



## Carolina Group Reports Net Income for the Second Quarter Of 2003

August 7, 2003



NEW YORK--(BUSINESS WIRE)--Aug. 7, 2003--Loews Corporation (NYSE:LTR) reported today Carolina Group net income for the 2003 second quarter of \$108.4 million, compared to \$178.8 million in the 2002 second quarter. Net income for the second quarter of 2003 was reduced by an after-tax charge of \$16.8 million to settle litigation with tobacco growers. Net income attributable to the Loews Group intergroup interest for the second quarter of 2003 amounted to \$83.4 million, compared to \$137.4 million in the comparable period of the prior year. Net income attributable to Carolina Group stock (NYSE:CG) for the second quarter of 2003 was \$25.0 million, or \$0.63 per share of Carolina Group stock, compared to \$41.4 million, or \$1.03 per share in the prior year.

Carolina Group net income for the 2003 second quarter includes net investment losses of \$1.4 million, compared to gains of \$5.0 million in the prior year. Net investment (losses) gains attributable to Carolina Group stock in the second quarter of 2003 and 2002 were \$(0.3) million and \$1.2 million.

Net sales for the Carolina Group were \$780.9 million in the second quarter of 2003, compared to \$1,026.9 million in 2002. The decline in net sales reflects lower unit sales volume of 5.7% and increased sales promotion expenses.

Carolina Group net income for the first half of 2003 was \$232.8 million, compared to \$329.5 million in the comparable period of the prior year. Net income for 2003 was reduced by after-tax charges of \$16.8 million in the second quarter and \$17.1 million in the first quarter to settle litigation with tobacco growers and to resolve indemnification claims and trademark matters in connection with the 1977 sale by Lorillard of its international business.

Net income attributable to the Loews Group intergroup interest for the first half of 2003 amounted to \$179.2 million, compared to \$270.1 million in the comparable period of the prior year. Net income attributable to Carolina Group stock for the first half of 2003 was \$53.6 million or \$1.34 per share of Carolina Group stock, compared to \$59.4 million or \$1.48 per share of Carolina Group stock and reflects five months of actual results, commencing with the initial issuance of Carolina Group stock by Loews Corporation in February 2002.

Carolina Group net income for the first half of 2003 includes net investment losses of \$1.2 million, compared to gains of \$6.9 million in the prior year. Net investment (losses) gains attributable to Carolina Group stock in the first half of 2003 and 2002 were \$(0.3) million and \$1.5 million.

Net sales for the Carolina Group in the first half of 2003 were \$1.625 billion compared to \$2.000 billion in the comparable 2002 period. The decline in net sales reflects lower unit sales volume of 8.2% and increased sales promotion expenses.

On a pro forma basis, assuming the Carolina Group stock had been issued at January 1, 2002, net income attributable to Carolina Group stock for the first six months of 2002 would have been \$73.4 million or \$1.82 per share of Carolina Group stock.

This pro forma information is based on the historical results of operations of the Carolina Group, adjusted to accrue interest expense at 8% per annum on \$2.500 billion of notional intergroup debt and an adjustment to income taxes for the impact of the interest expense. Per share amounts are based on income available to Carolina Group shareholders. At June 30, 2003, the outstanding balance of notional debt was \$2.336 billion.

The Carolina Group stock, commonly called a tracking stock, is intended to reflect the economic performance of a defined group of the Company's assets and liabilities, referred to as the Carolina Group, principally consisting of the Company's subsidiary Lorillard, Inc. The Carolina Group, a notional group, is not a separate legal entity. The purpose of this financial information is to provide investors with additional information to use in analyzing the results of operations and financial condition of the Carolina Group, and this financial information should be read in conjunction with the consolidated financial information of Loews Corporation.

As of June 30, 2003, there were 39,910,000 shares of Carolina Group stock outstanding. Depending on market conditions, the Company, for the account of the Carolina Group, from time to time may purchase shares of Carolina Group stock in the open market or otherwise.

Loews Corporation has issued a separate press release reporting its consolidated results for the second quarter of 2003, which accompanies this press release.

A conference call to discuss the second quarter results of Loews Corporation has been scheduled for 9:00 a.m. EDT, Thursday, August 7, 2003. A live broadcast of the call will be available online at the Loews Corporation Web site ([www.loews.com](http://www.loews.com)). Please go to the Web site at least 10 minutes before the event begins to register and to download and install any necessary audio software. Those interested in participating in the question and answer session of the conference call should dial 877-692-2592. An online replay will be available at the Company's Web site for one week following the call.

Carolina Group  
Financial Review

June 30,				
Three Months		Six Months Ended		
2003	2002	2003	2002	2002 (e)

(Amounts in millions, except per share data)

Pro Forma

Net sales (a)	\$ 780.9	\$1,026.9	\$1,625.1	\$2,000.0	\$2,000.0
Cost of sales (a)					
(b)	454.9	587.6	921.4	1,187.8	1,187.8
Selling, advertising and administrative					
(c)	120.1	111.6	254.8	223.4	223.4
Total operating costs and expenses	575.0	699.2	1,176.2	1,411.2	1,411.2
Operating income	205.9	327.7	448.9	588.8	588.8
Investment income					
(d)	8.9	18.2	17.7	32.4	32.4
Interest expense	(47.3)	(50.0)	(95.5)	(79.0)	(100.0)
Income before income taxes	167.5	295.9	371.1	542.2	521.2
Income taxes	59.1	117.1	138.3	212.7	204.5
Net income	108.4	178.8	232.8	329.5	316.7
Earnings attributable to the Loews Group intergroup interest					
(f)	83.4	137.4	179.2	270.1	243.3
Income attributable to Carolina Group shareholders (g)	\$ 25.0	\$ 41.4	\$ 53.6	\$ 59.4	\$ 73.4
Per share of Carolina Group stock (h)	\$ 0.63	\$ 1.03	\$ 1.34	\$ 1.48	\$ 1.82
Weighted number of shares outstanding	39.91	40.25	39.91	40.25	40.25

(a) Includes excise taxes of \$163.4, \$176.1, \$320.3 and \$356.5 for the respective periods.

(b) Includes charges of \$180.1, \$291.9, \$377.6 and \$587.7 (\$116.3, \$176.5, \$236.9 and \$357.2 after taxes) to accrue obligations under the State Settlement Agreements for the respective periods.

(c) Includes a \$26.0 charge in the three and six months ended June 30, 2003 (\$16.8 after taxes) to settle litigation with tobacco growers and a \$28.0 charge in the six months ended June 30, 2003 (\$17.1 after taxes) to resolve indemnification claims and trademark matters in connection with the 1977 sale by Lorillard of its international business.

- (d) Includes \$(2.1), \$7.8, \$(1.8) and \$10.7 of investment (losses) gains for the respective periods.
- (e) Includes pro forma adjustment to accrue interest expense at 8% per annum on \$2,500.0 of notional intergroup debt and an adjustment to income taxes for the impact of the interest expense for the period prior to the issuance of Carolina Group stock.
- (f) Adjusted to reflect the Loews Group's intergroup interest in the earnings of the Carolina Group after completion of the February 1, 2002 offering of 40,250,000 shares of Carolina Group stock. The Loews Group's economic interest is expressed in share equivalents amounting to 133,500,000 shares for a total of 173,750,000 shares and share equivalents outstanding after the offering. As of June 30, 2003, there were 39,910,000 shares of Carolina Group stock outstanding.
- (g) Represents 23.01% of the economic interest in the Carolina Group for 2003 and 23.17% for 2002.
- (h) Earnings per common share-assuming dilution is not presented because securities that could potentially dilute basic earnings per share in the future would have been insignificant or antidilutive for the periods presented. Pro forma earnings per share of Carolina Group stock assumes the Carolina Group was a separate group as of January 1, 2002.

Carolina Group  
Supplemental Information

The following information regarding domestic U.S. unit volume shipped by Lorillard Tobacco Company to its direct buying customers by brand as follows (all units in billions):

	June 30,			
	Three Months		Six Months	
	2003	2002	2003	2002
<b>Premium Brands</b>				
Total Newport	7.700	8.255	15.172	16.650
Total Kent Family	0.281	0.348	0.549	0.711
Total True	0.203	0.241	0.396	0.488
Total Max	0.014	0.017	0.028	0.034
Total Satin	0.003	0.003	0.006	0.007
Total Triumph	0.001	0.002	0.002	0.003
Total Premium Brands	8.202	8.866	16.153	17.893
<b>Discount Brands</b>				
Total Old Gold	0.272	0.348	0.518	0.677
Total Maverick	0.118	0.166	0.201	0.368
Total Discount Brands	0.390	0.514	0.719	1.045
Total Domestic Cigarettes	8.592	9.380	16.872	18.938

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Notes:

1. This information is unaudited and is not adjusted for returns.
2. Domestic unit volume includes units sold as well as promotional units, and excludes volumes for Puerto Rico and U.S. possessions.
3. Unit volume for a quarter is not necessarily indicative of unit volume for any subsequent period.
4. Unit volume is not necessarily indicative of the level of revenues for any period.

Loews Corporation Reports Net Income for the Second Quarter of 2003

NEW YORK--Aug. 7, 2003--Loews Corporation (NYSE:LTR) (NYSE:CG) today reported consolidated net income (including both the Loews Group and Carolina Group) for the 2003 second quarter of \$214.8 million, compared to \$198.8 million for the second quarter of 2002.

The following table summarizes the revenues, net income and earnings per share information:

June 30,

(In millions)	Three Months		Six Months	
	2003	2002(a)	2003	2002(a)
Consolidated:				
Revenues (b)	\$4,250.3	\$4,651.5	\$8,199.5	\$9,443.8
Net income	\$ 214.8	\$ 198.8	\$ 404.8	\$ 411.6
Per Share: (c)				
Income per share of Loews common stock:				
Income from continuing operations	\$ 1.02	\$ 0.84	\$ 1.89	\$ 2.23
Discontinued operations - net				(0.16)
Cumulative effect of change in accounting principle - net				(0.21)
Net income per share of Loews common stock	\$ 1.02	\$ 0.84	\$ 1.89	\$ 1.86
Net income per share of Carolina Group stock	\$ 0.63	\$ 1.03	\$ 1.34	\$ 1.48

(a) Restated to reflect an adjustment to the Company's historical accounting for CNA's investment in life settlement contracts and the related revenue recognition. The impact of this adjustment on operating results in 2002 was insignificant.

(b) Revenue includes premiums of \$535.0 and \$1,151.0 for the three and six months ended June 30, 2002, related to the National Postal Mail Handlers contract at CNA which was transferred on July 1, 2002.

(c) The Company has two classes of common stock, Loews common stock and Carolina Group stock, issued in February 2002.

Consolidated net income in the second quarter of 2003 includes net investment gains of \$250.7 million, compared to losses of \$117.9 million in the second quarter of 2002.

Net income attributable to Loews common stock for the second quarter of 2003 amounted to \$189.8 million or \$1.02 per share, compared to \$157.4 million or \$0.84 per share in the comparable period of the prior year. Net income in the second quarter of 2003 includes net investment gains attributable to Loews common stock of \$251.0 million, compared to losses of \$119.1 million in the comparable period of the prior year.

Results for the quarter ended June 30, 2003, included \$277.3 million (after tax and minority interest) of unfavorable net prior year reserve development in CNA's property and casualty segment, of which approximately 80% relates to accident year 2000 and prior. The significant unfavorable net prior year premium and loss development was recorded primarily for workers compensation, directors and officers coverages, and a recent adverse arbitration decision involving a single large property and business interruption loss that occurred in 1995. The results also included an increase in the bad debt reserves for reinsurance and insurance receivables, catastrophe losses for the Texas tornados and Midwest rain storms and decreased net investment income. These adverse items were more than offset by increased net investment gains and strong current accident year results. Results for the quarter were also impacted by lower net income from Lorillard due to an increase in sales promotion expenses and lower total sales unit volume.

Net investment gains increased \$368.6 million (after tax and minority interest) in the second quarter of 2003 as compared with the same period in 2002. This increase was due primarily to increased gains on sales of fixed maturity securities and a decrease in investment related impairment charges in the second quarter of 2003. Investment related impairment losses (after tax and minority interest) were \$18.0 million for the second quarter of 2003 as compared with \$169.2 million for the same period in 2002.

Net income attributable to Carolina Group stock for the second quarter of 2003 was \$25.0 million or \$0.63 per Carolina Group share, compared to \$41.4 million, or \$1.03 per Carolina Group share in the second quarter of 2002. The Company is issuing a separate press release reporting the actual and pro forma results of the Carolina Group for the quarter and six months ended June 30, 2003 and 2002.

#### Six Months Ended June 30, 2003 Compared With 2002

Net income for the first half of 2002 included a loss from discontinued operations at CNA of \$31.0 million or \$0.16 per share of Loews common stock and a charge for accounting changes of \$39.6 million or \$0.21 per share of Loews common stock, related to accounting for goodwill and other intangible assets at CNA.

Consolidated income from continuing operations for the first half of 2003 was \$404.8 million, compared to \$482.2 million in the comparable period of the prior year. Income from continuing operations includes net investment gains of \$194.1 million (after tax and minority interest), compared to a loss of \$102.1 million (after tax and minority interest) in the comparable period of the prior year. The lower results reflect the unfavorable net prior year premium and loss development recorded in the second quarter of 2003 for the property and casualty segment as discussed above and the lower results from Lorillard, partially offset by the improvement in net investment gains.

Income from continuing operations attributable to Loews common stock for the first half of 2003 amounted to \$351.2 million or \$1.89 per share, compared to \$422.8 million or \$2.23 per share in the comparable period of the prior year. Income from continuing operations includes net investment gains attributable to Loews common stock of \$194.4 million, compared to losses of \$103.6 million in the comparable period of the prior year.

Net income attributable to Carolina Group stock for the first half of 2003 amounted to \$53.6 million or \$1.34 per Carolina Group share, compared to \$59.4 million or \$1.48 per share in the comparable period of the prior year.

#### Components of Net Income

(In millions)	Three Months		Six Months	
	2003	2002	2003	2002
Income (loss) before net investment gains (losses) attributable to Loews common stock	\$ (61.2)	\$ 276.5	\$ 156.8	\$ 526.4
Net investment gains (losses)	251.0	(119.1)	194.4	(103.6)
Income from continuing operations	189.8	157.4	351.2	422.8
Discontinued operations - net (a)				(31.0)
Cumulative effect of change in accounting principle - net (b)				(39.6)
Net income attributable to Loews common stock	\$ 189.8	\$ 157.4	\$ 351.2	\$ 352.2

(a) In the first quarter of 2002, CNA sold its life operations in

Chile.

- (b) Represents the effect of the adoption of SFAS No. 142, which was a change in accounting for goodwill and other intangible assets at CNA.

#### Third Quarter Reserve Reviews

Adverse trends in both asbestos, environmental pollution and mass tort claims ("APMT") and non-APMT property and casualty segments continue to impact the property and casualty insurance industry. CNA reviews its property and casualty claim and claim adjustment expense reserves ("reserves") on a regular basis, and as part of these reviews, has noted an increase in reported construction defect claims. CNA expects to complete a comprehensive reserve review of construction defect exposures in the third quarter of 2003. In addition, other volatile exposures will also be reviewed on a comprehensive basis in the third quarter.

While CNA continues to monitor and evaluate its APMT exposures on a regular basis, the completion of a comprehensive ground up analysis of its APMT exposures, previously scheduled for the second quarter, will be completed in the third quarter of 2003. Significant resources were dedicated to the proposed national asbestos reform legislation and to support the regulatory reviews described below. As such, CNA plans to complete its more formal and comprehensive analysis in the third quarter of 2003.

In addition, in connection with routine state regulatory exams of Continental Casualty Company ("CCC") and Continental Insurance Company ("CIC"), an independent actuarial firm is in the process of reviewing CNA's reserves as of December 31, 2001. CNA intends to have the independent actuarial firm update its review to include an assessment of its December 31, 2002 reserves using more recent data. These independent reviews are expected to be completed by December 31, 2003. CNA will consider the results of these independent actuarial reviews in the reserving process.

While management believes that CNA's reserves as of June 30, 2003 are appropriate based on information known at this time, CNA, as a result of the third quarter reviews by CNA and the independent actuarial firm and other factors deemed relevant by CNA, may in the future determine that its recorded reserves are not sufficient and may increase its reserves by amounts that may be material, which could adversely affect CNA's business, insurer financial strength and debt ratings and the Company's results of operations and equity. Adjustments to prior year reserve estimates, if necessary, are reflected in the results of operations in the period that the need for such adjustments is determined.

At June 30, 2003, the book value per share of Loews common stock was \$66.96 per Loews common share compared to \$61.68 per Loews common share at December 31, 2002.

At June 30, 2003, there were 185,447,050 shares of Loews common stock outstanding and 39,910,000 shares of Carolina Group stock outstanding. Depending on market conditions, the Company from time to time purchases shares of its, and its subsidiaries', outstanding common stock in the open market or otherwise.

In February 2002 the Company created a class of common stock, called Carolina Group stock, a tracking stock intended to reflect the economic performance of a group of the Company's assets and liabilities, called the Carolina Group, principally consisting of the Company's subsidiary Lorillard, Inc. In an initial public offering, the Company issued shares of Carolina Group Stock representing an interest in the economic performance of the Carolina Group. Loews common stock represents the economic performance of the Company's remaining assets, including the interest in the Carolina Group not represented by Carolina Group Stock. At June 30, 2003, the outstanding Carolina Group stock represents a 23.01% economic interest in the economic performance of the Carolina Group.

A conference call to discuss the second quarter results of Loews Corporation has been scheduled for 9:00 a.m. EDT, Thursday, August 7, 2003. A live broadcast of the call will be available online at the Loews Corporation Web site ([www.loews.com](http://www.loews.com)). Please go to the Web site at least 10 minutes before the event begins to register and to download and install any necessary audio software. Those interested in participating in the question and answer session of the conference call should dial 877-692-2592. An online replay will be available at the Company's Web site for one week following the call.

A conference call to discuss the second quarter results of CNA has been scheduled for 8:00 a.m. EDT, Thursday, August 7, 2003. A live broadcast of the call will be available online at the CNA Web site (<http://investors.cna.com>). Please go to the Web site at least 10 minutes before the event begins to register and to download and install any necessary audio software. Those interested in participating in the question and answer session of the conference call should dial 888-203-1112, passcode 160543. An online replay will be available at CNA's Web site until the date of the next conference call.

#### Forward-Looking Statements

Statements contained in this press release which are not historical facts are "forward-looking statements" within the meaning of the federal securities laws. When included in this press release, the words "believes," "expects," "plans," "intends," "anticipates," "estimates," "should," and similar expressions, and other statements concerning the Company's future plans, objectives, and expected performance are intended to identify forward-looking statements. Forward-looking statements contained in this release include statements regarding the insurance business of the Company's CNA subsidiary, including the insurance reserve reviews being conducted by CNA and an independent actuarial firm, the ongoing state regulatory exams of CNA's primary insurance company subsidiaries, and CNA's responses to the results of those reviews and exams. These matters are highly complex and their outcome is inherently uncertain. Therefore, forward-looking statements in this release regarding these matters are inherently uncertain and subject to a variety of risks that could cause actual results to differ materially from those expected by management of the Company and CNA.

A discussion of the important risk factors and other considerations that could materially impact these matters as well as the Company's overall business and financial performance can be found in the Company's reports filed with the Securities and Exchange Commission and readers of this release are urged to review those reports carefully when considering these forward-looking statements. Copies of these reports are available through the Company's Web site ([www.loews.com](http://www.loews.com)). Given these risk factors, investors and analysts should not place undue reliance on forward-looking statements.

These forward-looking statements speak only as of the date of this press release. The Company expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement to reflect any change in the Company's expectations with regard thereto or

any change in events, conditions or circumstances on which any forward-looking statement is based.

Loews Corporation and Subsidiaries  
Financial Review

June 30,				
	Three Months		Six Months	
	2003	2002(h)	2003	2002(h)
(Amounts in millions, except per share data)				
Revenues:				
Insurance premiums and net investment income (a)	\$3,060.1	\$3,170.2	\$5,801.3	\$6,492.9
Manufactured products (b)	814.3	1,068.0	1,698.3	2,072.8
Other (c)	375.9	413.3	699.9	878.1
Total	4,250.3	4,651.5	8,199.5	9,443.8
Expenses:				
Insurance claims & policyholders' benefits	2,066.9	2,382.2	3,936.7	4,692.3
Cost of manufactured products sold (b)	475.7	600.5	956.9	1,208.2
Other (d)	1,405.3	1,333.1	2,721.6	2,725.0
Total	3,947.9	4,315.8	7,615.2	8,625.5
	302.4	335.7	584.3	818.3
Income tax expense	87.9	122.6	180.8	293.8
Minority interest	(0.3)	14.3	(1.3)	42.3
Total	87.6	136.9	179.5	336.1
Income from continuing operations	214.8	198.8	404.8	482.2
Discontinued operations - net				(31.0)
Cumulative effect of change in accounting principles - net (e)				(39.6)
Net income	\$ 214.8	\$ 198.8	\$ 404.8	\$ 411.6
Net income attributable to:				
Loews common stock:				
Income from continuing operations	\$ 189.8	\$ 157.4	\$ 351.2	\$ 422.8
Discontinued operations - net				(31.0)
Cumulative effect of change in accounting principles - net (e)				(39.6)
Loews common stock	189.8	157.4	351.2	352.2
Carolina Group stock (f)	25.0	41.4	53.6	59.4
	\$ 214.8	\$ 198.8	\$ 404.8	\$ 411.6

Income per share of Loews  
common stock (g):

Income from continuing operations	\$	1.02	\$	0.84	\$	1.89	\$	2.23
Discontinued operations - net								(0.16)
Cumulative effect of changes in accounting principles - net (e)								(0.21)

Net income	\$	1.02	\$	0.84	\$	1.89	\$	1.86
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Net income per share of  
Carolina Group stock (g)

\$	0.63	\$	1.03	\$	1.34	\$	1.48
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Weighted number of shares  
outstanding:

Loews common stock	185.45	188.19	185.45	189.63
Carolina Group stock	39.91	40.25	39.91	40.25

- (a) Includes investment gains (losses) of \$419.3, \$(195.0), \$323.7 and \$(171.5) for the respective periods.
- (b) Includes excise taxes of \$163.4, \$176.1, \$320.3 and \$356.5 paid on sales of manufactured products for the respective periods.
- (c) Revenue for 2002 has been restated for comparative purposes to reflect the adoption of new accounting principles related to reimbursements received by Diamond Offshore for "Out-of-Pocket" expenses incurred.
- (d) Includes a \$26.0 charge in the three and six months ended June 30, 2003 (\$16.8 after taxes) to settle litigation with tobacco growers and a \$28.0 charge in the six months ended June 30, 2003 (\$17.1 after taxes) to resolve indemnification claims and trademark matters in connection with the 1977 sale by Lorillard of its international business.
- (e) Adoption of SFAS No. 142, accounting for goodwill and other intangible assets at the CNA subsidiary.
- (f) Represents 23.01% and 23.17% of the economic interest in the Carolina Group for 2003 and 2002.
- (g) Earnings per common share-assuming dilution is not presented because securities that could potentially dilute basic earnings per common share in the future would have been insignificant or antidilutive for the periods presented.
- (h) Restated to reflect an adjustment to the Company's historical accounting for CNA's investment in life settlement contracts and the related revenue recognition.

Loews Corporation and Subsidiaries  
Additional Financial Information

June 30,

Three Months

Six Months



	2003	2002(f)	2003	2002(f)
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	(In millions)			
Revenues:				
CNA Financial	\$2,719.6	\$3,474.6	\$5,641.2	\$6,919.3
Lorillard (a)	791.5	1,037.9	1,643.4	2,022.2
Loews Hotels	85.4	82.0	161.8	159.2
Diamond Offshore (b)	167.9	195.8	319.9	407.7
Texas Gas	23.1		23.1	
Bulova	33.7	41.4	74.8	74.1
Investment income - net and other (c)	9.8	14.8	11.6	32.8
	3,831.0	4,846.5	7,875.8	9,615.3
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Investment gains (losses):				
CNA Financial	388.7	(162.3)	312.6	(161.3)
Corporate and other	30.6	(32.7)	11.1	(10.2)
	419.3	(195.0)	323.7	(171.5)
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Total	\$4,250.3	\$4,651.5	\$8,199.5	\$9,443.8
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Income Before Taxes:				
CNA Financial	\$ (297.1)	\$ 205.0	\$ (113.0)	\$ 376.6
Lorillard (d)	177.7	271.1	381.6	514.8
Loews Hotels	9.0	10.3	17.0	19.8
Diamond Offshore	(18.9)	8.6	(47.7)	36.3
Texas Gas	2.6		2.6	
Bulova	2.9	4.6	7.2	7.6
Investment income - net and other (c)	(31.9)	(35.7)	(73.0)	(60.9)
	(155.7)	463.9	174.7	894.2
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Investment gains (losses):				
CNA Financial	388.7	(162.3)	312.6	(161.3)
Corporate and other	30.8	(34.5)	11.6	(12.5)
	419.5	(196.8)	324.2	(173.8)
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Loews common stock	263.8	267.1	498.9	720.4
Carolina Group stock (e)	38.6	68.6	85.4	97.9
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Total	\$ 302.4	\$ 335.7	\$ 584.3	\$ 818.3
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Net Income:				
CNA Financial	\$ (156.1)	\$ 124.7	\$ (32.7)	\$ 225.6
Lorillard (d)	114.5	163.7	239.3	312.7
Loews Hotels	5.7	6.7	10.8	12.7
Diamond Offshore	(9.3)	1.7	(21.4)	10.4
Texas Gas	1.6		1.6	
Bulova	1.9	2.6	4.9	4.2
Investment income - net and other (c)	(19.5)	(22.9)	(45.7)	(39.2)
	(61.2)	276.5	156.8	526.4
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Investment gains (losses):				
CNA Financial	230.4	(93.9)	186.5	(91.7)
Corporate and other	20.6	(25.2)	7.9	(11.9)
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	251.0	(119.1)	194.4	(103.6)
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Income from continuing operations	189.8	157.4	351.2	422.8
Discontinued operations-net				(31.0)
Cumulative effect of changes in accounting principles-net				(39.6)
-----				
Loews common stock	189.8	157.4	351.2	352.2
Carolina Group stock (e)	25.0	41.4	53.6	59.4
-----				
Total	\$ 214.8	\$ 198.8	\$ 404.8	\$ 411.6
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- (a) Includes excise taxes of \$163.4, \$176.1, \$320.3 and \$356.5 paid on sales of manufactured products for the respective periods.
- (b) Revenue for 2002 has been restated for comparative purposes to reflect the adoption of new accounting principles related to reimbursements received by Diamond Offshore for "Out-of-Pocket" expenses incurred.
- (c) Consists primarily of corporate investment income, interest expenses and other unallocated expenses.
- (d) Represents the Loews Group's intergroup interest in the earnings of the Carolina Group.
- (e) Represents 23.01% and 23.17% of the economic interest in the Carolina Group for 2003 and 2002.
- (f) Restated to reflect an adjustment to the Company's historical accounting for CNA's investment in life settlement contracts and the related revenue recognition.

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SOURCE: Loews Corp.