HUNTINGTON INGALLS INDUSTRIES, INC.
Form 11-K
June 28, 2012

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

FORM 11-K
FOR ANNUAL REPORTS OF EMPLOYEE
STOCK PURCHASE, SAVINGS AND SIMILAR
PLANS PURSUANT TO SECTION 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934

(Mark One):

ý ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2011

OR
.. TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _______ to _______

Commission file number 001-34910

HUNTINGTON INGALLS INDUSTRIES, INC.
NEWPORT NEWS OPERATIONS SAVINGS
(401(k)) PLAN FOR UNION ELIGIBLE
EMPLOYEES
(Full title of the plan)

HUNTINGTON INGALLS INDUSTRIES, INC.
4101 Washington Avenue, Newport News, Virginia 23607
(Name of issuer of the securities held pursuant to the plan and the address of its principal executive offices)

HUNTINGTON INGALLS INDUSTRIES, INC. NEWPORT NEWS OPERATIONS SAVINGS (401(k)) PLAN FOR UNION ELIGIBLE EMPLOYEES
(Formerly Northrop Grumman Shipbuilding, Inc. Newport News Operations Savings (401(k)) Plan for Union Eligible Employees)
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NOTE: Schedules required by Section 2520.103-10 of the Department of Labor’s Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted because of the absence of conditions under which they are required.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the HII Administrative Committee and Participants of the
Huntington Ingalls Industries, Inc. Newport News Operations Savings (401(k)) Plan for Union Eligible Employees
Newport News, Virginia

We have audited the accompanying statements of net assets available for benefits of the Huntington Ingalls Industries, Inc. Newport News Operations Savings (401(k)) Plan for Union Eligible Employees (the “Plan”) (formerly, the Northrop Grumman Shipbuilding, Inc. Newport News Operations Savings (401(k)) Plan for Union Eligible Employees) as of December 31, 2011 and 2010, and the related statement of changes in net assets available for benefits for the year ended December 31, 2011. These financial statements are the responsibility of the Plan’s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Plan is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan’s internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2011 and 2010, and the changes in net assets available for benefits for the year ended December 31, 2011, in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of assets (held at end of year) as of December 31, 2011, is presented for the purpose of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by the Department of Labor’s Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This schedule is the responsibility of the Plan’s management. Such schedule has been subjected to the auditing procedures applied in our audit of the basic 2011 financial statements and, in our opinion, is fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole.

/s/ DELOITTE & TOUCHE LLP
Richmond, Virginia
June 28, 2012

HUNTINGTON INGALLS INDUSTRIES, INC. NEWPORT NEWS
OPERATIONS SAVINGS (401(k)) PLAN FOR UNION ELIGIBLE EMPLOYEES
(formerly Northrop Grumman Shipbuilding, Inc. Newport News Operations Savings (401(k)) Plan for Union Eligible Employees)

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
AS OF DECEMBER 31, 2011 AND 2010
($ in thousands)

	2011	2010
ASSETS:		
Investments — at fair value:		
Registered investment company funds	$53,040	$113,608
Collective trust funds	87,498	14,215
Northrop Grumman Fund	3,822	6,557
Huntington Ingalls Industries Fund	1,286	—
Total investments	145,646	134,380
Notes receivable from participants	14,848	13,239
Total assets	160,494	147,619
LIABILITIES:		
Accrued administrative expenses	33	—
Total liabilities	33	—
NET ASSETS AVAILABLE FOR BENEFITS	$160,461	$147,619

The accompanying notes are an integral part of these statements.

HUNTINGTON INGALLS INDUSTRIES, INC. NEWPORT NEWS
OPERATIONS SAVINGS (401(k)) PLAN FOR UNION ELIGIBLE EMPLOYEES
(Formerly Northrop Grumman Shipbuilding, Inc. Newport News Operations Savings (401(k)) Plan for Union Eligible Employees)

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEAR ENDED DECEMBER 31, 2011
($ in thousands)

ADDITIONS:		
Investment income (loss):		
Net depreciation in fair value of investments	$(2,757	)
Dividends and interest	1,007	
Net investment loss	(1,750	)
Interest income on notes receivable from participants	626	
Contributions:		
Participant contributions	15,968	
Employer contributions	7,944	
Total contributions	23,912	
Total additions	22,788	
DEDUCTIONS:		
Benefits paid to participants	(9,664	)
Administrative expenses	(282	)
Total deductions	(9,946	)
INCREASE IN NET ASSETS	12,842	
NET ASSETS AVAILABLE FOR BENEFITS:		
Beginning of year	147,619	
End of year	$160,461	

The accompanying notes are an integral part of this statement.

HUNTINGTON INGALLS INDUSTRIES, INC. NEWPORT NEWS OPERATIONS SAVINGS (401(k)) PLAN FOR UNION ELIGIBLE EMPLOYEES
(Formerly Northrop Grumman Shipbuilding, Inc. Newport News Operations Savings (401(k)) Plan for Union Eligible Employees)
NOTES TO FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2011 AND 2010 AND FOR THE YEAR ENDED DECEMBER 31, 2011

1. DESCRIPTION OF THE PLAN

The following description of the Huntington Ingalls Industries, Inc. Newport News Operations Savings (401(k)) Plan for Union Eligible Employees (formerly known as the Northrop Grumman Shipbuilding, Inc. Newport News Operations Savings (401(k)) Plan for Union Eligible Employees) (the “Plan”) provides only general information. Participants should refer to the plan document for a more complete description of the Plan’s provisions.

General — The Plan was established by Newport News Shipbuilding and DryDock Company (“Newport News”), effective July 1, 1992, as a defined contribution 401(k) plan that provides for tax-deferred savings with both a defined contribution 401(k) plan and an employee stock ownership plan ("ESOP"). On March 31, 2011, Northrop Grumman Corporation completed its separation of its shipbuilding business into a separate company called Huntington Ingalls Industries, Inc. (“HII” or the “Company”). As part of this separation, HII became the Plan sponsor.

All United Steelworkers of America, Local No. 8888, the International Association of Firefighters Local I-45, and the International Union Security, Police, and Fire Professionals of America, Local 451 employees of the Company with at least 90 days of continuous service or 1,000 hours during a one-year period are eligible to participate in the Plan.

All of the Plan’s investments are participant-directed. Both the savings and the ESOP features are reported within the Plan’s financial statements. The Plan is administered by the HII Administrative Committee (the “Plan Administrator”). The trustee and record keeper for the Plan is Wells Fargo Bank, N.A. (the “Trustee”). The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended ("ERISA").

Contributions — Plan participants may contribute between 1% and 30% of eligible compensation, on a tax-deferred (pre-tax) basis through payroll withholdings. An active participant may change the percentage of his or her contributions at any time. The Company makes employer matching contributions to the Plan for participants covered under the terms of the Basic Labor Agreement between the Company and the United Steelworkers of America and its Local 8888, the International Union, Security, Police, and Fire Professionals of America and its Amalgamated Local No. 451 and the International Association of Fire Fighters and its Local I-45 (the "Basic Labor Agreement"). Such employer matching contributions are 100% of the first 2% of the participant’s pre-tax contributions, 50% of the next 2% of the participant’s pre-tax contributions, and 25% of the next 4% of the participant’s pre-tax contributions. All Plan contributions are subject to the limitations prescribed by the

Internal Revenue Code of 1986 (the “Code”).
Certain employees hired or re-hired on or after January 1, 2010, who meet requirements, are eligible to receive an additional employer contribution known as a Retirement Account Contribution ("RAC"). RACs are calculated and credited for each payroll date.
The Company will credit participants who meet eligibility requirements with a RAC each pay period in an amount determined as a percentage of eligible compensation for each pay period in accordance with the following table:

Participant's Age	Percentage of Compensation
Less than 35	3%
35–49	4%
50 or older	5%

Participant Accounts — Individual accounts are maintained for each Plan participant. Each participant’s account is credited with the participant’s contribution, any employer contributions, an allocation of the Plan’s earnings, and charged with withdrawals, an allocation of the Plan’s losses, and an allocation of administrative expenses borne by the Plan. Allocations are based on the participant’s account balance, as defined in the plan document. The benefit to which a participant is entitled is that which can be provided from the participant’s vested account.
Vesting — Plan participants are immediately vested in their own contributions (including any investment earnings thereon). Employer matching contributions will become 100% vested upon the earlier of either the participant’s attainment of two years of credited service as defined in the plan document or normal retirement age (age 62). Full vesting of employer matching contributions also occurs upon termination of employment due to death, total disability or a “reduction in force” as defined in the Basic Labor Agreement.
Plan participants will be fully vested in their RAC, plus earnings thereon, upon the completion of three years of vesting service.
Forfeited Accounts — Forfeitures of nonvested Company contributions plus earnings thereon may be used to reduce subsequent Company contributions. At December 31, 2011 and 2010, forfeited accounts totaled approximately $33,000 and $5,000, respectively.
Investment Options — Upon enrollment in the Plan, participants may direct their contributions in 1% increments to any of the 12 investment options described in the plan document. Participants may change their investment options on a daily basis.
Notes Receivable from Participants — Participants may borrow from their accounts a minimum of $500 up to a maximum of 50% of their vested account balance or $50,000, whichever is less. A participant may not have more than one outstanding loan at any given time. The maximum loan period is four and a half years. Loans are secured by the assignment of the participant’s vested interest in the Plan, and bear interest at a rate of prime plus 1%. Repayments are made through payroll deductions (for active

employees) or other forms of payment (for former employees or employees on a leave of absence). As of December 31, 2011, participant loans have maturities through 2016 at interest rates ranging from 4.25% to 10.5%.

Payment of Benefits — Distributions are generally made in a single lump sum payment as soon as practicable following termination of service, including layoff. However, a terminated participant under the age of 62 whose vested account balance exceeds $1,000 must consent to the distribution of his or her account balance prior to the date the participant attains age 62. Interests in the Company common stock fund will be distributed in accordance with the ESOP plan provisions.