

KBR, INC.  
Form 3  
October 01, 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 <b>and</b> Ticker or Trading Symbol   |  |
| Â Challand Timothy B.                     |         | (Month/Day/Year)                     | KBR, INC. [KBR]  |  |
| (Last)                                    | (First) | (Middle)                             | 09/26/2007   |  |
| 601 JEFFERSON,Â SUITE 3400                |         |                                      | 4. Relationship of Reporting Person(s) to Issuer   |  |
| (Street)                                  |         |                                      | 5. If Amendment, Date Original Filed(Month/Day/Year)   |  |
| HOUSTON,Â TXÂ 77002                       |         |                                      | (Check all applicable)   |  |
| (City)                                    | (State) | (Zip)                                | <input type="checkbox"/> Director <input type="checkbox"/> 10% Owner<br><input checked="" type="checkbox"/> Officer <input type="checkbox"/> Other<br>(give title below)    (specify below)<br>President, Technology |  |
|   |         |                                      | 6. Individual or Joint/Group Filing(Check Applicable Line)<br><input checked="" type="checkbox"/> Form filed by One Reporting Person<br><input type="checkbox"/> Form filed by More than One Reporting Person        |  |

**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) |
|---------------------------------|---|--|---|
| Restricted Stock                | 25,122 <sup>(1)</sup>                                 | D  | Â   |
| Restricted Stock                | 9,918 <sup>(3)</sup>                                  | 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 (Instr. 4) | 4. Conversion or Exercise Price of Derivative | 5. Ownership Form of Derivative Security: | 6. Nature of Indirect Beneficial Ownership (Instr. 5) |
|--|--|---|---|---|---|
|--|--|---|---|---|---|

## Edgar Filing: KBR, INC. - Form 3

|                       | Date Exercisable | Expiration Date | Title        | Amount or Number of Shares | Security | Direct (D) or Indirect (I) (Instr. 5) |   |
|-----------------------|------------------|-----------------|--------------|----------------------------|----------|---------------------------------------|---|
| Employee Stock Option | Â (1)(2)         | 07/19/2011      | Common Stock | 11,997                     | \$ 9.77  | D                                     | Â |
| Employee Stock Option | Â (1)(2)         | 03/16/2014      | Common Stock | 6,753                      | \$ 8.94  | D                                     | Â |
| Employee Stock Option | Â (1)(2)         | 02/17/2015      | Common Stock | 7,270                      | \$ 12.94 | D                                     | Â |
| Employee Stock Option | Â (4)            | 11/20/2016      | Common Stock | 8,485                      | \$ 21.81 | D                                     | Â |

## Reporting Owners

| Reporting Owner Name / Address  | Relationships |           |                         |       |
|---|---------------|-----------|-------------------------|-------|
|   | Director      | 10% Owner | Officer                 | Other |
| Challand Timothy B.<br>601 JEFFERSON<br>SUITE 3400<br>HOUSTON, TX 77002 | Â             | Â         | Â President, Technology | Â     |

## Signatures

/s/Jeffrey B. King,  
attorney-in-fact

10/01/2007

\_\_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).
- 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.
- (2) These options vested in accordance with the vesting schedule provided by Halliburton for the original Halliburton options.
  - (3) 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.
  - (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.

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.