

KBR, INC.  
Form 4  
November 22, 2006

**FORM 4** UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

OMB APPROVAL

OMB Number: 3235-0287  
Expires: January 31, 2005  
Estimated average burden hours per response... 0.5

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

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

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

3. Date of Earliest Transaction (Month/Day/Year)  
11/21/2006

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

(Street)  
HOUSTON, TX 77002

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

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

(City) (State) (Zip)

**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) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
|                                 |                                      |  |                                | (A) or (D) Price  |   |  |                                   |
| Common Stock                    | 11/21/2006                           |  | A                              | V Amount (D) \$0  | 15,955 (1)  | D  |                                   |

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

**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.**

SEC 1474 (9-02)

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

Edgar Filing: KBR, INC. - Form 4

| 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 Securities (Instr. 3 and 4) | Amount or Number of Shares |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|----------------------------|
| Nonstatutory Stock Option (right to buy)   | \$ 21.81   | 11/21/2006                           |  | A                              | 6,310<br>(2)  | 11/21/2007 11/21/2016                                    | Common Stock  | 6,310                      |
| Nonstatutory Stock Option (right to buy)   | \$ 21.81   | 11/21/2006                           |  | A                              | 6,373<br>(3)  | 11/21/2008 11/21/2016                                    | Common Stock  | 6,373                      |
| Nonstatutory Stock Option (right to buy)   | \$ 21.81   | 11/21/2006                           |  | A                              | 6,247<br>(4)  | 11/21/2009 11/21/2016                                    | Common Stock  | 6,247                      |

## Reporting Owners

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

## Signatures

Michael A. Weberpal, 11/22/2006  
 Attorney-in-Fact

\*\*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) Restricted Stock Units awarded pursuant to the KBR, Inc. 2006 Stock and Incentive Plan and will convert at a 1-to-1 ratio. The restrictions on the stock will begin to lapse on November 21, 2007 at 20% per year over a five-year period.
- (2) Stock Options awarded pursuant to the KBR, Inc. 2006 Stock and Incentive Plan.
- (3) Stock Options awarded pursuant to the KBR, Inc. 2006 Stock and Incentive Plan.
- (4) Stock Options awarded pursuant to the KBR, Inc. 2006 Stock and Incentive Plan.

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

## Edgar Filing: KBR, INC. - Form 4

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.