



Loews Corporation Reports Net Income for the First Quarter of 2002

May 9, 2002

NEW YORK, May 9, 2002 (BUSINESS WIRE) -- Loews Corporation (NYSE:LTR;CG) today reported consolidated net income (including both the Loews Group and Carolina Group) for the 2002 first quarter of \$252.9 million, compared to \$472.3 million in the 2001 first quarter.

Net income in the first quarter of 2002 includes net investment gains of \$15.5 million compared to \$228.9 million in the comparable period of the prior year. Net income in the first quarter of 2002 also includes a loss for discontinued operations at CNA of \$31.0 million, compared to income of \$0.2 million in the 2001 first quarter. The first quarter of 2001 included a charge for accounting changes of \$53.3 million related to accounting for derivative instruments at CNA.

Consolidated net operating income, which excludes net investment gains, discontinued operations and accounting changes, for the quarter ended March 31, 2002 was \$268.1 million, compared to \$296.5 million in the 2001 first quarter.

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 the Company's two classes of common stock for the periods they were outstanding.

Net income attributable to Loews Common Stock for the 2002 first quarter amounted to \$234.9 million or \$1.23 per share, compared to \$472.3 million or \$2.40 per share in the 2001 first quarter. Net income in the first quarter of 2002 includes net investment gains attributable to Loews Common Stock of \$15.5 million or \$0.08 per share, compared to gains of \$228.9 million or \$1.16 per share in the comparable period of the prior year. Net income attributable to Loews Common Stock in the first quarter of 2002 also included a loss for discontinued operations at CNA of \$31.0 million or \$.16 per share, compared to income of \$0.2 million in the 2001 first quarter. The first quarter of 2001 also included a charge for accounting changes of \$53.3 million or \$.27 per share, related to accounting for derivative instruments at CNA.

Net operating income attributable to Loews Common Stock, which excludes net investment gains, discontinued operations and accounting changes, for the quarter ended March 31, 2002, was \$250.4 million or \$1.31 per share, compared to \$296.5 million or \$1.51 per share in the 2001 first quarter.

Net income attributable to Carolina Group stock for the 2002 first quarter amounted to \$18.0 million or \$.45 per share. The Company is issuing a separate press release reporting the actual and pro forma results of the Carolina Group for the quarters ended March 31, 2002 and 2001. The Carolina Group's reported results for the quarter ended March 31, 2001 do not reflect the issuance in February 2002 of Carolina Group stock.

Consolidated gross revenues amounted to \$4.8 billion in the first quarter of 2002, compared to \$4.9 billion in the comparable period of the prior year. Revenues for the quarter ended 2001 have been restated for comparative purposes to reflect the adoption of new accounting principles related to the classification of certain sales incentives by Lorillard.

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 76.83% interest in the Carolina Group not represented by Carolina Group Stock.

At March 31, 2002, the Company had a book value of \$57.29 per share of Loews Common Stock compared to a book value of \$50.39 per share at December 31, 2001. The increase in Loews Common Stock book value per share is primarily due to proceeds from issuance of the Carolina Group common stock and the Loews Group's net economic interest in the notional intergroup debt receivable.

As of March 31, 2002, there were 189,405,800 shares of Loews Common Stock outstanding. During the quarter ended March 31, 2002, the Company purchased 2,099,200 shares of Loews Common Stock at an aggregate cost of \$122.9 million. 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.

A conference call to discuss the first quarter results of Loews Corporation has been scheduled for 11:00 a.m. EST, Thursday, May 9, 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 first quarter results of CNA has been scheduled for 10:00 a.m. EST, Thursday, May 9, 2002. The call can be accessed by dialing (800) 289-0436 or by visiting the CNA website (www.cna.com/cna/html/investor.html), 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 438756.

Loews Corporation and Subsidiaries
Financial Review

March 31,
Three Months
2002 2001
(Amounts in millions,
except per share data)

Revenues:

Insurance premiums and net investment income (a)	\$ 3,322.7	\$ 3,487.6
Manufactured products (b)	1,004.5	937.4
Other	459.2	503.9
	-----	-----
Total	4,786.4	4,928.9
	-----	-----
Expenses:		
Insurance claims & policyholders' benefits	2,310.1	2,069.4
Cost of manufactured products sold (b)	607.4	563.7
Other	1,385.5	1,372.3
	-----	-----
Total	4,303.0	4,005.4
	-----	-----
	483.4	923.5
	-----	-----
Income tax expense	171.5	328.4
Minority interest	28.0	69.7
	-----	-----
Total	199.5	398.1
	-----	-----
Income from continuing operations	283.9	525.4
Discontinued operations-net	(31.0)	0.2
Cumulative effect of change in accounting principles-net (c)		(53.3)
	-----	-----
Net income	\$ 252.9	\$ 472.3
	=====	=====
Net income attributable to:		
Loews Common Stock:		
Income from continuing operations	\$ 265.9	\$ 525.4
Discontinued operations-net	(31.0)	0.2
Cumulative effect of change in accounting principles-net (c)		(53.3)
	-----	-----
Loews Common Stock	234.9	472.3
Carolina Group Stock (d)	18.0	
	-----	-----
	\$ 252.9	\$ 472.3
	=====	=====
Income per Loews common share (e):		
Income before cumulative effect of change in accounting principles	\$ 1.39	\$ 2.67
Discontinued operations-net	(0.16)	
Cumulative effect of changes in accounting principles-net (c)		(0.27)
	-----	-----
Net income	\$ 1.23	\$ 2.40
	=====	=====
Income per Carolina Group common share (e)	\$ 0.45	
	=====	=====
Weighted number of shares outstanding:		
Loews Common Stock	191.09	197.23
Carolina Group Stock	40.25	
(a) Includes investment gains of \$23.5 and \$407.5 for the respective periods.		
(b) Includes excise taxes of \$180.4 and \$150.7 paid on sales of		

manufactured products for the respective periods.

- (c) Adoption of SFAS No. 133, accounting for derivative instruments and hedging activities at the CNA subsidiary.
- (d) Represents 23.17% of the economic interest in the Carolina Group from the February 2002 initial public offering of Carolina Group Stock.
- (e) 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 for the periods presented.

Loews Corporation and Subsidiaries

Additional Financial Information

	March 31, Three Months	
	2002	2001
	(In millions)	
Revenues:		
CNA Financial	\$ 3,446.9	\$ 3,198.0
Lorillard (a)	984.3	933.9
Loews Hotels	77.2	84.8
Diamond Offshore	204.1	224.4
Bulova	32.4	32.9
Investment income-net and other (b)	18.0	47.4
	-----	-----
	4,762.9	4,521.4
	-----	-----
Investment gains:		
CNA Financial	1.0	370.8
Corporate and other	22.5	36.7
	-----	-----
	23.5	407.5
	-----	-----
Total	\$ 4,786.4	\$ 4,928.9
	=====	=====
Income Before Taxes:		
CNA Financial	\$ 172.4	\$ 179.5
Lorillard (c)	243.7	270.5
Loews Hotels	9.5	8.7
Diamond Offshore	27.7	47.2
Bulova	3.0	4.3
Investment income-net and other (b)	(25.2)	5.8
	-----	-----
	431.1	516.0
	-----	-----
Investment gains:		
CNA Financial	1.0	370.8
Corporate and other	22.0	36.7
	-----	-----
	23.0	407.5
	-----	-----
Loews Common Stock	454.1	923.5
Carolina Group (d)	29.3	
	-----	-----
Total	\$ 483.4	\$ 923.5
	=====	=====
Net Income:		
CNA Financial	\$ 101.4	\$ 105.8
Lorillard (c)	149.0	164.4
Loews Hotels	6.0	5.5
Diamond Offshore	8.7	14.7
Bulova	1.6	2.4
Investment income-net and other (b)	(16.3)	3.7

	250.4	296.5

Investment gains:		
CNA Financial	2.2	206.9
Corporate and other	13.3	22.0

	15.5	228.9

Income from continuing operations	265.9	525.4
Discontinued operations-net	(31.0)	0.2
Cumulative effect of changes in accounting principles-net		(53.3)

Loews Common Stock	234.9	472.3
Carolina Group (d)	18.0	

Total	\$ 252.9	\$ 472.3
	=====	

- (a) Includes excise taxes of \$180.4 and \$150.7 paid on sales of manufactured products for the respective periods.
- (b) Consists primarily of corporate investment income, interest expenses and other unallocated expenses.
- (c) Represents the Loews Group's 76.83% intergroup interest in the earnings of the Carolina Group.
- (d) Represents 23.17% of the economic interest in the Carolina Group from the February 2002 initial public offering of Carolina Group Stock.

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