



Loews Corporation Reports Net Income for the Third Quarter of 2002

November 7, 2002

NEW YORK--(BUSINESS WIRE)--Nov. 7, 2002--Loews Corporation (NYSE:LTR;CG) today reported consolidated net income (including both the Loews Group and Carolina Group) for the 2002 third quarter of \$240.4 million, compared to \$165.7 million in 2001.

The following table summarizes the revenues, net income (loss) and earnings per share information.

(In millions, except per share data)	September 30,			
	Three Months		Nine Months	
	2002	2001	2002	2001
	-----	-----	-----	-----
Consolidated:				
Revenues(1)	\$ 4,077.5	\$ 4,667.4	\$13,512.5	\$13,736.5
Net income (loss)	\$ 240.4	\$ 165.7	\$ 655.6	\$ (777.2)
Per Share:(2)				
Income (loss) per share of Loews Common Stock:				
Income (loss) from continuing operations	\$ 1.06	\$ 0.83	\$ 3.30	\$ (3.71)
Discontinued operations-net		0.02	(0.16)	0.03
Cumulative effect of changes in accounting principles-net				
Net income (loss) per share of Loews Common Stock	\$ 1.06	\$ 0.85	\$ 2.93	\$ (3.95)
	=====	=====	=====	=====
Net income per share of Carolina Group Stock	\$ 1.10		\$ 2.58	
	=====	=====	=====	=====

(1) Revenue for the three and nine months ended 2001 has been restated for comparative purposes to reflect the adoption of new accounting principles related to the classification of certain sales incentives by Lorillard. Revenue also includes premiums of \$612.0 for the three months ended 2001, and \$1,151.0 and \$1,659.0 for the nine months ended 2002 and 2001, respectively, related to the National Postal Mail Handlers contract at CNA which was transferred on July 1, 2002.

(2) The Company has two classes of common stock, Loews Common Stock and Carolina Group Stock, issued in February 2002. Earnings per share data are presented for each class of Common Stock for the periods they are outstanding.

Consolidated net operating income, which excludes net investment gains and discontinued operations, for the quarter ended September 30, 2002 was \$231.3 million, compared to \$116.3 million in the third quarter of 2001.

Net income attributable to Loews Common Stock for the third quarter of 2002 amounted to \$196.0 million or \$1.06 per share, compared to \$165.7 million or \$0.85 per share in the comparable period of the prior year. Net income in the third quarter of 2002 includes

net investment gains attributable to Loews Common Stock of \$5.8 million or \$0.03 per share, compared to \$44.8 million or \$0.23 per share in the comparable period of the prior year.

Net operating income attributable to Loews Common Stock, which excludes net investment gains and discontinued operations, for the quarter ended September 30, 2002, was \$190.2 million or \$1.03 per share, compared to \$116.3 million or \$0.60 per share in the comparable period of the prior year.

Net income attributable to Carolina Group Stock for the 2002 third quarter amounted to \$44.4 million or \$1.10 per Carolina Group share. The Company is issuing a separate press release reporting the actual and pro forma results of the Carolina Group for the quarter and nine months ended September 30, 2002 and 2001.

Nine Months Ended September 30, 2002 compared with 2001

For the nine months ended September 30, 2002 consolidated net income (including both the Loews Group and Carolina Group) amounted to \$655.6 million, compared to a net loss of \$777.2 million in the comparable period of the prior year.

The first nine months of 2002 included a loss for discontinued operations at CNA of \$31.0 million or \$0.16 per share of Loews Common Stock, compared to income from discontinued operations of \$6.7 million or \$0.03 per share of Loews Common Stock in the comparable period of the prior year. The first nine months of 2002 also included 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, compared to a charge of \$53.3 million or \$0.27 per share of Loews Common Stock in the comparable period of the prior year, related to accounting for derivative instruments at CNA.

Consolidated net operating income, which excludes net investment gains (losses), discontinued operations and accounting changes, was \$819.2 million in the first nine months of 2002, compared to a loss of \$1,285.0 million in the comparable period of the prior year.

Net operating income attributable to Loews Common Stock, which excludes net investment (losses) gains, discontinued operations and accounting changes, for the first nine months of 2002, was \$720.2 million or \$3.82 per share, compared to a loss of \$1,285.0 million or \$6.54 per share in the comparable period of the prior year.

Net income attributable to Carolina Group Stock for the first nine months of 2002 amounted to \$103.8 million or \$2.58 per Carolina Group share.

At September 30, 2002, the book value per share of Loews Common Stock was \$61.09, compared to \$50.39 at December 31, 2001. The increase in book value per share of Loews Common Stock is primarily due to proceeds from the issuance of the Carolina Group Stock in February 2002 and the Loews Group's net economic interest in the notional intergroup debt receivable from the Carolina Group.

As of September 30, 2002, there were 185,441,200 shares of Loews Common Stock outstanding. During the three and nine months ended September 30, 2002, the Company purchased 664,000 and 6,065,600 shares of Loews Common Stock at an aggregate cost of \$33.4 and \$343.5 million, respectively. During the three and nine months ended September 30, 2002, the Company purchased 53,500 and 2,717,876 shares of CNA common stock at an aggregate cost of \$1.4 and \$73.1 million, respectively. The Company also purchased 340,000 shares of Carolina Group stock during the three months ended September 30, 2002, for the account of the Carolina Group, at an aggregate cost of \$7.7 million. Depending on market conditions, the Company from time to time purchases shares of its, and its subsidiaries's, outstanding common stock in the open market or otherwise.

In February 2002 the Company created a second 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., and in an initial public offering the Company issued shares of Carolina Group Stock representing 23.17% of the economic performance of the Carolina Group. Loews Common Stock will continue to represent the economic performance of the Company's remaining assets, including the interest in the Carolina Group not represented by Carolina Group Stock.

A conference call to discuss the third quarter results of Loews Corporation has been scheduled for 11:00 a.m. EST, Thursday, November 7, 2002. The call can be accessed by dialing (888) 307-7192 or by visiting the Loews Corporation website (www.loews.com), where the Company will provide an online, real-time broadcast of this call. Please go to the website at least 10 minutes before the event begins to register and to download and install any necessary audio software. An online replay will be available at the Company's website for one week following the call.

A conference call to discuss the third quarter results of CNA has been scheduled for 10:00 a.m. EST, Thursday, November 7, 2002. The call can be accessed by dialing (800) 289-0493 or by visiting the CNA website (<http://investors.cna.com>), where CNA will provide an online, real-time broadcast of its call. Please go to the website at least 10 minutes before the event begins to register and to download and install any necessary audio software. An online replay will be available at CNA's website for one week following the call or by dialing (888) 203-1112, passcode 360508.

Loews Corporation and Subsidiaries

Financial Review

September 30,			
Three Months		Nine Months	
2002	2001	2002	2001
(Amounts in millions, except per share data)			

Revenues:

Insurance premiums and

net investment income(a) \$ 2,684.7 \$ 3,102.1 \$ 9,177.6 \$ 9,224.9 Manufactured products(b) 1,004.1 1,093.6 3,076.4 3,052.7 Other 388.7 471.7
1,258.5 1,458.9

----- Total 4,077.5 4,667.4 13,512.5 13,736.5

----- Expenses: Insurance claims

& policyholders' benefits 1,850.1 2,420.3 6,542.4 8,765.9 Cost of manufactured

products sold(b) 552.7 612.0 1,760.0 1,765.4 Other(c) 1,259.7 1,349.0 3,970.6 4,383.5

----- Total 3,662.5 4,381.3 12,273.0 14,914.8

415.0	286.1	1,239.5	(1,178.3)
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Income tax expense (benefit) 157.6 113.7 453.6 (326.2)

Minority interest 17.0 11.3 59.7 (121.5)

----- Total 174.6 125.0 513.3 (447.7)

----- Income (loss) from

continuing operations 240.4 161.1 726.2 (730.6) Discontinued

operations-net 4.6 (31.0) 6.7 Cumulative effect of
change in accounting
principles-net(d) (39.6) (53.3)

----- Net income (loss) \$ 240.4 \$ 165.7 \$ 655.6 \$ (777.2)

===== Net income (loss)

attributable to: Loews Common Stock: Income (loss) from

continuing operations \$ 196.0 \$ 161.1 \$ 622.4 \$ (730.6) Discontinued operations-net 4.6 (31.0) 6.7 Cumulative effect of
change in accounting

principles-net(d) (39.6) (53.3)

----- Loews Common Stock 196.0 165.7 551.8 (777.2) Carolina Group Stock (e) 44.4 103.8

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\$ 240.4	\$ 165.7	\$ 655.6	\$ (777.2)
=====	=====	=====	=====

Income (loss) per

Loews common stock(f): Income (loss) from

continuing operations \$ 1.06 \$ 0.83 \$ 3.30 \$ (3.71) Discontinued operations-net 0.02 (0.16) 0.03 Cumulative effect of
changes in

accounting principles-net(d) (0.21) (0.27)

----- Net income (loss) \$ 1.06 \$ 0.85 \$ 2.93 \$ (3.95)

===== Net income per Carolina

Group common stock(f) \$ 1.10 \$ 2.58

===== Weighted number

of shares outstanding: Loews Common Stock 185.71 195.41 188.31 196.62 Carolina Group Stock 40.19 40.23

(a) Includes investment gains (losses) of \$26.5, \$72.2, \$(145.0)

and \$1,063.8 for the respective periods.

(b) Includes excise taxes of \$161.5, \$165.3, \$518.0 and \$476.4

paid on sales of manufactured products for the respective
periods.

(c) Includes a \$200.0 charge related to an agreement with the

Engle class for the nine months ended September 30, 2001.

(d) Adoption of SFAS No. 142, accounting for goodwill and other

intangible assets in 2002 and SFAS No. 133, accounting for
derivative instruments and hedging activities in 2001, at the
CNA subsidiary.

(e) Represents 23.14% and 23.16% of the economic interest in the

Carolina Group for the three month and eight month period
ended September 30, 2002 from the February 2002 initial public
offering of Carolina Group Stock.

(f) 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.

Loews Corporation and Subsidiaries

Additional Financial Information

September 30,			
Three Months		Nine Months	
2002	2001	2002	2001
(In millions)			

Revenues:

CNA Financial \$ 2,767.1 \$ 3,125.3 \$ 9,693.9 \$ 8,464.2

Lorillard (a) 977.8 1,078.4 3,000.0 3,027.1

Loews Hotels 70.4 71.1 229.6 247.1

Diamond Offshore 180.4 244.1 572.3 707.8

Bulova 40.9 35.4 114.5 100.0

Investment income-net

and other (b) 14.4 40.9 47.2 126.5

4,051.0	4,595.2	13,657.5	12,672.7
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Investment (losses) gains:

CNA Financial 23.9 0.3 (137.4) 938.1

Corporate and other 2.6 71.9 (7.6) 125.7

26.5	72.2	(145.0)	1,063.8
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Total \$ 4,077.5 \$ 4,667.4 \$13,512.5 \$13,736.5

===== Income (Loss) Before Taxes: CNA Financial (c) \$ 58.1 \$ (235.7) \$ 440.9 \$(3,232.3) Lorillard (d) (e) 277.0 376.8 791.8 781.2 Loews Hotels (0.4) (0.4) 19.4 23.4 Diamond Offshore 8.3 71.4 44.6 175.7 Bulova 4.5 2.7 12.1 10.3 Investment income-net and other (b) (27.5) (0.9) (88.4) (0.4)

320.0	213.9	1,220.4	(2,242.1)
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Investment (losses) gains:

CNA Financial 23.9 0.3 (137.4) 938.1

Corporate and other (2.5) 71.9 (15.0) 125.7

21.4	72.2	(152.4)	1,063.8
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Loews Common Stock 341.4 286.1 1,068.0 (1,178.3)

Carolina Group Stock (f) 73.6 171.5

----- Total \$ 415.0 \$ 286.1 \$ 1,239.5 \$(1,178.3)

===== Net Income (Loss): CNA Financial (c) \$ 36.9 \$ (137.3) \$ 266.1 \$(1,835.4) Lorillard (d) (e) 165.9
229.9 478.6 474.4 Loews Hotels (0.1) 0.1 12.6 15.2 Diamond Offshore 2.8 22.7 13.2 55.2 Bulova 2.3 1.5 6.5 5.7 Investment income-net

and other (b) (17.6) (0.6) (56.8) (0.1)

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190.2	116.3	720.2	(1,285.0)
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Investment (losses) gains:

CNA Financial 14.8 0.1 (76.9) 478.7

Corporate and other (9.0) 44.7 (20.9) 75.7

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5.8	44.8	(97.8)	554.4
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Income (loss) from

continuing operations 196.0 161.1 622.4 (730.6) Discontinued operations-net 4.6 (31.0) 6.7 Cumulative effect of

changes in accounting

principles-net (39.6) (53.3)

----- Loews Common Stock 196.0 165.7 551.8 (777.2) Carolina Group Stock (f) 44.4 103.8

----- Total \$ 240.4 \$ 165.7 \$ 655.6 \$ (777.2)

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(a) Includes excise taxes of \$161.5, \$165.3, \$518.0 and \$476.4

paid on sales of manufactured products for the respective
periods.

(b) Consists primarily of corporate investment income, interest

expenses and other unallocated expenses.

(c) Includes charges of \$467.7 (\$264.6 after taxes and minority

interest) for the three and nine months ended September 30,
2001 related to the World Trade Center attack, and \$3,200.0
(\$1,809.8 after taxes and minority interest) for the nine
months ended September 30, 2001 related to a change in
estimate of prior year net loss and allocated loss adjustment
expense reserves and retrospective premium accruals.

(d) Represents the Loews Group's intergroup interest in the

earnings of the Carolina Group.

(e) Includes a \$200.0 charge (\$121.0 after taxes) related to an

agreement with the Engle class for the nine months ended
September 30, 2001.

(f) Represents 23.14% and 23.16% of the economic interest in the

Carolina Group for the three month and eight month period
ended September 30, 2002 from the February 2002 initial public

offering of Carolina Group Stock.

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CONTACT: Loews Corporation, New York
Peter W. Keegan, 212/521-2950
Candace Leeds, 212/521-2416
or
For Investor Relations:
Joshua E. Kahn, 212/521-2788