

Corporate Profile

Huntington Ingalls Industries is America's largest military shipbuilding company and a provider of engineering, manufacturing and management services to the nuclear energy, oil and gas markets. 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. Headquartered in Newport News, Virginia, HII employs approximately 38,000 people operating both domestically and internationally. For more information, visit www.huntingtoningalls.com



Photo of CVN-65 Enterprise

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 energy and unmanned undersea vehicles 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

Cash Deployment Highlights

- Sold the Gulfport facility to Mississippi State Port Authority in Q1 2015 for ~\$32 million
- Acquired The Columbia Group's Engineering Solutions Division for \$6 million and rebranded it Undersea Solutions Group. The company designs and builds unmanned underwater vehicles for domestic and international use
- Invested \$20 million in the business during the quarter via capital expenditures
- Repurchased \$29 million or 0.21million shares and paid \$19 million in dividends in Q1 2015

Key Figures

<i>\$ in millions, except EPS</i>	Q1 2015	2014	2013
Operating Metric			
Adjusted Revenues ⁽¹⁾	\$1,570	\$6,957	\$6,817
Adjusted Operating Income ⁽²⁾	\$156	\$702	\$465
Adjusted Operating Margin ⁽²⁾	9.9%	10.1%	6.8%
Adjusted Diluted EPS ⁽³⁾	\$1.79	\$7.14	\$5.36
Shares Outstanding	48.7 mn	49.3 mn	50.4 mn
Free Cash Flow ⁽⁴⁾	(\$23)	\$551	\$97

Capital Structure as of March 31, 2015

Cash	\$904
Revolving Credit Facility	\$0
Term Loan	395
Senior Notes due 2021	600
Senior Notes due 2021	600
Other Debt	105
Total Debt	\$1,700

⁽¹⁾Non-U.S. GAAP metric that excludes the impacts of \$6 million of unfavorable hurricane insurance recoveries and \$9 million of favorable Gulfport closure costs in 2013

⁽²⁾Non-GAAP metrics that exclude \$47 million of goodwill impairment charges in 2014 and \$64 million of favorable hurricane insurance recoveries and \$17 million of unfavorable Gulfport closure costs in 2013

⁽³⁾Non-GAAP metric that excludes the net-effect of the non-cash goodwill impairment charge and the tax-effected expense for early extinguishment of debt in 2014; the tax-effected impacts of hurricane insurance recoveries and the Gulfport closure in 2013 and the tax-effected FAS/CAS Adjustment.

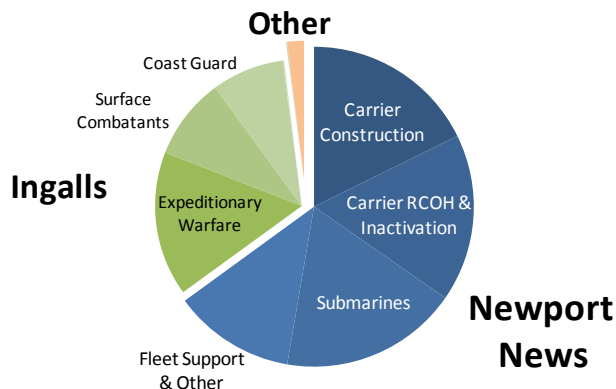
⁽⁴⁾Non-U.S. GAAP measure. See below for the reconciliation:

	Q1 2015	2014	2013
Net cash provided by (used in) operating activities	(\$3)	\$716	\$236
Less capital expenditures	(20)	(165)	(139)
Free cash flow from operations	(\$23)	\$551	\$97

Credit Ratings

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

Revenues by Segment – 2014 (\$6.96 billion)



Recent Operational Highlights

- CVN-65 moved from Pier 2 to its original birthplace, Dry Dock 11
- NSC-5 *James* completed successful acceptance trials
- Christened *John Finn* (DDG 113)
- UPI awarded contract to provide engineering services for Canada's Trans Mountain Pipeline expansion project
- Awarded \$499.8 million contract to build NSC-8 *Midgett*
- Launched *John Finn* (DDG 113)
- Received a \$604.3 million contract modification to fund construction of *Arleigh Burke*-class guided missile destroyer DDG-121
- Christened LPD-26 *John P. Murtha*
- AMSEC wins U.S. Navy engineering and technical services contract
- Awarded a \$224 million modification to an existing contract for advanced planning of the refueling and complex overhaul (RCOH) of aircraft carrier CVN-73 *George Washington*
- Crew move aboard *Virginia*-class submarine *John Warner* (SSN-785)
- Acquired Engineering Solutions Division from The Columbia Group and rebranded it as Undersea Solutions Group
- SN3 began work on \$2 million contract at Hanford site
- Combined the expertise of S.M. Stoller Corporation and Newport News Nuclear to create Stoller Newport News Nuclear (SN3)
- Started construction on NSC-7 *Kimball*



Photo of NSC-5 *James*

Leadership

Board of Directors

Thomas B. Fargo	Chairman
Mike Petters	President, CEO and Director
Robert Bruner	Director
Victoria D. Harker	Director
Anastasia Kelly	Director
Paul D. Miller	Director
Tom Schievelbein	Director
Karl von der Heyden	Director
John K. Welch	Director

Management

Mike Petters, Chief Executive Officer
 Barbara Niland, Chief Financial Officer
 Matt Mulherin, President, Newport News Shipbuilding
 Brian Cuccias, President, Ingalls Shipbuilding
 Philip Luna, President, UniversalPegasus International

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HII Capabilities

	U.S. Navy Warship Force Structure	HII % Participation
Aircraft Carriers		
Aircraft Carriers	11	100%
Aircraft Carrier RCOH		
Aircraft Carrier Inactivation		
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) ⁽¹⁾		Capability
Auxiliaries		
Combat Logistics	29	Capability
Joint High Speed Vessels	10	Capability
Mine Warfare / Support	23	0%
Total Fleet	306 ⁽²⁾	

Source: U.S. Navy FY 2015 30-year Shipbuilding Plan.
 (1) Contract not yet awarded.
 (2) 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 Q1 2015): 48.7 million

Stock Performance (quarter ended 3/31/2015):

Close on 3/31/2015: \$140.15

High during Q1 2015: \$144.00

Low during Q1 2015: \$109.42

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

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