



*May 2015*

# **Loews Corporation: The Essentials**

*Bernstein Strategic Decisions Conference*

---

# Legal Disclaimers

---



**Forward Looking Statements and Risk Factors.** All of the information presented herein is available from public sources, including our earnings releases and our SEC filings. We urge you to read those documents, and we specifically direct you to the forward-looking statements disclaimers and risk factors they contain. The primary purpose of this presentation is to help you understand how we view our Company, not to update our filings or correct any forecasts – we categorically do not give guidance. Conditions faced by our various businesses may have changed – for better or worse – since the time periods reflected in this presentation and we disclaim any obligation to update the information presented herein. Any statements made in addressing our results are not meant as an indication of the Company's performance since the time of our latest public filings and disclosures.

Important risk factors that could cause the actual results for each of the companies discussed in this presentation to differ from those expressed in forward-looking statements are discussed in detail in the annual and quarterly reports and other filings made with the Securities and Exchange Commission by Loews Corporation and its subsidiaries: CNA Financial Corporation, Diamond Offshore Drilling, Inc. and Boardwalk Pipeline Partners, LP. Given the risk factors discussed in these filings, investors and analysts should not place undue reliance on forward-looking statements.

**Where You Can Find More Information.** The annual, quarterly and other reports filed with the Securities and Exchange Commission by Loews Corporation and its subsidiaries: CNA Financial Corporation, Diamond Offshore Drilling, Inc. and Boardwalk Pipeline Partners, LP., contain important additional information about those companies and we urge you to read this presentation together with those filings, copies of which are available, as applicable, at the corporate websites of Loews Corporation at [www.loews.com](http://www.loews.com) and such subsidiaries at [www.cna.com](http://www.cna.com), [www.diamondoffshore.com](http://www.diamondoffshore.com) and [www.bwpmpl.com](http://www.bwpmpl.com), or at the SEC's website at [www.sec.gov](http://www.sec.gov).

To view the most recent SEC filings of Loews Corporation, click here

<http://ir.loews.com/phoenix.zhtml?c=102789&p=irol-sec>

To view the most recent SEC filings of CNA Financial Corporation, click here

<http://investor.cna.com/phoenix.zhtml?c=104503&p=irol-sec>

To view the most recent SEC filings of Diamond Offshore Drilling, Inc. , click here

<http://investor.diamondoffshore.com/phoenix.zhtml?c=78110&p=irol-sec>

To view the most recent SEC filings of Boardwalk Pipeline Partners, LP, click here

<http://ir.bwpmpl.com/phoenix.zhtml?c=193443&p=irol-sec>

# What is Loews?



- Holding company with a \$15 billion market capitalization
- Our goal: Create long-term value for shareholders
- Our diversified portfolio sets us apart
- We have delivered superior returns to our shareholders over our 50-plus year history



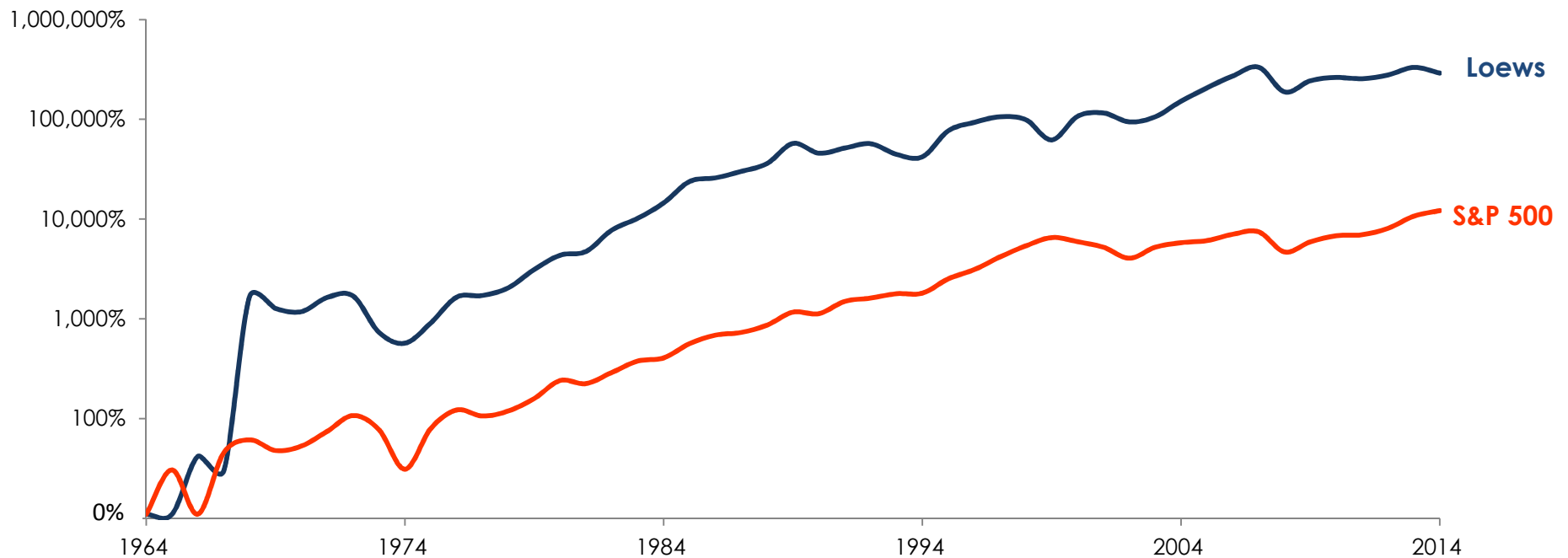
## Building Shareholder Value



### Total Return to Shareholders of Loews Common Stock Since 1965

(December 31, 1964 to December 31, 2014)

**Over the last 50 years, Loews had average compound annual returns of 17%**



**\$1.00 invested in Loews at year-end 1964 has grown to ~\$2,907 whereas \$1.00 invested in the S&P 500 the same day has only grown to ~\$123**

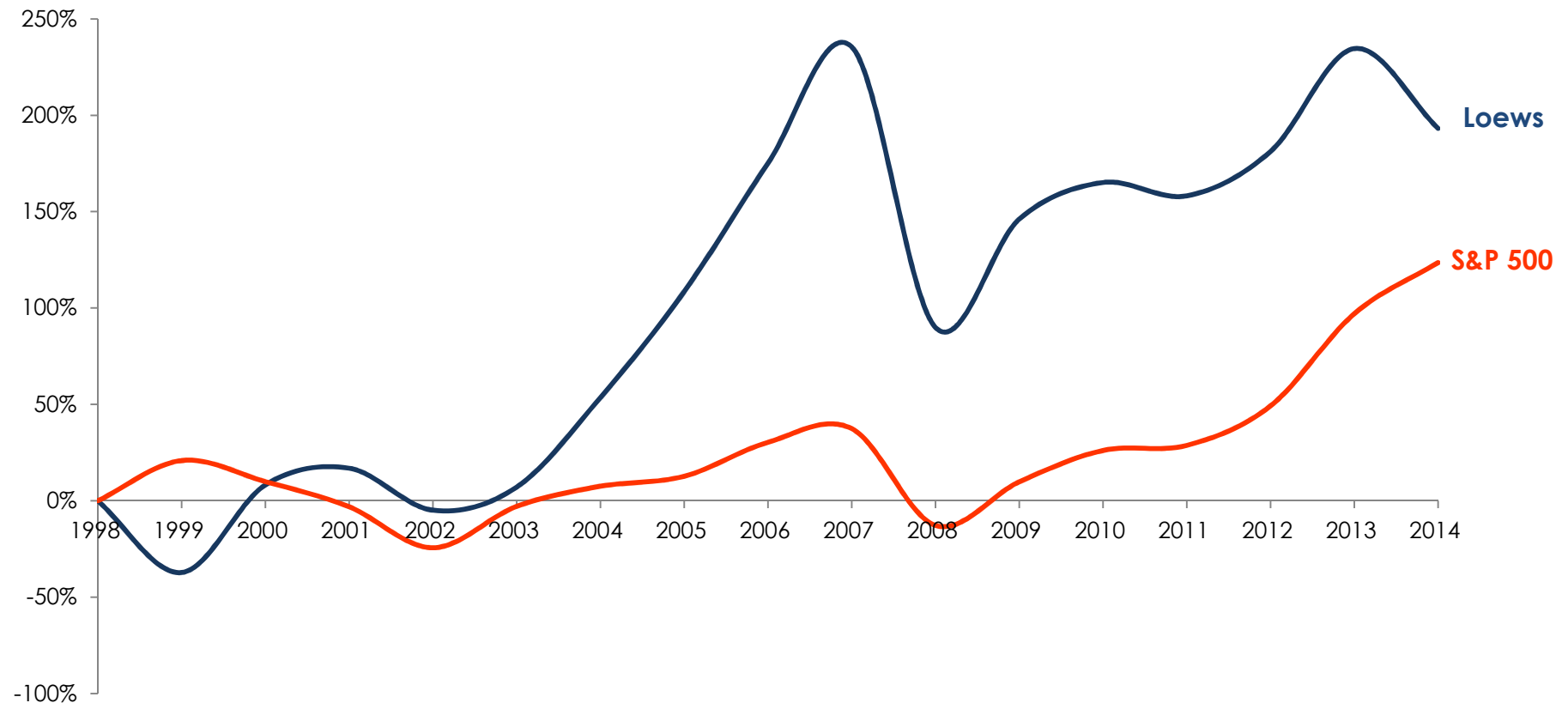
# Significant Returns to Shareholders



## Total Return to Shareholders of Loews Common Stock Since 1999

(December 31, 1998 to December 31, 2014)





**Average annual compound returns of 7% since current management took office in 1998 vs. average annual returns of 5% for the S&P over the same period**



## Our Subsidiaries



We are asset allocators striving to achieve attractive long-term returns for our shareholders through diversified, value-based investments

Loews Owns					
	 (90%)	 (53%)	 (49% LP / 2% GP)	 (100%)	Other
Industry	<b>Property &amp; casualty insurance</b>	<b>Offshore drilling</b>	<b>Natural gas &amp; NGL midstream MLP</b>	<b>Luxury hotels &amp; resorts</b>	<b>BWP General Partner</b>
Ticker	CNA	DO	BWP		
Market cap	\$ 10.9	\$ 4.6	\$ 4.5		<b>Cash &amp; investments</b>
Loews stake	\$ 9.8	\$ 2.4	\$ 2.3		\$ 5.5
Number of shares/units held by Loews (in millions)	242.4	72.9	130.7		<b>Parent company debt</b>
Shares per Loews share	0.65	0.20	0.35		\$ 1.7

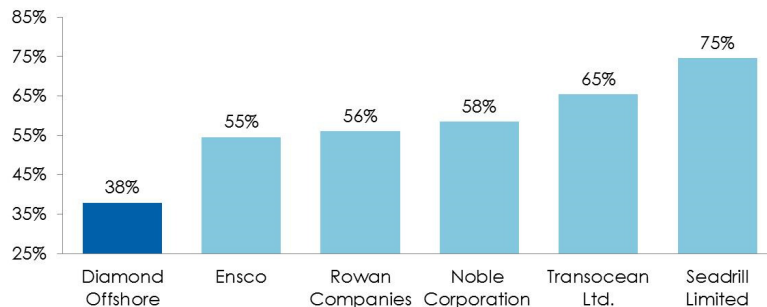
Market capitalization as of April 30, 2015 and all other data as of March 31, 2015.

# Diamond Offshore Drilling

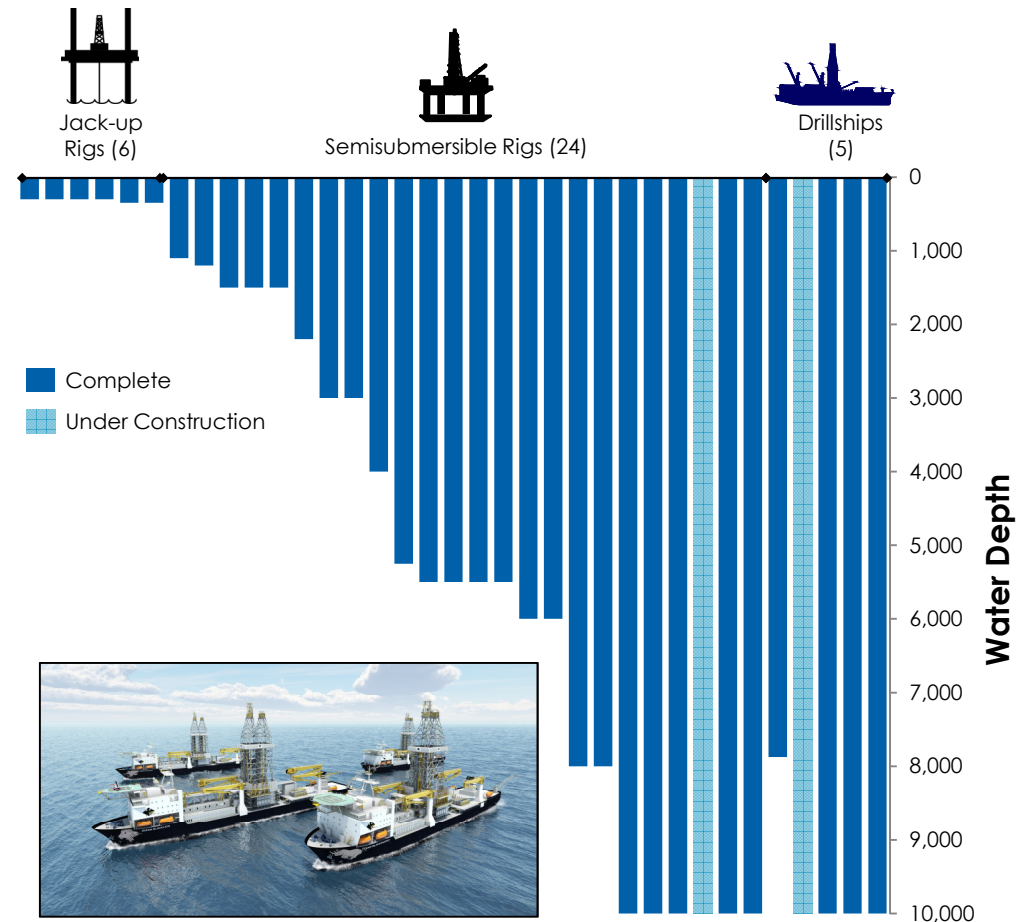


- **Diamond has a strong balance sheet, good liquidity and moderate leverage**
- Diamond's five newbuilds – four drillships and one harsh environment semi – all have long-term contracts
- Diamond is well positioned to withstand the current downturn in the offshore drilling market and capitalize on opportunities that arise

## Gross Debt to Market Cap<sup>2</sup>



## Diamond Offshore Fleet<sup>1</sup>



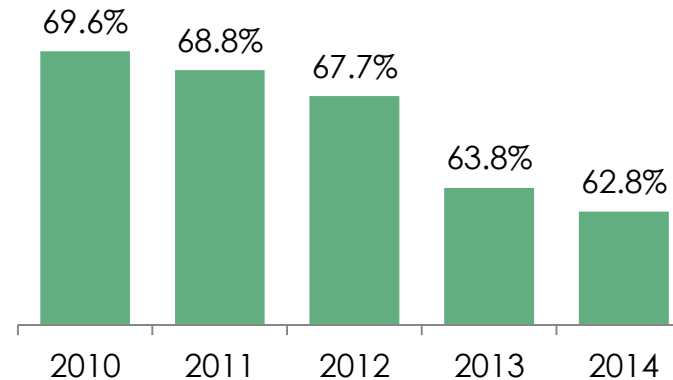
1. As of April 20, 2015; excludes three rigs that Diamond Offshore plans to retire and scrap.

2. As of March 31, 2015.

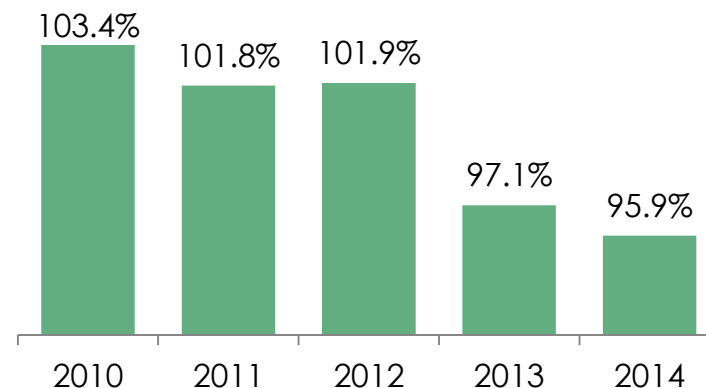


- **CNA is a major commercial P&C insurer with an industry leading specialty lines business**
- Improving underwriting performance and risk selection
- Strong capital position
- Well positioned for growth and profitability
- Paid a \$2.00 per share special dividend and a \$0.25 per share regular quarterly dividend in March 2015
  - Since 2011, CNA has paid cumulative dividends of \$6.05 per share.

## P&C Operations Underlying Loss Ratio<sup>1</sup>



## P&C Operations Combined Ratio<sup>1</sup>



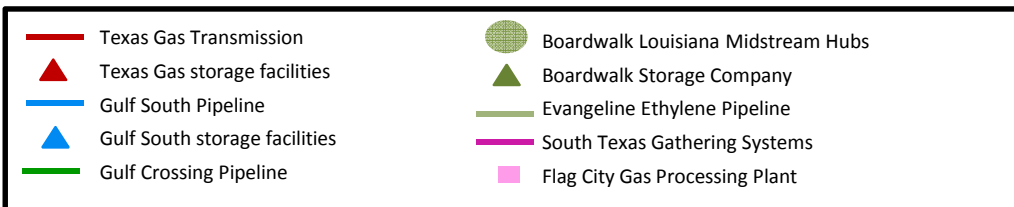
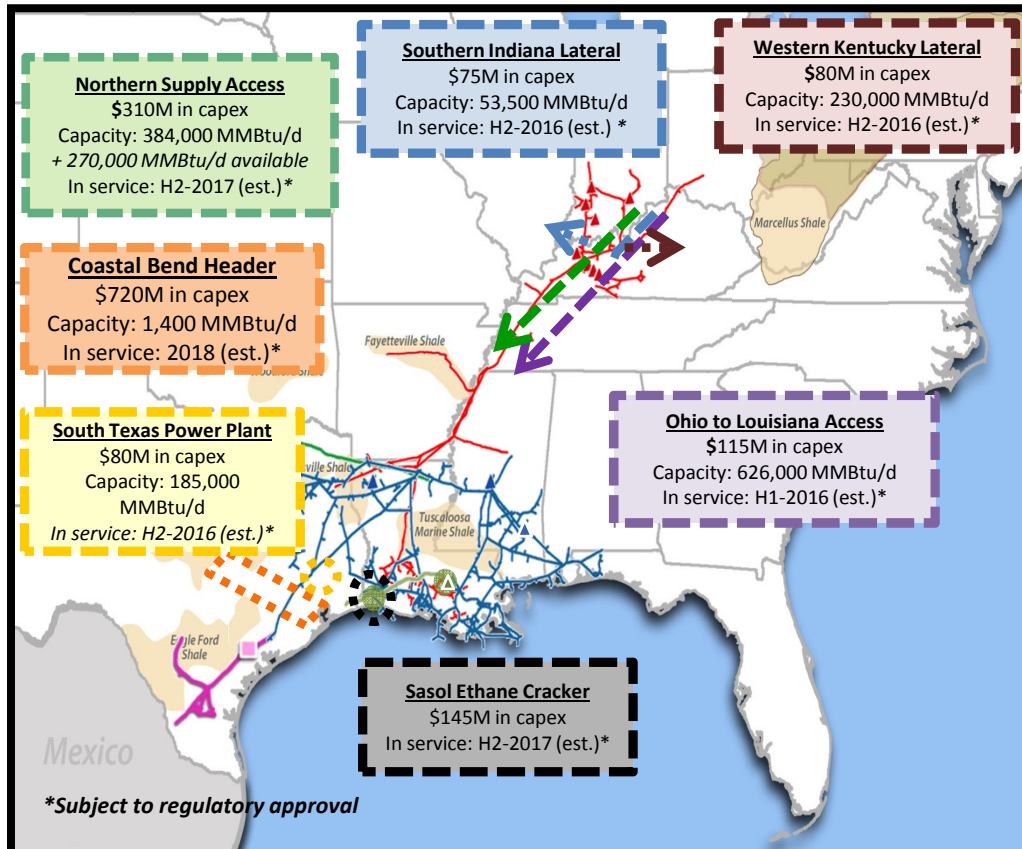
<sup>1</sup>Excluding catastrophes and prior year development



# Boardwalk Pipeline Partners



## Major Growth Projects



- **Well positioned to capitalize on changing supply-demand dynamics**
- \$1.6 billion of organic growth projects now underway, including \$1.4 billion, or nearly 3 bcf/d, of natural gas pipeline projects to serve growing demand
  - Backed by firm precedent agreements with a weighted-average contract life of ~18 years\*
- Since 2011, Boardwalk has completed \$2.1 billion of growth projects (\$1.5 billion in acquisitions and \$600 million in organic projects)

# Loews Hotels & Resorts

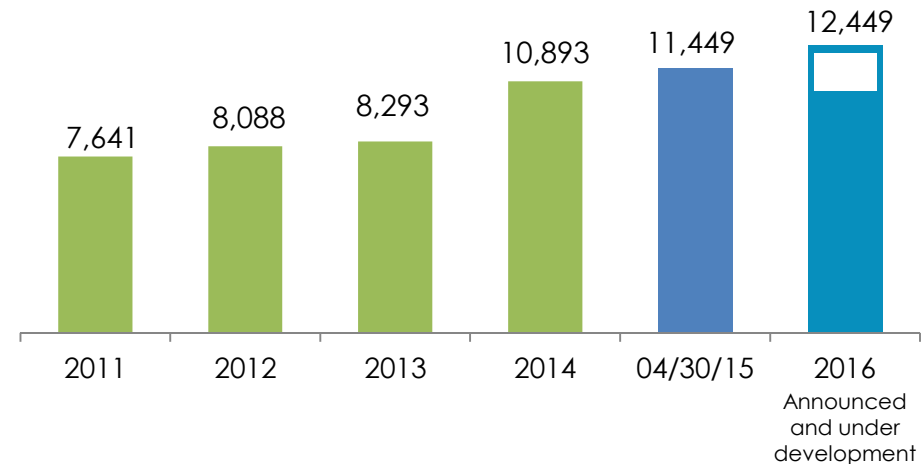


- **Since 2012 Loews Hotels has added nine hotels in seven key cities**

- Loews Boston Hotel (225 rooms)
- Loews Madison Hotel (356 rooms)
- Loews Hollywood Hotel (628 rooms)
- Universal's Cabana Bay Beach Resort (1,800 rooms)
- Loews Minneapolis Hotel (251 rooms)
- Loews Chicago O'Hare Hotel (556 rooms)
- Loews Chicago Hotel (400 rooms)
- Loews Sapphire Falls Resort, at Universal Orlando (1,000 rooms)
- Loews Regency San Francisco (155 rooms)

- 2014 Adjusted EBITDA of \$123 million<sup>1</sup>
- From 2013 to 2014, same store RevPAR increased by 12%<sup>2</sup>
- Partnerships are an important component of Loews Hotels' growth strategy – allowing the company to accelerate growth while improving ROIC

## Chain-wide Guest Rooms

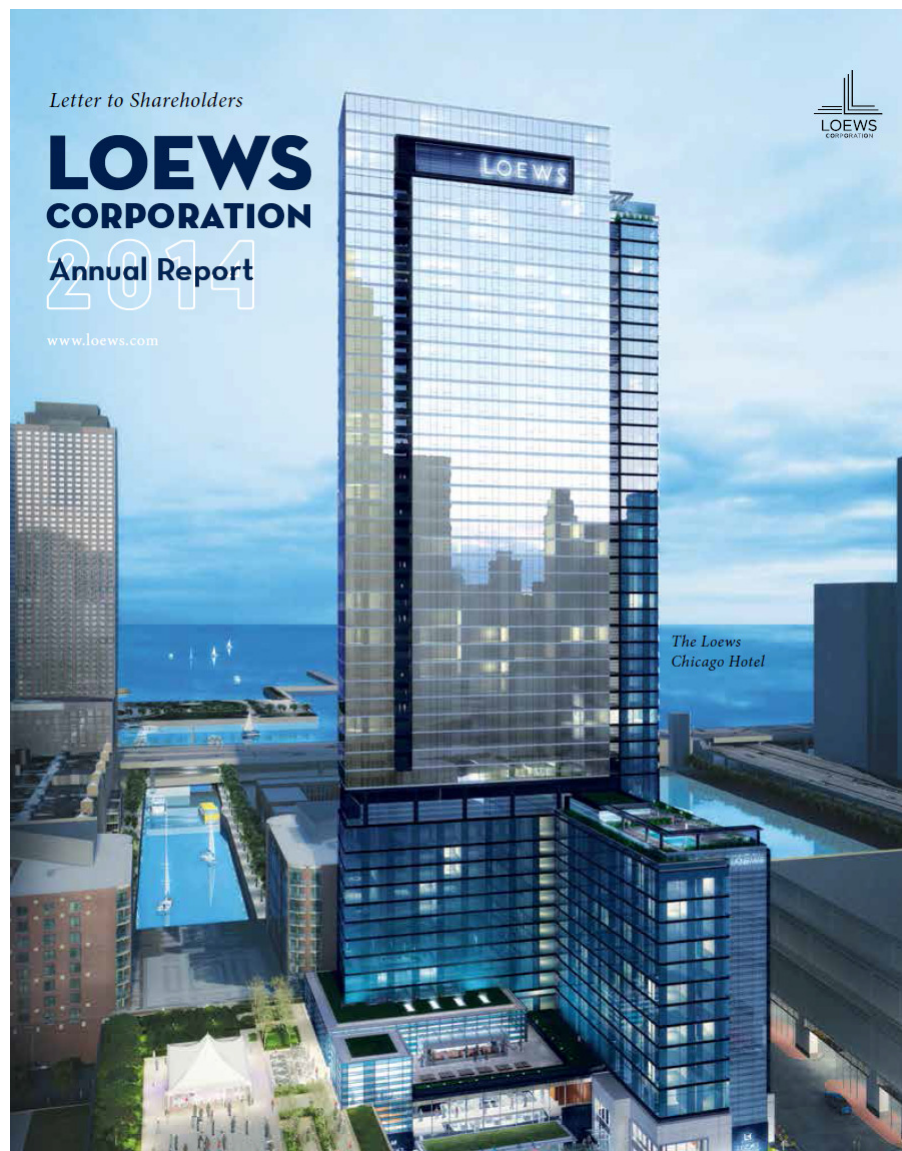


## Chain-wide Hotels



1. Adjusted EBITDA is the sum of the EBITDA attributable to Loews Hotels based on its percent ownership of each property (e.g. if Loews Hotels owns 20% of a property, 20% of that property's EBITDA is included), plus management company EBITDA. Excludes non-recurring items such as acquisition and transition costs.

2. Includes hotels that were open and operating January 1, 2013 through December 31, 2014.



# How We Think About our Cash and Investments

---



Our top priority is effective capital allocation through:

## **1 Repurchasing Loews shares, thereby enhancing the value of Loews stock**

- Repurchasing our shares over the past four plus decades has benefited our shareholders by giving them an increased stake in Loews
- Every decade since 1970, we have repurchased more than one-quarter of our outstanding shares
- Since 2010, we have bought back almost 13% of our outstanding shares

## **2 Strategic investments in our subsidiaries**

- Since 2010, Loews, our subsidiaries and their partners have committed more than \$9 billion to capital projects and tuck-in acquisitions across our portfolio of businesses

## **3 Opportunistic acquisitions**

- We are attracted to:
  - Industries with limited obsolescence risk
  - Businesses with good cash-on-cash returns or undervalued assets at an attractive entry point in the cycle
  - Companies operating outside of the industries currently in our portfolio

## **4 Building cash**

- We are patient, conservative value investors, and we acknowledge that cash is king



**Loews:**  
**Creating Shareholder Value**  
**For Over 50 Years**



*May 2015*

# **Loews Corporation: The Essentials**

*Bernstein Strategic Decisions Conference*

---