

Corporate Profile

Huntington Ingalls Industries designs, builds and manages the life-cycle of the most complex nuclear- and conventionally powered ships for the U.S. Navy and Coast Guard. For more than a century, HII's Newport News and Ingalls shipbuilding divisions in Virginia and Mississippi have built more ships in more ship classes than any other U.S. naval shipbuilder. HII also provides engineering and project management services expertise to the commercial energy industry, the Department of Energy and other government customers. Headquartered in Newport News, Va., HII employs approximately 39,000 people operating both domestically and internationally. For more information, please visit www.huntingtoningalls.com.



Photo of CVN-78 Gerald R. Ford and CVN-65 Enterprise at Newport News Shipyard

Segment Strategy

Newport News Segment

- Protect and Strengthen Market Position
 - Continue strong execution of programs
 - Maintain financial predictability, backlog and stability
- Leverage unique expertise, facilities and highly trained workforce in adjacent markets

Ingalls Segment

- Utilize Ingalls operating system to strengthen program performance
 - Class plans
 - First time quality
 - Labor resource management
 - Risk & opportunity management
 - Consistent recurring ship metrics
- Explore Avondale redeployment focused on commercial energy industry

Cash Deployment Highlights

- Authorized an increase in the stock repurchase program from \$300 million to \$600 million and an extension of the term of the program from Oct. 31, 2017 to Oct. 31, 2019
- Declared a \$0.40 quarterly dividend starting in Q4 2014; 100% increase over the four prior quarters
- Contributed \$123 million of qualified pension contributions in 2014; Contributed \$301 million of qualified pension contributions in 2013

Key Figures

<i>\$ in millions, except EPS</i>	YTD 2014	2013	2012
Operating Metric			
Revenues	\$5,030	\$6,820	\$6,708
Pension adj. Operating Income*	\$447	\$573	\$438
Pension adj. Operating Margin*	8.9%	8.4%	6.5%
Free Cash Flow**	\$223	\$97	\$170
Pension-Adj. Diluted EPS*	\$4.95	\$5.97	\$3.95
Shares Outstanding	49.3 mm	50.4 mm	50.1 mm

Capital Structure as of September 30, 2014

Cash	\$769
Revolving Credit Facility	\$0
Term Loan	438
Senior Notes due 2018	600
Senior Notes due 2021	600
Other Debt	105
Total Debt	\$1,743

*Non-U.S. GAAP measure excluding the FAS/CAS Adjustment of \$64 million in YTD 2014, (\$61) million in 2013, and (\$80) million in 2012. EPS figures are tax adjusted at the 35% statutory tax rate.

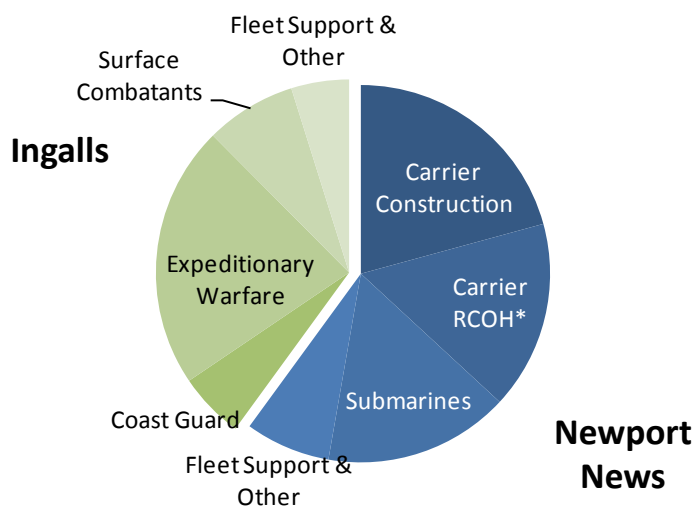
**Non-U.S. GAAP measure. Please see below for the reconciliation:

	YTD 2014	2013	2012
Net cash provided by (used in) operating activities	\$314	\$236	\$332
Less capital expenditures	(91)	(139)	(162)
Free cash flow from operations	\$223	\$97	\$170

Credit Ratings

	S&P	Moody's	Fitch
Corporate Credit Rating	BB+	Ba1	BB/Pos
Senior Secured Rating	BBB	Baa2	BBB+
Senior Unsecured Rating	BB+	Ba2	BB

Revenues by Segment – 2013 (\$6.8 billion)



* Includes carrier inactivation

Recent Operational Highlights

- Undocked CVN-72 USS *Abraham Lincoln*
- Authenticated the keel on NSC-6 *Monroe*
- Sail-away of NSC-4 *Hamilton*
- Launched Amphibious Transport LPD-26 *John P. Murtha*
- Christened and launched SSN-785 *John Warner*
- Delivered NSC-4 *Hamilton*
- Installed CVN-65 USS *Enterprise* Anchor on CVN-72 USS *Abraham Lincoln*
- Received a \$118.9 million cost-plus-fixed-fee level of effort contract option for engineering work on Los Angeles-class, Seawolf-class, Virginia-class and Ohio-class submarines, special mission submersible interfaces, submarine support facilities and related programs
- Delivered the composite deckhouse for DDG-1001 *Michael Monsoor*
- Received a \$49.6 million contract to begin planning for work on CVN-73 USS *George Washington*
- Received a \$23.5 million award for early industry involvement to reduce the construction and life-cycle cost LHA-8
- Sail-away of LHA-6 *America*
- Received a \$76.5 million fixed-price contract to purchase long-lead materials for NSC-8 *Midgett*



Photo of NSC-2 *Stratton*

Leadership

Board of Directors

Thomas Fargo	Chairman
Mike Petters	President, CEO and Director
Robert Bruner	Director
Artur Davis	Director
Victoria Harker	Director
Anastasia Kelly	Director
Paul Miller	Director
Tom Schievelbein	Director
Karl von der Heyden	Director

Management

Mike Petters, Chief Executive Officer
 Barbara Niland, Chief Financial Officer
 Matt Mulherin, President, Newport News Shipbuilding
 Irwin Edenzon, President, Ingalls Shipbuilding

Contact Us

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HII Capabilities

Force Structure			Participation
Aircraft Carriers			
Aircraft Carriers	11	100%	
Aircraft Carrier RCOH			
Aircraft Carrier Inactivation ⁽¹⁾			
Submarines			
Virginia-Class Submarines	48		50%
Cruise Missile Submarines	0-4		Capability
Ballistic Missile Submarines	12		Capability
Surface Combatants			
Surface Combatants DDG-51	88		~50%
Littoral Combat Ships	52		Capability
Amphibious Ships			
Amphibious Ships LHA	33	100%	
Amphibious Ships LPD			
Amphibious Ships LSD(X) ⁽²⁾			Capability
Auxiliaries			
Combat Logistics	29		Capability
Joint High Speed Vessels	10		Capability
Mine Warfare / Support	23		0%
Total Fleet		306 ⁽³⁾	

Source: U.S. Navy FY 2015 30-year Shipbuilding Plan.
 (1) Contract not yet awarded, expected to be awarded in 2013.
 (2) Contract not yet awarded.
 (3) 30-year plan projects procurement for 264 ships over the next 30 years.

The Spin-Off

General Information: The spin-off was a series of transactions by which HII separated from Northrop Grumman Corporation. To complete the spin-off, Northrop Grumman distributed to its stockholders all of the shares of HII common stock. Following the spin-off, HII is a separate company from Northrop Grumman, and Northrop Grumman does not retain any ownership interest in HII.

The Mechanics: The spin-off was completed by way of a pro rata distribution of HII common stock to Northrop Grumman stockholders of record as of 5:00 p.m., Eastern time, on March 30, 2011, the spin-off record date. Each Northrop Grumman stockholder received one share of HII common stock for every six shares of Northrop Grumman common stock held by such stockholder on the record date. No fractional shares of HII common stock were issued.

Transaction Date: March 31, 2011

Where to Find More Information: Find information related to the spin-off at:
<http://investor.northropgrumman.com/phoenix.zhtml?c=112386&p=irol-HIISpin-off> or contact Huntington Ingalls Investor Relations.

HII Share Information

Total diluted shares (weighted-average for Q3 2014): 49.3 million
 Stock Performance (quarter ending 9/30/2014):
 Close on 9/30/2014: \$104.21
 High: \$108.32
 Low: \$88.62

For questions about your stock certificate/account, change of address or transferring stock, please contact Huntington Ingalls Industries' transfer agent:

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