

HUNTINGTON INGALLS INDUSTRIES, INC.
Form 10-Q
August 07, 2014
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2014
or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission file number 001-34910

HUNTINGTON INGALLS INDUSTRIES, INC.
(Exact name of registrant as specified in its charter)

DELAWARE (State or other jurisdiction of incorporation or organization)	90-0607005 (I.R.S. Employer Identification No.)
4101 Washington Avenue, Newport News, Virginia 23607 (Address of principal executive offices and zip code)	
(757) 380-2000 (Registrant's telephone number, including area code)	

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/> (Do not check if a smaller reporting company)	Smaller reporting company	<input type="checkbox"/>

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

As of August 1, 2014, 48,565,824 shares of the registrant's common stock were outstanding.

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HUNTINGTON INGALLS INDUSTRIES, INC.

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME
(UNAUDITED)

(in millions, except per share amounts)	Three Months Ended		Six Months Ended	
	June 30	2013	June 30	2013
	2014	2013	2014	2013
Sales and service revenues				
Product sales	\$1,433	\$1,423	\$2,765	\$2,744
Service revenues	286	260	548	501
Total sales and service revenues	1,719	1,683	3,313	3,245
Cost of sales and service revenues				
Cost of product sales	1,131	1,157	2,191	2,243
Cost of service revenues	238	227	465	440
Income (loss) from operating investments, net	1	2	3	4
General and administrative expenses	170	185	320	355
Operating income (loss)	181	116	340	211
Other income (expense)				
Interest expense	(29) (29) (56) (59
Earnings (loss) before income taxes	152	87	284	152
Federal income taxes	52	30	94	51
Net earnings (loss)	\$100	\$57	\$190	\$101
Basic earnings (loss) per share	\$2.05	\$1.14	\$3.88	\$2.02
Weighted-average common shares outstanding	48.8	50.2	49.0	50.0
Diluted earnings (loss) per share	\$2.04	\$1.12	\$3.84	\$2.00
Weighted-average diluted shares outstanding	49.1	50.7	49.5	50.5
Dividends declared per share	\$0.20	\$0.10	\$0.40	\$0.20
Net earnings (loss) from above	\$100	\$57	\$190	\$101
Other comprehensive income (loss)				
Change in unamortized benefit plan costs	8	210	16	215
Other	1	(1)	