of

(1) 20% per year over a 5-year vesting period. All other restricted stock that was awarded (originally as Halliburton restricted stock) prior to January 1, 2003, vests at a rate of 10% per year over a 10-year vesting period.

(2) These options vest at a rate of 33 1/3% on the first anniversary, 67% on the second anniversary and 100% on the third anniversary from the original date of grant (as Halliburton options).

On April 9, 2007, following the separation of KBR, Inc. and Halliburton Company, outstanding awards under Halliburton's 1993 Stock and Incentive Plan previously granted to KBR employees and consisting of options to purchase Halliburton common stock and

(3) Halliburton restricted stock were converted into awards under KBR's Transitional Stock Adjustment Plan, consisting of options to purchase KBR common stock and KBR restricted stock.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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