



## Loews Corporation Reports Results for 2001

February 14, 2002

NEW YORK, Feb 14, 2002 (BUSINESS WIRE) --

Loews Corporation

(NYSE:LTR) today reported net income for the quarter ended December 31, 2001 of \$188.1 million or \$.98 per share, compared to \$502.9 million or \$2.55 per share in 2000.

Net investment gains amounted to \$236.7 million in the fourth quarter of 2001, compared to gains of \$172.6 million in the fourth quarter of 2000.

Net operating loss, which excludes net investment gains and losses, for the fourth quarter was \$48.6 million or \$.26 per share, compared to net operating income of \$330.3 million or \$1.67 per share in 2000. The lower results in the current quarter are primarily due to charges of \$110.8, \$46.1 and \$61.2 million, after taxes and minority interest, at CNA related to restructuring and other related charges, Enron related losses, and reserve strengthening primarily for the current accident year, respectively.

Net loss for the year ended 2001 was \$589.1 million or \$3.02 per share, compared to net income of \$1,876.7 million or \$9.44 per share in 2000. The net loss was primarily attributable to CNA's second quarter reserve charge of \$1.8 billion and net losses of \$264.6 million at CNA related to the World Trade Center attack and related events, as well as the fourth quarter restructuring and other charges at CNA, and a charge of \$121.0 million after taxes at Lorillard in the second quarter related to the agreement with the Engle class.

The net loss in 2001 includes net investment gains of \$792.2 million or \$4.06 per share compared to gains of \$577.1 million or \$2.90 per share in the prior year. The net loss also includes a charge for accounting changes of \$53.3 million or \$.27 per share, related to the adoption by CNA of a new accounting standard for derivative instruments.

Revenues in the fourth quarter of 2001 amounted to \$5.2 billion compared to \$5.5 billion in the comparable 2000 quarter. Revenues for the year ended 2001 were \$19.4 billion, compared to \$21.3 billion in 2000. Revenues for the year ended 2001 declined due primarily to lower earned premiums for CNA's Property-Casualty business.

On January 4, 2002 the shareholders of the Company authorized and approved the creation of a new class of common stock of the Company, called Carolina Group stock and on February 6, 2002 in an initial public offering the Company issued 40,250,000 shares of Carolina Group stock for net proceeds of approximately \$1.1 billion. Reported results for the quarter and year ended December 31, 2001 do not reflect the issuance in February 2002 of Carolina Group stock. The Company is issuing a separate press release reporting the pro forma results of the Carolina Group for the year ended December 31, 2001.

As of December 31, 2001, there were 191,493,300 shares of Loews common stock outstanding. During 2001, the Company purchased 5,746,600 shares of its outstanding common stock at an aggregate cost of \$282.2 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 fourth quarter results of Loews Corporation has been scheduled for 11:00 a.m. EST, Thursday, February 14, 2002. The call can be accessed by dialing (888) 307-7192 or by visiting the Loews Corporation website ([www.loews.com](http://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.

CNA has also scheduled a conference call to discuss its fourth quarter results. CNA's call will take place at 10:00 a.m. EST on Thursday, February 14, 2002, and can be accessed by dialing (888) 855-5428 or via the Internet at [www.cna.com/cna/html/investor.html](http://www.cna.com/cna/html/investor.html). A

replay of this conference call will be available until February 21, 2002 at the aforementioned web address or by dialing (888) 203-1112, passcode 780212.

Loews Corporation and Subsidiaries  
Financial Review  
December 31,

	Three Months		Years Ended	
	2001	2000	2001	2000

(Amounts in millions, except per share data)

Revenues: Insurance premiums and net

investment income (a) \$ 3,582.7 \$ 3,930.2 \$ 12,900.0 \$ 15,086.6 Manufactured products (b) 1,097.1 1,083.8 4,584.1 4,383.6 Other 474.0 510.2 1,933.1 1,781.0

Total	5,153.8	5,524.2	19,417.2	21,251.2
-------	---------	---------	----------	----------

Expenses: Insurance claims & policyholders'

benefits 2,536.5 2,675.0 11,382.8 9,830.8 Cost of manufactured products sold (b) 506.6 523.8 2,237.1 2,251.1 Other (c) 1,754.4 1,465.7 6,610.4 5,963.4

Total	4,797.5	4,664.5	20,230.3	18,045.3
	356.3	859.7	(813.1)	3,205.9

Income tax expense (benefit) 149.6 312.7 (175.4) 1,106.9 Minority interest 18.6 44.1 (101.9) 222.3

Total	168.2	356.8	(277.3)	1,329.2
-------	-------	-------	---------	---------

Income (loss) before

cumulative effect of

changes in accounting

principles 188.1 502.9 (535.8) 1,876.7 Cumulative effect of change

in accounting principles-net (d) (53.3)

Net income (loss)	\$ 188.1	\$ 502.9	\$ (589.1)	\$ 1,876.7
-------------------	----------	----------	------------	------------

Income (loss) per common share-basic (e):

Income (loss) before cumulative effect of changes in accounting-principles

\$ 0.98 \$ 2.55 \$ (2.75) \$ 9.44

Cumulative effect of changes in accounting principles-net (d) (0.27)

Net income (loss)	\$ 0.98	\$ 2.55	\$ (3.02)	\$ 9.44
-------------------	---------	---------	-----------	---------

Book value per share			\$ 50.39	\$ 56.74
----------------------	--	--	----------	----------

Weighted number of shares

outstanding (in millions)	191.5	197.2	195.3	198.7
---------------------------	-------	-------	-------	-------

(a) Includes investment gains of \$328.2, \$279.3, \$1,393.7 and \$1,021.1 for the respective periods.

(b) Includes excise taxes of \$141.7, \$159.5, \$618.1 and \$667.9 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 year ended December 31, 2001.
- (d) Adoption of SFAS No. 133, accounting for derivative instruments and hedging activities at the CNA subsidiary.
- (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 antidilutive or insignificant for the periods presented.

Loews Corporation and Subsidiaries

Additional Financial Information

December 31,

Three Months Years Ended

2001 2000 2001 2000

(In millions, except per share amounts) Revenues: CNA Financial \$ 3,382.4 \$ 3,772.1 \$ 11,937.5 \$ 14,499.1 Lorillard (a) 1,067.1 1,075.0 4,528.5 4,342.4 Loews Hotels 74.7 89.8 321.8 338.5 Diamond Offshore (b) 234.5 205.6 942.3 723.6 Bulova (c) 46.1 45.2 146.1 160.1 Investment income-net and other (d) 20.8 57.2 147.3 166.4

4,825.6 5,244.9 18,023.5 20,230.1

Investment gains (losses):

CNA Financial 325.5 118.9 1,265.3 1,028.5

Corporate and other 2.7 160.4 128.4 (7.4)

328.2 279.3 1,393.7 1,021.1

Total \$ 5,153.8 \$ 5,524.2 \$ 19,417.2 \$ 21,251.2

Income (Loss) Before Taxes & Minority Interest

and Cumulative Effect of Changes in Accounting

Principles:

CNA Financial (f) \$ (329.5) \$ 188.2 \$ (3,554.6) \$ 800.4

Lorillard (e) 323.1 318.1 1,104.3 1,223.9

Loews Hotels 6.4 12.7 29.8 47.6

Diamond Offshore (b) 52.4 42.5 228.1 107.7

Bulova (c) 7.5 7.0 17.8 27.1

Investment income-net and

other (d) (31.8) 11.9 (32.2) (21.9)

28.1 580.4 (2,206.8) 2,184.8

Investment gains (losses):

CNA Financial 325.5 118.9 1,265.3 1,028.5

Corporate and other 2.7 160.4 128.4 (7.4)

328.2 279.3 1,393.7 1,021.1

Total \$ 356.3 \$ 859.7 \$ (813.1) \$ 3,205.9

Net Income (Loss):

CNA Financial (f) \$ (253.8) \$ 106.2 \$ (2,083.6) \$ 486.1

Lorillard (e) 197.8 194.6 672.2 753.9 Loews Hotels 4.3 4.3 19.5 26.8 Diamond Offshore (b) 15.8 12.8 71.0 32.0 Bulova (c) 4.4 3.9 10.1 15.0 Investment income-net and other (d) (17.1) 8.5 (17.2) (14.2)

-----  
(48.6) 330.3 (1,328.0) 1,299.6

----- Per share (0.26) 1.67 (6.81) 6.54

----- Investment gains (losses):

CNA Financial 237.3 68.3 717.1 581.9

Corporate and other (0.6) 104.3 75.1 (4.8)

-----  
236.7 172.6 792.2 577.1

-----  
Per share 1.24 0.88 4.06 2.90

----- Cumulative effect of changes in accounting

principles-net	(53.3)			
Per share	(0.27)			
Total	\$ 188.1	\$ 502.9	\$ (589.1)	\$ 1,876.7
Per share	\$ 0.98	\$ 2.55	\$ (3.02)	\$ 9.44

- (a) Includes excise taxes of \$141.7, \$159.5, \$618.1 and \$667.9 paid on sales of manufactured products for the respective periods.
- (b) Includes a gain from the sale of a drilling rig of \$13.9 (\$4.7 after taxes and minority interest) for the year ended December 31, 2000.
- (c) Includes a gain of \$5.5 from settlement of a contract dispute (\$3.0 after taxes and minority interest) for the year ended December 31, 2000.
- (d) Consists primarily of corporate investment income, interest expenses and other unallocated expenses.
- (e) Includes a \$200.0 charge (\$121.0 after taxes) related to an agreement with the Engle class for the year ended December 31, 2001.
- (f) Includes charges of \$189.0, \$79.5 and \$76.0 (\$110.8, \$46.1 and \$61.2 after taxes and minority interest) for the quarter and year ended December 31, 2001 related to restructuring and other related charges, Enron related losses, and reserve strengthening primarily for the current accident year, respectively, and \$467.7 and \$3,200.0 (\$264.6 and \$1,810.5 after taxes and minority interest) for the year ended December 31, 2001 related to the World Trade Center attack and a change in estimate of prior year net loss and allocated loss adjustment expense reserves and retrospective premium accruals, respectively.

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

URL: <http://www.businesswire.com>  
Today's News On The Net - Business Wire's full file on the Internet with Hyperlinks to your home page.

Copyright (C) 2002 Business Wire. All rights reserved.