



- Acquiring Camber Corporation (Camber) for \$380M, which includes approximately \$25M of tax benefits
 - Net price (\$355M) equates to 8.6 times Camber’s Adjusted EBITDA⁽¹⁾ for fiscal year ended June 30, 2016
 - Funded with balance sheet cash; expected to close in late 2016

Camber at a Glance (fiscal year ended June 30, 2016 data)

- Pure-play provider of high-end mission-based services and IT solutions
- Innovative, differentiated solutions and services across multiple U.S. Government agencies
- Long-term customer relationships
- Sales: \$364M
- Adjusted Operating Margin: 6.9%^{(1), (2)}
- Backlog: ~\$800M
- Employees: ~1,700
- Founded: 1990

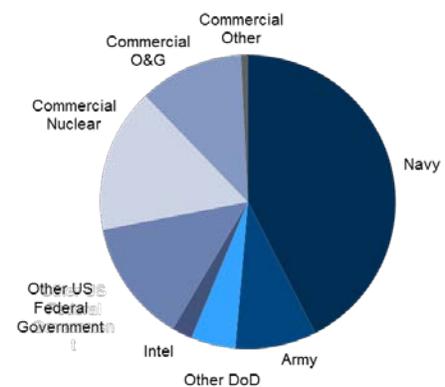
- Strong fit with HII’s Path to 2020 strategy
 - Complements AMSEC, a successful services business controlled and wholly-owned for almost 10 years
 - Key capabilities such as Navy training and unmanned subsea support, agile software development, systems engineering and modeling, simulation & training that complement and bring scale to AMSEC’s strengths
 - Incumbent footprint and contract vehicles provide expanded scope to grow across the Navy and a broader government services customer base
 - Asset-light, cash generative services business model with strong margins
 - Expected to be EPS accretive and cash flow positive in first full year
 - Returns expected to exceed HII’s cost of capital



Capability Color Legend: AMSEC (light blue), Camber (dark blue), BOTH (medium blue)

- Camber will become a part of the newly formed HII Technical Solutions (HIITS) segment
 - Camber will be core to the ~\$1B HIITS segment, which will comprise several existing HII services businesses across government and commercial end-markets
 - HIITS expected to have low single-digit top line growth with operating margin expected to expand from low single-digits in 2017 to the 5%-7% range by 2020
 - HIITS operating structure will facilitate management, performance and transparency
 - Focused on delivering cost-effective value propositions for customers
 - Ongoing commitment to shareholder value creation

HIITS Pro Forma Revenue Mix By Customer



(1) Adjusted to exclude ~\$8.3M of non-recurring expenses

(2) Includes ~\$12.6M of intangible asset amortization

Forward-Looking Statements

Statements in this document, other than statements of historical fact, constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements involve risks and uncertainties that could cause our actual results to differ materially from those expressed in these statements. Factors that may cause such differences include: changes in government and customer priorities and requirements (including government budgetary constraints, and changes in customer short-range and long-range plans); our ability to win new contracts, and perform our contracts effectively; changes in procurement processes and government regulations and our ability to comply with such requirements; our ability to compete within our markets; our ability to effectively integrate Camber into our existing business operations and achieve projected operating results; our ability to achieve the results we expect from the formation of the new Technical Solutions segment; and other risk factors discussed in our filings with the U.S. Securities and Exchange Commission. There may be other risks and uncertainties that we are unable to predict at this time or that we currently do not expect to have a material adverse effect on our business, and we undertake no obligations to update any forward-looking statements. You should not place undue reliance on any forward-looking statements that we may make.