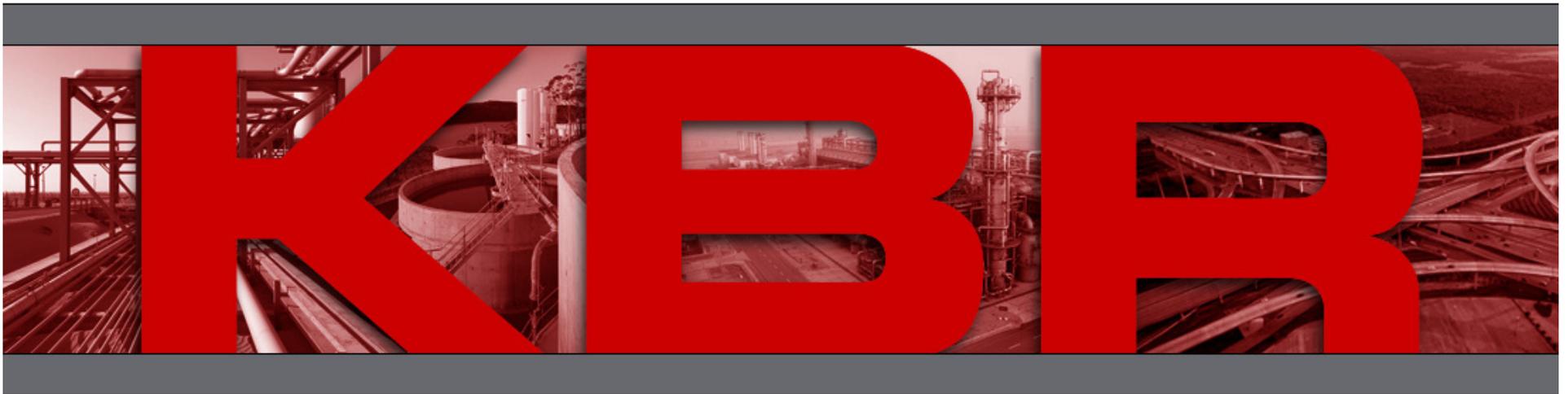


BE&K, Inc. Acquisition



Bill Utt – Chairman, President, and CEO

Chip Schneider – Vice President, Treasurer and Interim CFO

May 7, 2008

Forward-Looking Statements

This presentation contains “forward-looking statements.” All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements. Forward-looking statements include statements about the benefits of the split-off, the discussions of KBR’s business strategies and KBR’s expectations concerning future operations, profitability, liquidity and capital resources. You can generally identify forward-looking statements by terminology such as “anticipate,” “believe,” “continue,” “could,” “estimate,” “expect,” “forecast,” “goal,” “intend,” “may,” “objective,” “plan,” “potential,” “predict,” “projection,” “should” or other similar words. These statements relate to future events or future financial performance and involve known and unknown risks, uncertainties and other factors that may cause actual results, levels of activity, performance or achievements to differ materially from those in the future that are implied by these forward-looking statements. Many of these factors cannot be controlled or predicted. These risks and other factors include those described under “Risk Factors” in KBR’s Annual Report on Form 10-K dated February 26, 2008, final prospectus for its exchange offer dated March 27, 2007, Forms 10-Q, recent Current Reports on Forms 8-K, and other Securities and Exchange Commission filings . Those factors, among others, could cause KBR’s actual results and performance to differ materially from the results and performance projected in, or implied by, the forward-looking statements. As you read and consider this presentation, you should carefully understand that the forward-looking statements are not guarantees of performance or results. KBR cautions you that assumptions, beliefs, expectations, intentions and projections about future events may and often do vary materially from actual results. Therefore, KBR cannot assure you that actual results will not differ materially from those expressed or implied by forward-looking statements.

The forward-looking statements included in this presentation are made only as of the date of this document. New risks and uncertainties arise from time to time, and KBR cannot predict those events or their impact. KBR assumes no obligation to update any forward-looking statements after the date of this presentation as a result of new information, future events or developments, except as required by the federal securities laws.

KBR Strategic Objectives

Strategic Objectives

- Pursue targeted M&A activity to complement organic growth and accelerate implementation of individual business units
- Expand Service's existing operations and capitalize on brand reputation and legacy core competencies:
 - North American Construction
 - Industrial Services
 - New geographies and new markets

Acquisition Criteria

- Complementary without substantial overlap
- Business and cultural alignment
- Strong, stable reputation
- Sizable Impact

Transaction Summary

- ▶ **KBR entered into a definitive agreement on May 6, 2008 to acquire BE&K for \$550 million in cash, subject to any post-closing adjustments**
- ▶ **Close of transaction is targeted for July 2008, subject to regulatory approval**
- ▶ **Year ended March 30, 2008 revenue approximately \$2.0 billion**
- ▶ **Year ended March 30, 2008 backlog approximately \$2.0 billion**

According to Engineering News-Record....

Ranks in the Top Ten for:

- Pulp and Paper contracting
- Operations and Maintenance design
- Pulp and Paper design
- Industrial Process contracting
- Chemical plant contracting
- Aerospace contracting
- Chemical plant design
- Food Processing plant contracting

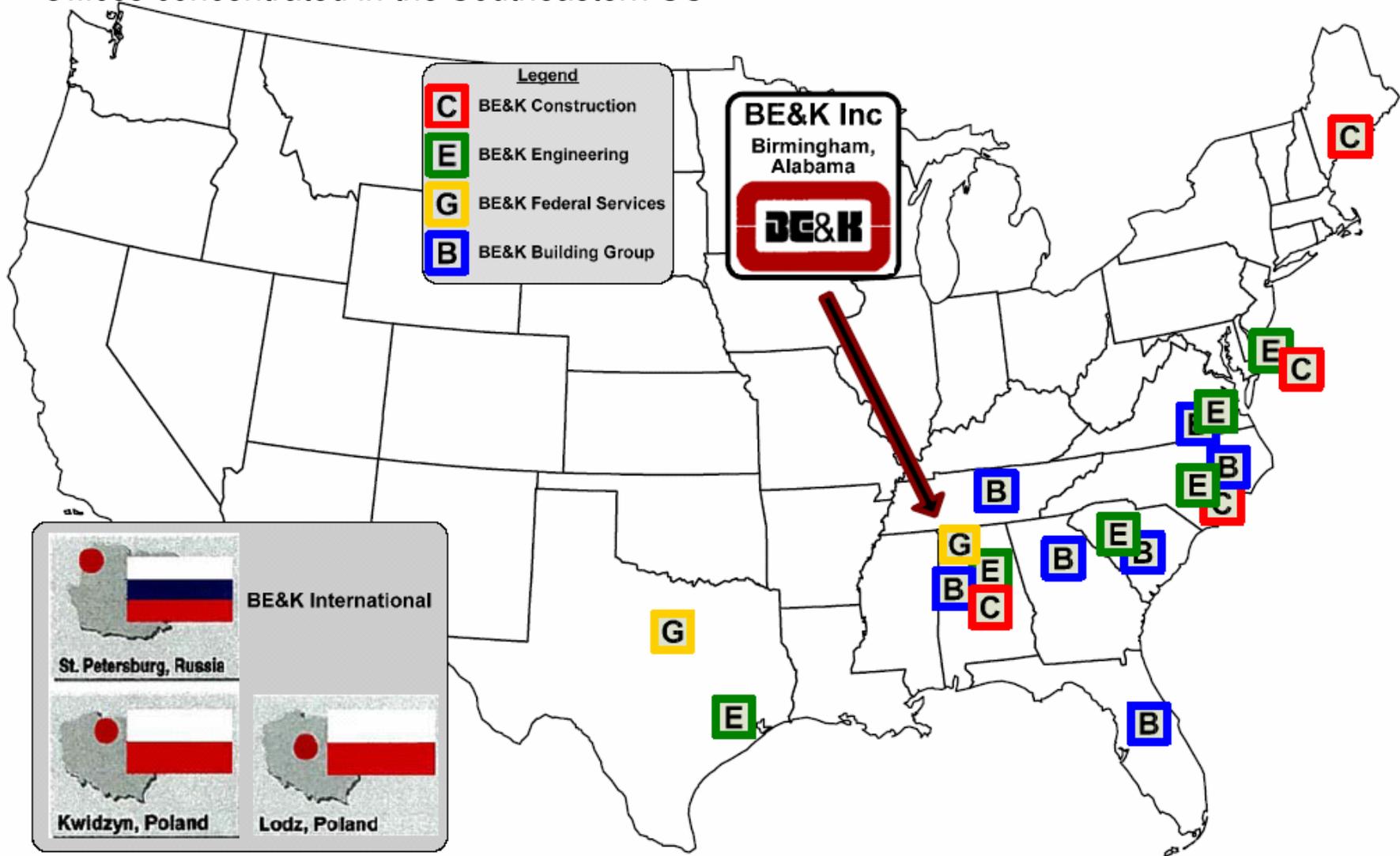
Also Notable Engineering News-Record Recognition:

- Ranked #39 for Top 500 Design Firms in 2007
- Ranked #48 for Top 400 Contractors in 2007

BE&K Principal Locations

Headquartered in Birmingham Alabama

Offices concentrated in the Southeastern US



BE&K Engineering and Construction

Engineering

- ▶ Full service design and engineering firm: feasibility studies, capital cost estimates, detailed design, staffing solutions, technical consulting services, project management, and construction services
- ▶ Capability to provide turnkey, engineering, procurement and project management services in core domestic and international markets
- ▶ Key end markets: power, pulp & paper, industrial, hydrocarbons, chemical, pharmaceutical and life sciences
- ▶ Long-term alliance relationships

Construction

- ▶ Industrial Services
 - Provides maintenance and reliability services worldwide
 - Serves the chemical, automotive, industrial, pulp and paper, and other industries
 - Operations in the United States, Poland, and Russia
- ▶ Construction
 - Heavy industrial general contractor working primarily in the pulp and paper, power, and chemical and other heavy industrial construction
 - Performs civil, structural, mechanical, piping, electrical, and instrumentation projects

BE&K Buildings Group and Government

Buildings Group

- ▶ **Leading construction services firm focused on Southeast and Mid-Atlantic regions**
- ▶ **Primary Services: project management, program management, preconstruction, design-build, construction management, and general construction**
- ▶ **Key end markets: commercial, healthcare, industrial, education, food and beverage, manufacturing and distribution, and public facilities**

Government

- ▶ **Delivers premier construction and facility life-cycle services domestically to the U.S. government**
- ▶ **Offers in-house resources for design-build projects and for operations and maintenance training, commissioning, and turnover**
- ▶ **Primary Services: design-build, construction management, disaster response and recovery, facilities requirements planning, facilities design, environmental engineering and management, energy and utilities management, and decommissioning**

KBR Plus BE&K Values and Synergies

- Dramatically expands KBR's direct hire construction size, skills, and capabilities with greater than 5,000 employees
- Doubles size of Industrial Services with approximately 25 more sites
- Provides attractive Southeast US footprint, complementing KBR's existing Gulf Coast presence
- Creates presence and improves access to Russia and Eastern Europe markets
- Provides entry into several markets where BE&K is a top 10 player
- Provides a commercial building construction capability to KBR with expertise in Healthcare and Education markets
- Expands KBR's engineering and home office support capability by 30%

Financial Summary

- ▶ **Expected 2009 KBR revenue breakdown with 3 business units with greater than 25% of revenue mix**
- ▶ **Transaction is anticipated to be GAAP EPS neutral in 2008 and accretive in 2009 and beyond**
- ▶ **Transaction is anticipated to be Cash Flow accretive in 2008 and beyond**
- ▶ **Revenue and cost synergies**

КВР