

KBR, INC.
Form 3
April 23, 2007

FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

OMB Number: 3235-0104
Expires: January 31, 2005
Estimated average burden hours per response... 0.5

INITIAL STATEMENT OF 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 * | | 2. Date of Event Requiring Statement | 3. Issuer Name and Ticker or Trading Symbol | |
| Â Calton Dennis Lee | | (Month/Day/Year) | KBR, INC. [KBR] | |
| (Last) | (First) | (Middle) | 04/13/2007 | |
| 1710 OYSTER POINT DR. | | | 4. Relationship of Reporting Person(s) to Issuer | 5. If Amendment, Date Original Filed(Month/Day/Year) |
| (Street) | | | (Check all applicable) | |
| SUGAR LAND,Â TXÂ 77478 | | | <input type="checkbox"/> Director <input type="checkbox"/> 10% Owner | 6. Individual or Joint/Group Filing(Check Applicable Line) |
| (City) | (State) | (Zip) | <input checked="" type="checkbox"/> Officer <input type="checkbox"/> Other | <input checked="" type="checkbox"/> Form filed by One Reporting Person |
| | | | (give title below) (specify below) | <input type="checkbox"/> Form filed by More than One Reporting Person |
| | | | Senior Vice President | |

Table I - Non-Derivative Securities Beneficially Owned

| 1. Title of Security (Instr. 4) | 2. Amount of Securities Beneficially Owned (Instr. 4) | 3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5) | 4. Nature of Indirect Beneficial Ownership (Instr. 5) |
|--|---|--|---|
| Common Stock (Restricted) ⁽⁵⁾ | 62,402 | D | Â |
| Common Stock (Restricted) ⁽²⁾ | 7,977 | D | Â |
| Common Stock (Restricted) ⁽¹⁾ | 8,049 | D | Â |

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

SEC 1473 (7-02)

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 4) | 2. Date Exercisable and Expiration Date (Month/Day/Year) | 3. Title and Amount of Securities Underlying Derivative Security | 4. Conversion or Exercise | 5. Ownership Form of | 6. Nature of Indirect Beneficial Ownership |
|--|--|--|---------------------------|----------------------|--|
|--|--|--|---------------------------|----------------------|--|

Edgar Filing: KBR, INC. - Form 3

| | Date Exercisable | Expiration Date | (Instr. 4) Title | Amount or Number of Shares | Price of Derivative Security | Derivative Security: Direct (D) or Indirect (I) (Instr. 5) | (Instr. 5) |
|--|------------------|-----------------|---------------------|----------------------------|------------------------------|--|------------|
| Non-Qualified Stock Option ⁽³⁾ | 04/09/2007 | 02/17/2015 | Common Stock | 2,423 | \$ 12.94 | D | Â |
| Non-Qualified Stock Option ⁽³⁾ ⁽⁶⁾ | 02/17/2008 | 02/17/2005 | Common Stock | 2,423 | \$ 12.94 | D | Â |
| Non-Qualified Stock Option ⁽³⁾ | 04/09/2007 | 03/16/2014 | Common Stock | 5,093 | \$ 8.94 | D | Â |
| Non-Qualified Stock Option ⁽⁴⁾ | 11/21/2007 | 11/21/2016 | Common Stock | 9,465 | \$ 21.81 | D | Â |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|-------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| Calton Dennis Lee 1710 OYSTER POINT DR. SUGAR LAND, TX 77478 | Â | Â | Â Senior Vice President | Â |

Signatures

/s/Andrew Farley,
attorney-in-fact

04/23/2007

 Signature of Reporting Person

Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 5(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).

(1) The restricted stock vests over five years with 20% vesting on the first anniversary of the original grant date (as Halliburton restricted shares), and 20% on each anniversary thereafter.

(2) Restricted Stock Units, awarded pursuant to the KBR, Inc. 2006 Stock and Incentive Plan, which will convert at a 1-to-1 ratio. The restricted stock units vest over five years with 20% vesting on the first anniversary of the grant date, and 20% on each anniversary thereafter.

(3) 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 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.

(4) Stock Options awarded pursuant to the KBR, Inc. 2006 Stock and Incentive Plan. 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 date of grant.

(5) This restricted stock vests over ten years with 10% vesting on the first anniversary of the original grant date (as Halliburton restricted shares), and 10% on each anniversary thereafter.

(6) These options vest in accordance with the vesting schedule provided by Halliburton for the original Halliburton options.

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

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.