

KBR, INC.
Form 3
April 23, 2007

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

OMB APPROVAL

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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 Fulton Iain Robert		(Month/Day/Year)	KBR, INC. [KBR]	
(Last)	(First)	(Middle)	04/17/2007	
26 GENTLEWIND PLACE		4. Relationship of Reporting Person(s) to Issuer		5. If Amendment, Date Original Filed(Month/Day/Year)
(Street)		(Check all applicable)		6. Individual or Joint/Group Filing(Check Applicable Line)
THE WOODLANDS,Â TXÂ 77381		<input type="checkbox"/> Director <input type="checkbox"/> 10% Owner		<input checked="" type="checkbox"/> Form filed by One Reporting Person
(City)	(State)	(Zip)	<input checked="" type="checkbox"/> Officer <input type="checkbox"/> Other (specify below)	
		Vice President, Internal Audit		<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)
Common Stock (Restricted) ⁽¹⁾	2,598	D	Â
Common Stock (Restricted) ⁽²⁾	2,475	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)
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	Date Exercisable	Expiration Date	Title	Amount or Number of Shares	Security	Direct (D) or Indirect (I) (Instr. 5)	
Non-Qualified Stock Option ⁽³⁾	04/09/2007	06/09/2013	Common Stock	2,584	\$ 7.32	D	Â
Non-Qualified Stock Option ⁽³⁾	04/09/2007	03/16/2014	Common Stock	2,908	\$ 8.94	D	Â
Non-Qualified Stock Option ⁽³⁾	04/09/2007	04/07/2015	Common Stock	2,649	\$ 13.97	D	Â
Non-Qualified Stock Option ⁽⁴⁾	11/21/2007	11/21/2016	Common Stock	2,937	\$ 21.81	D	Â

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Fulton Iain Robert 26 GENTLEWIND PLACE THE WOODLANDS, TX 77381	Â	Â	Â Vice President, Internal Audit	Â

Signatures

/s/Andrew D. 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.
- Restricted Stock Units, awarded pursuant to the KBR, Inc. 2006 Stock and Incentive Plan, which will convert at a 1-to-1 ratio. The
- (2) restricted stock units vest over five years with 20% vesting on the first anniversary of the grant date, and 20% on each anniversary thereafter.
- 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
- (3) 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.

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.