

KBR, INC.  
Form 4  
May 17, 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 \*  
Stanski Bruce A

(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)  
05/15/2007

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)  
EVP, Govt & Infrastructure

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 Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|----------------------------------------------------|--------------------------------|-------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|----------------------------------------------------------|-------------------------------------------------------|
|                                 |                                      |                                                    | Code                           | V                                                                 | Amount or Price                                                                               |                                                          |                                                       |
| Common Stock                    | 05/15/2007                           |                                                    | D                              |                                                                   | 644 \$ 24.44                                                                                  | D                                                        |                                                       |
| Common Stock                    | 05/15/2007                           |                                                    | M                              |                                                                   | 4,177 \$ 9.77                                                                                 | D                                                        |                                                       |
| Common Stock                    | 05/15/2007                           |                                                    | S                              |                                                                   | 4,177 \$ 24.44                                                                                | D                                                        |                                                       |
| Common Stock                    | 05/15/2007                           |                                                    | M                              |                                                                   | 13,247 \$ 8.94                                                                                | D                                                        |                                                       |
| Common Stock                    | 05/15/2007                           |                                                    | S                              |                                                                   | 13,247 \$ 24.44                                                                               | D                                                        |                                                       |

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|              |            |   |        |   |          |        |   |
|--------------|------------|---|--------|---|----------|--------|---|
| Common Stock | 05/15/2007 | M | 12,924 | A | \$ 12.94 | 93,889 | D |
| Common Stock | 05/15/2007 | S | 12,924 | D | \$ 24.44 | 80,965 | D |

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

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(9-02)

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

| 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) | 8. Amount or Number of Shares |
|--------------------------------------------|--------------------------------------------------------|--------------------------------------|----------------------------------------------------|--------------------------------|-----------------------------------------------------------------------------------------|----------------------------------------------------------|-------------------------------------------------------------|-------------------------------|
| Non-Qualified Stock Option                 | \$ 9.77                                                | 05/15/2007                           |                                                    | M                              | 4,177<br>(2)                                                                            | (1) 07/09/2011                                           | Common Stock                                                | 4,177                         |
| Non-Qualified Stock Option                 | \$ 12.94                                               | 05/15/2007                           |                                                    | M                              | 12,924<br>(2) (3)                                                                       | (1) 02/17/2015                                           | Common Stock                                                | 12,924                        |
| Non-Qualified Stock Option                 | \$ 8.94                                                | 05/15/2007                           |                                                    | M                              | 13,247<br>(2)                                                                           | (1) 03/16/2014                                           | Common Stock                                                | 13,247                        |

## Reporting Owners

| Reporting Owner Name / Address                                             | Relationships |           |                            |       |
|----------------------------------------------------------------------------|---------------|-----------|----------------------------|-------|
|                                                                            | Director      | 10% Owner | Officer                    | Other |
| Stanski Bruce A<br>601 JEFFERSON STREET<br>SUITE 3400<br>HOUSTON, TX 77002 |               |           | EVP, Govt & Infrastructure |       |

## Signatures

/s/ Andrew D. Farley,  
Attorney-in-Fact

05/17/2007

\_\_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).

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

On April 9, 2007, following the separation of KBR, Inc. and Halliburton Company, outstanding awards under Halliburton's 1993 Stock

(2) 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.

On February 17, 2005, Mr. Stanski was granted an aggregate of 19,386 options. These options vest in accordance with the vesting

(3) schedule provided by Halliburton for the original Halliburton options and the number being reported on this Form 4 reflects the vested portion of such grant.

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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