Farley Andrew D
Form 4
February 21, 2013

# FORM 4

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

**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

OMB APPROVAL

| | |
|---|---|
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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. *See* Instruction 1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person *
Farley Andrew D

(Last) (First) (Middle)

601 JEFFERSON STREET

(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)
02/21/2013

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)
EVP - General Counsel

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 | 02/21/2013 | | A | | 482 (1) | A | $ 0 | 20,692 | D | |
| Common Stock | 02/21/2013 | | A | | 849 (2) | A | $ 0 | 21,316 | D | |
| Common Stock | 02/21/2013 | | A | | 624 (3) | A | $ 0 | 21,774 | D | |
| Common Stock | 02/21/2013 | | A | | 914 (4) | A | $ 0 | 22,688 (5) | D | |

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

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SEC 1474 (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 Securities (Instr. 3 and 4) | | 8. D S (I |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Code | V | (A) | (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares | |
| Stock Option | $ 21.19 | 02/21/2013 | | A | | 3,749 (6) | | 03/10/2013 | 03/10/2020 | Common Stock | 3,749 | |
| Stock Option | $ 33.65 | 02/21/2013 | | A | | 3,641 (7) | | 03/09/2013 | 03/01/2021 | Common Stock | 3,641 | |
| Stock Option | $ 35.27 | 02/21/2013 | | A | | 5,547 (8) | | 03/07/2013 | 03/07/2022 | Common Stock | 5,547 | |

# Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---|---|---|---|
| | Director | 10% Owner | Officer | Other |
| Farley Andrew D<br>601 JEFFERSON STREET<br>HOUSTON, TX 77002 | | | EVP - General Counsel | |

# Signatures

| Jeffrey B. King, Attorney-In-Fact | 02/21/2013 |
|---|---|
| **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)** On March 4, 2009, the reporting person was granted restricted stock units that convert to common stock at a 1-to-1 ratio and vest 20% on each anniversary of the grant date, with each vesting subject to the Company having positive net income in the prior year. This portion represents the portion that has satisfied the positive net income requirement for this year.

**(2)** On March 10, 2010, the reporting person was granted restricted stock units that convert to common stock on a 1-to-1 ratio and vest 20% on each anniversary of the grant date, with each vesting subject to the Company having positive net income in the prior year. This portion represents the portion that has satisfied the positive net income requirement for this year.

**(3)** On March 9, 2011, the reporting person was granted restricted stock units that convert to common stock on a 1-to-1 ratio and vest 20% on each anniversary of the grant date, with each vesting subject to the Company having positive net income in the prior year. This portion represents the portion that has satisfied the positive net income requirement for this year.

**(4)** On March 7, 2012, the reporting person was granted restricted stock units that convert to common stock on a 1-to-1 ratio and vest 20% on each anniversary of the grant date, with each vesting subject to the Company having positive net income in the prior year. This portion represents the portion that has satisfied the positive net income requirement for this year.

**(5)** This represents the balance after withholding for taxes.

**(6)** On March 10, 2010, the reporting person was granted options that 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 with each vesting subject to the Company having positive net income in the prior year. This represents the portion that has satisfied the positive net income requirement for this year.

**(7)** On March 9, 2011, the reporting person was granted options that 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 with each vesting subject to the Company having positive net income in the prior year. This represents the portion that has satisfied the positive net income requirement for this year.

**(8)** On March 7, 2012, the reporting person was granted options that 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 with each vesting subject to the Company having positive net income in the prior year. This represents the portion that has satisfied the positive net income requirement for this year.

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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