Gann John W Jr Form 4 April 12, 2007

### FORM 4

Check this box

if no longer

subject to

Section 16.

Form 4 or

obligations

may continue.

See Instruction

Form 5

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

**SECURITIES** 

**OMB** Number:

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January 31, Expires:

**OMB APPROVAL** 

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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

1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person \* 5. Relationship of Reporting Person(s) to 2. Issuer Name and Ticker or Trading Gann John W Jr Issuer Symbol KBR, INC. [KBR] (Check all applicable) (First) (Middle) (Last) 3. Date of Earliest Transaction (Month/Day/Year) Director 10% Owner X\_ Officer (give title Other (specify 601 JEFFERSON STREET, SUITE 04/09/2007 below) below) 3400 VP & Chief Accounting Officer (Street) 4. If Amendment, Date Original 6. Individual or Joint/Group Filing(Check Filed(Month/Day/Year) Applicable Line) \_X\_ Form filed by One Reporting Person Form filed by More than One Reporting HOUSTON, TX 77002 Person (City) (State) (Zip) Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1.Title of 2. Transaction Date 2A. Deemed 3. 4. Securities Acquired 5. Amount of 6. Ownership 7. Nature of Security (Month/Day/Year) Execution Date, if Transaction(A) or Disposed of Securities Form: Direct Indirect (Instr. 3) any Code (D) Beneficially (D) or Beneficial Indirect (I) Ownership (Month/Day/Year) (Instr. 8) (Instr. 3, 4 and 5) Owned Following (Instr. 4) (Instr. 4) Reported (A) Transaction(s) (Instr. 3 and 4) Code V Amount (D) Price Common 22,619 04/09/2007 A \$0 32,522 D Α (1)(3)Stock

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

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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. Transactio Code (Instr. 8)	5. Number of orDerivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and A Underlying S (Instr. 3 and	Secur
				Code V	(A) (D)	Date Exercisable	Expiration Date	Title	Am or Nu of S
Non-Qualified Stock Option	\$ 12.44	04/09/2007		A	15,080 (3)	04/09/2007	12/15/2014	Common Stock	15
Non-Qualified Stock Option	\$ 12.44	04/09/2007		A	7,538 (2) (3)	12/15/2007	12/15/2014	Common Stock	7,

# **Reporting Owners**

Reporting Owner Name / Address Relationships

Director 10% Owner Officer Other

Gann John W Jr 601 JEFFERSON STREET SUITE 3400 HOUSTON, TX 77002

VP & Chief Accounting Officer

## **Signatures**

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

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