



Loews Corporation Reports Results for the Third Quarter

November 1, 2001

NEW YORK, Nov 1, 2001 (BUSINESS WIRE) -- Loews Corporation (NYSE:LTR) today reported net income for the third quarter ended September 30, 2001 of \$165.7 million or \$.85 per share, compared to \$679.6 million or \$3.45 per share in 2000.

Net investment gains amounted to \$45.1 million in the third quarter of 2001, compared to gains of \$330.4 million in the third quarter of 2000.

Net operating income, which excludes net investment gains and losses, for the third quarter was \$120.6 million or \$.62 per share, compared to \$349.2 million or \$1.77 per share in 2000. The lower results in the current quarter are primarily due to losses of \$264.6 million after taxes and minority interest at CNA related to the September 11, 2001 World Trade Center attack and related events ("WTC").

Net loss for the nine month period in 2001 was \$777.2 million or \$3.95 per share, compared to net income of \$1,373.8 million or \$6.90 per share in 2000. The loss was primarily attributable to CNA's second quarter reserve charge of \$1.8 billion after taxes and minority interest, the above-mentioned WTC reserve charge of \$264.6 million after taxes and minority interest, and the charge of \$121.0 million after taxes that was taken at Lorillard in the second quarter related to the agreement with the Engle class.

The net loss in 2001 includes net investment gains of \$555.5 million or \$2.83 per share compared to gains of \$404.5 million or \$2.03 per share in the comparable period of the prior year. The net loss also includes a charge for accounting changes of \$53.3 million or \$.27 per share, related to accounting for derivative instruments at the CNA subsidiary.

Revenues in the third quarter amounted to \$4.8 billion compared to \$5.8 billion in the comparable 2000 quarter. Revenues declined \$1.0 billion in the third quarter partly due to a decline in investment income of \$.6 billion at the CNA subsidiary. Revenues for the nine month period were \$14.3 billion in 2001, compared to \$15.7 billion in 2000.

As of September 30, 2001, there were 191,493,300 Loews shares outstanding. During the nine months ended September 30, 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 second quarter results of Loews Corporation has been scheduled for 11:00 a.m. EST, Thursday, November 1, 2001. 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.

CNA has also scheduled a conference call to discuss its third quarter results. CNA's call will take place at 10:00 a.m. EST on Thursday, November 1, 2001, and can be accessed by dialing (800) 967-7184 or via the Internet at www.cna.com/cna/html/investor.html. A replay of this conference call will be available until November 8, 2001 at the aforementioned web address or by dialing (888) 203-1112, passcode 758579.

Loews Corporation and Subsidiaries

Financial Review

	September 30,			
	Three Months		Nine Months	
	2001	2000	2001	2000
(Amounts in millions, except per share data)				
Revenues:				
Insurance premiums and net investment income (a)	\$ 3,125.3	\$ 4,196.1	\$ 9,317.3	\$ 11,156.4
Manufactured products (b)	1,243.9	1,136.1	3,487.0	3,299.8
Other	471.7	425.1	1,459.1	1,270.8
Total	4,840.9	5,757.3	14,263.4	15,727.0
Expenses:				
Insurance claims & policyholders' benefits	2,440.3	2,464.7	8,846.3	7,155.8
Cost of manufactured products sold (b) (c)	601.1	582.1	1,730.5	1,727.3
Other (d)	1,508.0	1,566.8	4,856.0	4,497.7
Total	4,549.4	4,613.6	15,432.8	13,380.8
	291.5	1,143.7	(1,169.4)	2,346.2
Income tax expense (benefit)	113.8	379.1	(325.0)	794.2
Minority interest	12.0	85.0	(120.5)	178.2
Total	125.8	464.1	(445.5)	972.4

Income (loss) before cumulative effect of changes in accounting principles	165.7	679.6	(723.9)	1,373.8
Cumulative effect of change in accounting principles-net (e)	0.0	0.0	(53.3)	0.0
Net income (loss)	\$ 165.7	\$ 679.6	\$ (777.2)	\$ 1,373.8
Income (loss) per common share-basic (f):				
Income (loss) before cumulative effect of changes in accounting-principles	\$ 0.85	\$ 3.45	\$ (3.68)	\$ 6.90
Cumulative effect of changes in accounting principles-net (e)	0.00	0.00	(0.27)	0.00
Net income (loss)	\$ 0.85	\$ 3.45	\$ (3.95)	\$ 6.90
Book value per share			\$ 50.71	\$ 53.64
Weighted number of shares outstanding (in millions)	195.4	197.2	196.6	199.2

(a) Includes investment gains of \$72.5, \$586.8, \$1,065.5 and \$741.8 for the respective periods.

(b) Includes excise taxes of \$165.3, \$171.1, \$476.4 and \$508.4 paid on sales of manufactured products for the respective periods.

(c) Includes charges of \$309.0, \$281.6, \$890.3 and \$829.5 (\$188.2, \$168.1, \$542.2 and \$495.0 after taxes) related to the settlement of tobacco litigation for the respective periods.

(d) Includes a \$200.0 charge related to an agreement with the Engle class for the nine months ended September 30, 2001.

(e) Adoption of SFAS No. 133, accounting for derivative instruments and hedging activities at the CNA subsidiary.

(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 antidilutive or insignificant for the periods presented.

Loews Corporation and Subsidiaries

Additional Financial Information

	September 30,			
	Three Months		Nine Months	
	2001	2000	2001	2000
	(In millions, except per share amounts)			
Revenues:				
CNA Financial	\$ 3,148.2	\$ 3,703.0	\$ 8,555.1	\$ 10,727.0
Lorillard (a)	1,228.7	1,124.6	3,461.4	3,267.4
Loews Hotels	71.1	82.9	247.1	248.7
Diamond Offshore (b)	244.1	174.2	707.8	518.0
Bulova (c)	35.4	42.1	100.0	114.9
Investment income-net and other (d)	40.9	43.7	126.5	109.2
	4,768.4	5,170.5	13,197.9	14,985.2
Investment gains (losses):				
CNA Financial	0.6	605.8	939.8	909.6
Corporate and other	71.9	(19.0)	125.7	(167.8)
	72.5	586.8	1,065.5	741.8
Total	\$ 4,840.9	\$ 5,757.3	\$ 14,263.4	\$ 15,727.0
Income (Loss) Before Taxes & Minority Interest and Cumulative Effect of Changes in Accounting Principles:				

CNA Financial (g)	\$ (230.6)	\$ 209.0	\$ (3,225.1)	\$ 612.2
Lorillard (e) (f)	376.8	320.1	781.2	905.8
Loews Hotels	(0.4)	7.8	23.4	34.9
Diamond Offshore (b)	71.4	15.4	175.7	65.2
Bulova (c)	2.7	6.5	10.3	20.1
Investment income-net and other (d)	(0.9)	(1.9)	(0.4)	(33.8)
	219.0	556.9	(2,234.9)	1,604.4
Investment gains (losses):				
CNA Financial	0.6	605.8	939.8	909.6
Corporate and other	71.9	(19.0)	125.7	(167.8)
	72.5	586.8	1,065.5	741.8
Total	\$ 291.5	\$ 1,143.7	\$ (1,169.4)	\$ 2,346.2
Net Income (Loss):				
CNA Financial (g)	\$ (133.0)	\$ 138.8	\$ (1,829.8)	\$ 379.9
Lorillard (e) (f)	229.9	198.7	474.4	559.3
Loews Hotels	0.1	5.0	15.2	22.5
Diamond Offshore (b)	22.7	4.5	55.2	19.2
Bulova (c)	1.5	3.6	5.7	11.1
Investment income-net and other (d)	(0.6)	(1.4)	(0.1)	(22.7)
	120.6	349.2	(1,279.4)	969.3
Per share	0.62	1.77	(6.51)	4.87
Investment gains (losses):				
CNA Financial	0.4	342.8	479.8	513.6
Corporate and other	44.7	(12.4)	75.7	(109.1)
	45.1	330.4	555.5	404.5
Per share	0.23	1.68	2.83	2.03
Cumulative effect of changes in accounting principles-net	0.0	0.0	(53.3)	0.0
Per share	0.00	0.00	(0.27)	0.00
Total	\$ 165.7	\$ 679.6	\$ (777.2)	\$ 1,373.8
Per share	\$ 0.85	\$ 3.45	\$ (3.95)	\$ 6.90
(a) Includes excise taxes of \$165.3, \$171.1, \$476.4 and \$508.4 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 nine months ended September 30, 2000.				
(c) Includes a gain of \$5.5 from settlement of a contract dispute (\$3.0 after taxes and minority interest) for the nine months ended September 30, 2000.				
(d) Consists primarily of corporate investment income, interest expenses and other unallocated expenses.				
(e) Includes charges of \$309.0, \$281.6, \$890.3 and \$829.5 (\$188.2, \$168.1, \$542.2 and \$495.0 after taxes) related to the settlement of tobacco litigation for the respective periods.				
(f) 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.				
(g) 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 (\$1,810.5 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.				

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