Brace Klaudia Form 4 March 06, 2009

FORM 4

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

Check this box if no longer subject to Section 16. Form 4 or Form 5

obligations

may continue.

See Instruction

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

1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person * Brace Klaudia

2. Issuer Name and Ticker or Trading

5. Relationship of Reporting Person(s) to Issuer

Symbol

(Last)

(First) (Middle) 3. Date of Earliest Transaction

(Month/Day/Year)

601 JEFFERSON STREET, SUITE

3400

(Instr. 3)

Stock

KBR, INC. [KBR]

03/04/2009

Director 10% Owner X_ Officer (give title Other (specify

(Check all applicable)

below) below) Senior VP, Administration

(Street)

(Zip)

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

6. Individual or Joint/Group Filing(Check Applicable Line)

X Form filed by One Reporting Person Form filed by More than One Reporting

D

Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

HOUSTON, TX 77002

(City) 1.Title of 2. Transaction Date 2A. Deemed Security (Month/Day/Year) Execution Date, if

(State)

3. 4. Securities TransactionAcquired (A) or Code Disposed of (D) (Instr. 3, 4 and 5) (Month/Day/Year) (Instr. 8)

5. Amount of Securities Beneficially Owned Following Reported

6. Ownership 7. Nature of Form: Direct Indirect (D) or Beneficial Indirect (I) Ownership (Instr. 4) (Instr. 4)

OMB APPROVAL

3235-0287

January 31,

2005

0.5

OMB

Number:

Expires:

response...

Estimated average

burden hours per

(A) or

Transaction(s) (Instr. 3 and 4)

Common 03/04/2009

Code V Amount (D) Price 1,609 A \$0 (1)

25,714

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. Transactic 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)	
				Code V	(A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Stock Options	\$ 12.49	03/04/2009	(3)	A	5,178	03/04/2010	03/04/2019	Common Stock	5,178
Restricted Stock Unit	\$ 0	03/04/2009	(2)	A	1,610	03/04/2010	03/04/2014	Common Stock	1,610

Reporting Owners

Reporting Owner Name / Address Relationships

Director 10% Owner Officer Other

Brace Klaudia 601 JEFFERSON STREET SUITE 3400 HOUSTON, TX 77002

Senior VP, Administration

Signatures

/s/Jeffrey B. King, Attorney-in-Fact 03/06/2009

**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).
- These restricted stock units will convert to common stock 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.
- These restricted stock units will convert to common stock on a 1-to-1 ratio. These restricted stock units vest over five years with 20% (2) vesting on the first anniversary of the grant date, and 20% on each anniversary thereafter, provided that the company has positive net income for the calendar year preceding the vesting date.
- (3) These options vest at a rate of 33 1/3% on the first anniversary, 66 2/3% on the second anniversary and 100% on the third anniversary from the original 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.

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