

KBR, INC.
Form 4
September 20, 2007

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

OMB APPROVAL

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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 *
Rose John L

(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)
09/19/2007

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

___ Director ___ 10% Owner
X Officer (give title below) ___ Other (specify below)

President, Upstream

6. Individual or Joint/Group Filing (Check Applicable Line)
X 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 | (A) or (D) | Price |
| Common Stock | 09/19/2007 | | M | | 10,016 | A | \$ 7.32 |
| Common Stock | 09/19/2007 | | S | | 10,016 | D | \$ 38.2156 |
| Common Stock | 09/19/2007 | | M | | 10,187 | A | \$ 8.94 |
| Common Stock | 09/19/2007 | | S | | 10,187 | D | \$ 38.2156 |
| Common Stock | 09/19/2007 | | M | | 4,846 | A | \$ 12.94 |

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Common Stock 09/19/2007 S 4,846 D \$ 38.2156 43,796 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) | Amount or Number of Shares |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|----------------------------|
| Non-Qualified Stock Option | \$ 7.32 | 09/19/2007 | | M | 10,016 (2) | (1) 06/09/2013 | Common Stock | 10,016 |
| Non Qualified Stock Option | \$ 8.94 | 09/19/2007 | | M | 10,187 (2) | (1) 03/16/2014 | Common Stock | 10,187 |
| Non-Qualified Stock Option | \$ 12.94 | 09/19/2007 | | M | 4,846 (2) | (1) 02/17/2015 | Common Stock | 4,846 |

Reporting Owners

| Reporting Owner Name / Address | Relationships |
|--|---|
| | Director 10% Owner Officer Other |
| Rose John L 601 JEFFERSON STREET SUITE 3400 HOUSTON, TX 77002 | President, Upstream |

Signatures

/s/John L. Rose 09/20/2007
 **Signature of Date
 Reporting Person

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 and Incentive Plan previously granted to KBR employees and consisting of options to purchase Halliburton common stock and

(2) 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.

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