



## CORRECTING and REPLACING Loews Corporation Reports Net Income for the Second Quarter of 2004

July 29, 2004

NEW YORK--(BUSINESS WIRE)--July 29, 2004--In BW5424 issued July 29, 2004: There are two numbers that should change, both of which are on the "Loews Corporation and Subsidiaries Financial Review" table. In the line item: For the 3 months ended June 30, 2004, "Expenses: Insurance claims & policyholders' benefits", the number should read 1,624.5 (sted: 1,642.6). And in the line item: For the 3 months ended June 30, 2004, "Expenses: Other (d)", the number should read 1,186.6 (sted: 1,168.5).

The corrected release reads as follows:

### LOEWS CORPORATION REPORTS NET INCOME FOR THE SECOND QUARTER OF 2004

Loews Corporation (NYSE:LTR;CG) today reported consolidated net income (including both the Loews Group and Carolina Group) for the 2004 second quarter of \$407.3 million, compared to \$214.8 million in the 2003 second quarter. Income before net investment gains attributable to Loews common stock amounted to \$259.4 million in the second quarter of 2004 compared to a loss of \$61.1 million in the comparable 2003 quarter. Net income attributable to Loews common stock includes net investment gains of \$107.3 million (after tax and minority interest) compared to \$251.0 million (after tax and minority interest) in the comparable period of the prior year.

Results for 2004 reflect improved underwriting performance for the property and casualty operations of CNA Financial, the Company's 91% owned subsidiary. The improved results are primarily due to significant unfavorable net prior year development recorded in the second quarter of 2003 as well as the continued favorable impact of rate increases in 2004 and CNA's focus on underwriting discipline and expense management.

Net income and earnings per share information attributable to Loews common stock and Carolina Group stock is summarized in the table below:

	June 30,			
	Three Months		Six Months	
	2004	2003	2004	2003
(In millions, except per share data)				
Net income attributable to Loews common stock:				
Income (loss) before net investment gains (losses)	\$259.4	\$(61.1)	\$545.6	\$157.2
Net investment gains (losses) (a)	107.3	251.0	(169.7)	194.4
Income from continuing operations	366.7	189.9	375.9	351.6
Discontinued operations-net	-	(0.1)	-	(0.4)
Net income attributable to Loews common stock	366.7	189.8	375.9	351.2
Net income attributable to Carolina Group stock	40.6	25.0	75.0	53.6
Consolidated net income	\$407.3	\$214.8	\$450.9	\$404.8
Net income per share:				
Loews common stock	\$1.98	\$1.02	\$2.03	\$1.89
Carolina Group stock	\$0.70	\$0.63	\$1.29	\$1.34

(a) Includes a loss of \$352.9 (after tax and minority interest) for the six months ended June 30, 2004 related to CNA's sale of its individual life insurance business.

Net income attributable to Loews common stock for the second quarter of 2004 amounted to \$366.7 million or \$1.98 per share, compared to \$189.8 million or \$1.02 per share in the comparable period of the prior year.

Net income attributable to Carolina Group stock for the second quarter of 2004 was \$40.6 million or \$0.70 per Carolina Group share, compared to

\$25.0 million or \$0.63 per Carolina Group share in the second quarter of 2003. The Company is issuing a separate press release reporting the results of the Carolina Group for the second quarter of 2004.

Consolidated revenues in the second quarter of 2004 amounted to \$3.9 billion compared to \$4.2 billion in the comparable 2003 quarter. The decline in revenues reflects CNA's sale of its Group Benefits and Individual Life Insurance businesses as well as lower investment gains in the current period.

#### Six Months Ended June 30, 2004 Compared With 2003

Loews consolidated net income (including both the Loews Group and Carolina Group) for the first half of 2004 was \$450.9 million, compared to \$404.8 million in the comparable period of the prior year. Income before net investment losses attributable to Loews common stock amounted to \$545.6 million in the first half of 2004 compared to \$157.2 million in the comparable period of the prior year. Net income attributable to Loews common stock includes net investment losses of \$169.7 million (after tax and minority interest) due primarily to a loss of \$352.9 million (after tax and minority interest) for CNA's sale of its individual life insurance business, compared to net investment gains of \$194.4 million (after tax and minority interest) in the comparable period of the prior year.

Net income attributable to Loews common stock for the first half of 2004 amounted to \$375.9 million or \$2.03 per share, compared to \$351.2 million or \$1.89 per share in the comparable period of the prior year.

Net income attributable to Carolina Group stock for the first half of 2004 was \$75.0 million or \$1.29 per Carolina Group share, compared to \$53.6 million or \$1.34 per Carolina Group share in the comparable period of the prior year.

Consolidated revenues in the first half of 2004 amounted to \$7.4 billion compared to \$8.2 billion in the comparable period of the prior year. The decline in revenues reflects the sale of CNA's Group Benefits and Individual Life Insurance businesses as well as the impact of the \$618.6 million investment loss related to the life sale.

At June 30, 2004, the book value per share of Loews common stock was \$58.78, compared to \$60.92 at December 31, 2003. The decline in book value per share is attributable to lower unrealized investment gains reflecting the impact of higher interest rates on CNA's fixed income portfolio, partially offset by the net income reported in 2004.

At June 30, 2004, there were 185,489,600 shares of Loews common stock outstanding and 57,966,750 shares of Carolina Group stock outstanding. 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.

The Company has two classes of common stock, 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 Loews common stock, representing the economic performance of the Company's remaining assets, including the interest in the Carolina Group not represented by Carolina Group Stock. At June 30, 2004, the outstanding Carolina Group stock represents a 33.43% economic interest in the economic performance of the Carolina Group.

A conference call to discuss the second quarter results of Loews Corporation has been scheduled for 11:00 a.m. EDT, Thursday, July 29, 2004. A live broadcast of the call will be available online at the Loews Corporation website ([www.loews.com](http://www.loews.com)). Please go to the website at least ten minutes before the event begins to register and to download and install any necessary audio software. Those interested in participating in the question and answer session of the conference call should dial (877) 692-2592. An online replay will be available at the Company's website following the call.

A conference call to discuss the second quarter results of CNA has been scheduled for 10:00 a.m. EDT, Thursday, July 29, 2004. A live broadcast of the call will be available online at the CNA website (<http://investors.cna.com>). Please go to the website at least ten minutes before the event begins to register and to download and install any necessary audio software. Those interested in participating in the question and answer session of the conference call should dial (800) 289-0518. An online replay will be available at CNA's website following the call.

#### FORWARD-LOOKING STATEMENTS

Statements contained in this press release which are not historical facts are "forward-looking statements" within the meaning of the federal securities laws. Forward-looking statements are inherently uncertain and subject to a variety of risks that could cause actual results to differ materially from those expected by management of the Company and CNA. A discussion of the important risk factors and other considerations that could materially impact these matters as well as the Company's overall business and financial performance can be found in the Company's reports filed with the Securities and Exchange Commission and readers of this release are urged to review those reports carefully when considering these forward-looking statements. Copies of these reports are available through the Company's website ([www.loews.com](http://www.loews.com)). Given these risk factors, investors and analysts should not place undue reliance on forward-looking statements. Any such forward-looking statements speak only as of the date of this press release. The Company expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement to reflect any change in the Company's expectations with regard thereto or any change in events, conditions or circumstances on which any forward-looking statement is based.

#### Loews Corporation and Subsidiaries Financial Review

June 30,					
Three Months		Six Months			
2004	2003 (a)	2004	2003 (a)	2004	2003 (a)
(Amounts in millions, except per share data)					

Revenues:

Insurance premiums and net

investment income (b)	\$2,607.0	\$3,060.1	\$4,851.4	\$5,801.3
Manufactured products (c)	899.3	814.3	1,707.5	1,698.3
Other	408.2	365.1	846.8	685.7
	-----			
Total	3,914.5	4,239.5	7,405.7	8,185.3
	-----			
Expenses:				
Insurance claims & policyholders' benefits	1,624.5	2,107.7	3,262.9	3,977.9
Cost of manufactured products sold (c)	547.4	475.7	1,034.9	956.9
Other (d)	1,186.6	1,353.5	2,473.7	2,665.5
	-----			
Total	3,358.5	3,936.9	6,771.5	7,600.3
	-----			
	556.0	302.6	634.2	585.0
	-----			
Income tax expense	123.2	88.0	168.6	181.1
Minority interest	25.5	(0.3)	14.7	(1.3)
	-----			
Total	148.7	87.7	183.3	179.8
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Income from continuing operations	407.3	214.9	450.9	405.2
Discontinued operations-net		(0.1)		(0.4)
	-----			
Net income	\$407.3	\$214.8	\$450.9	\$404.8
	=====			
Net income attributable to:				
Loews common stock:				
Income from continuing operations	\$366.7	\$189.9	\$375.9	\$351.6
Discontinued operations-net		(0.1)		(0.4)
	-----			
Loews common stock	366.7	189.8	375.9	351.2
Carolina Group stock (e)	40.6	25.0	75.0	53.6
	-----			
	\$407.3	\$214.8	\$450.9	\$404.8
	=====			
Income per share of Loews common stock (f):				
Income from continuing operations	\$1.98	\$1.02	\$2.03	\$1.89
Discontinued operations-net				
	-----			
Net income	\$1.98	\$1.02	\$2.03	\$1.89
	=====			
Net income per share of Carolina Group stock (f)	\$0.70	\$0.63	\$1.29	\$1.34
	=====			
Weighted number of shares outstanding:				
Loews common stock	185.49	185.45	185.48	185.45
Carolina Group stock	57.97	39.91	57.97	39.91

(a) Amounts have been reclassified to discontinued operations as a result of the sale of a hotel property in 2003.

- (b) Includes investment gains (losses) of \$103.8, \$419.3, \$(312.4) and \$323.7 for the respective periods. The six months ended June 30, 2004 includes a loss of \$618.6 related to CNA's sale of its individual life insurance business.
- (c) Includes excise taxes of \$169.5, \$163.4, \$325.7 and \$320.3 paid on sales of manufactured products for the respective periods.
- (d) Includes a \$26.0 charge (\$16.8 after taxes) in the three and six months ended June 30, 2003 to settle litigation with tobacco growers and a \$28.0 charge (\$17.1 after taxes) in the six months ended June 30, 2003 to resolve indemnification claims and trademark matters in connection with the 1977 sale by Lorillard of its international business.
- (e) Represents 33.43%, 23.01%, 33.43% and 23.01% of the economic interest in the Carolina Group for the respective periods.
- (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

	June 30,			
	Three Months		Six Months	
	2004	2003	2004	2003
	(In millions)			
Revenues:				
CNA Financial	\$2,557.9	\$2,719.6	\$5,280.5	\$5,641.2
Lorillard (a)	873.8	791.5	1,649.5	1,643.4
Loews Hotels	86.3	74.6	167.0	147.6
Diamond Offshore	187.7	167.9	373.6	319.9
Texas Gas	52.1	23.1	138.1	23.1
Investment income-net and other (b)	52.9	43.5	109.4	86.4
	3,810.7	3,820.2	7,718.1	7,861.6
Investment gains (losses):				
CNA Financial (c)	105.8	388.7	(349.2)	312.6
Corporate and other	(2.0)	30.6	36.8	11.1
	103.8	419.3	(312.4)	323.7
Total	\$3,914.5	\$4,239.5	\$7,405.7	\$8,185.3
Income (loss) before taxes:				
CNA Financial	\$228.8	\$(297.1)	\$517.9	\$(113.0)
Lorillard (e) (f)	171.8	177.7	324.2	381.6
Loews Hotels	13.0	9.2	24.3	17.7
Diamond Offshore	(14.4)	(18.9)	(30.5)	(47.7)
Texas Gas	8.4	2.6	51.5	2.6
Investment income-net and other (b) (d)	(21.8)	(29.0)	(63.6)	(65.8)
	385.8	(155.5)	823.8	175.4
Investment gains (losses):				
CNA Financial (c)	105.8	388.7	(349.2)	312.6

Corporate and other	(2.2)	30.8	36.6	11.6
	-----			
	103.6	419.5	(312.6)	324.2
	-----			
Loews common stock	489.4	264.0	511.2	499.6
Carolina Group stock (g)	66.6	38.6	123.0	85.4
	-----			
Total	\$556.0	\$302.6	\$634.2	\$585.0
	=====			
Net income:				
CNA Financial	\$162.6	\$(156.1)	\$356.8	\$(32.7)
Lorillard (e) (f)	104.8	114.5	197.8	239.3
Loews Hotels	7.9	5.8	14.8	11.2
Diamond Offshore	(6.7)	(9.3)	(13.6)	(21.4)
Texas Gas	5.0	1.6	31.0	1.6
Investment income-net and other (b) (d)	(14.2)	(17.6)	(41.2)	(40.8)
	-----			
	259.4	(61.1)	545.6	157.2
	-----			
Investment gains (losses):				
CNA Financial (c)	108.8	230.4	(193.4)	186.5
Corporate and other	(1.5)	20.6	23.7	7.9
	-----			
	107.3	251.0	(169.7)	194.4
	-----			
Income from continuing operations	366.7	189.9	375.9	351.6
Discontinued operations-net		(0.1)		(0.4)
	-----			
Loews common stock	366.7	189.8	375.9	351.2
Carolina Group stock (g)	40.6	25.0	75.0	53.6
	-----			
Total	\$407.3	\$214.8	\$450.9	\$404.8
	=====			

(a) Includes excise taxes of \$169.5, \$163.4, \$325.7 and \$320.3 paid on sales of manufactured products for the respective periods.

(b) Consists primarily of corporate investment income, interest expenses, operations of Bulova Corporation and other unallocated expenses.

(c) Includes a loss of \$618.6 (\$352.9 after tax and minority interest) related to CNA's sale of its individual life insurance business for the six months ended June 30, 2004.

(d) Includes additional interest expense of \$17.0 (\$11.1 after taxes) for the six months ended June 30, 2004 related to charges from the early redemption of \$300.0 principal amount of the Company's 7.625% notes.

(e) The Loews Group's intergroup interest in the earnings of the Carolina Group declined from 76.99% in 2003 to 66.57% in 2004 due to the sale of Carolina Group stock by Loews in November of 2003.

(f) Includes a \$26.0 charge (\$16.8 after taxes) in the three and six months ended June 30, 2003 to settle litigation with tobacco growers and a \$28.0 charge (\$17.1 after taxes) in the six months ended June 30, 2003 to resolve indemnification claims and trademark matters in connection with the 1977 sale by Lorillard of its international business.

(g) Represents 33.43%, 23.01%, 33.43% and 23.01% of the economic interest in the Carolina Group for the respective periods.

#### Carolina Group Reports Net Income for the Second Quarter of 2004

Loews Corporation (NYSE:LTR) today reported Carolina Group net income for the 2004 second quarter of \$121.4 million, compared to \$108.4 million in the 2003 second quarter. Net income for the second quarter of 2003 included a \$26.0 million charge (\$16.8 million after taxes) to settle litigation with tobacco growers. Net income attributable to Carolina Group stock (NYSE:CG) for the second quarter of 2004 was \$40.6 million, or \$0.70 per share of Carolina Group stock, compared to \$25.0 million, or \$0.63 per share in the comparable period of the prior year.

The increase in net income attributable to Carolina Group stock for the second quarter of 2004, as compared to the corresponding period of the prior year, reflects the sale by Loews Corporation of 18,055,000 shares of Carolina Group stock in November of 2003. Net income per share of Carolina Group stock was not impacted by the sale of Carolina Group stock in November of 2003. Carolina Group stock represents a 33.43% and 23.01% economic interest in the Carolina Group for the three months ended June 30, 2004 and 2003, respectively.

Net sales for the Carolina Group were \$868.1 million in the second quarter of 2004, compared to \$780.9 million in the 2003 second quarter. The increase in net sales reflects lower sales promotion expenses (accounted for as a reduction in net sales) and an increase in unit sales volume of 3.8%.

Results of operations of the Carolina Group include interest expense of \$24.3 and \$30.6 million, net of taxes, for the three months ended June 30, 2004 and 2003, respectively, on notional intergroup debt. At June 30, 2004, \$1.98 billion principal amount of notional intergroup debt was outstanding.

Carolina Group net income for the first half of 2004 was \$224.4 million, compared to \$232.8 million in the 2003 first half. Net income for the first half of 2003 included a \$26.0 million charge (\$16.8 after taxes) to settle litigation with tobacco growers and a \$28.0 million charge (\$17.1 million after taxes) to resolve indemnification claims and trademark matters in connection with the 1977 sale by Lorillard of its international business. Net income attributable to Carolina Group stock for the first half of 2004 was \$75.0 million, or \$1.29 per share of Carolina Group stock, compared to \$53.6 million, or \$1.34 per share in the comparable period of the prior year. The increase in net income reflects the November of 2003 sale by Loews Corporation of Carolina Group stock discussed above.

Net sales for the Carolina Group were \$1.636 billion in the first half of 2004, compared to \$1.625 billion in the comparable period of the prior year. The increase in net sales reflects an increase in unit sales volume of 1.2% offset by increased sales promotion expenses (accounted for as a reduction in net sales).

Results of operations of the Carolina Group include interest expense of \$48.9 and \$59.9 million, net of taxes, for the six months ended June 30, 2004 and 2003, respectively, on notional intergroup debt.

The Carolina Group stock, commonly called a tracking stock, is intended to reflect the economic performance of a defined group of the Company's assets and liabilities, referred to as the Carolina Group, principally consisting of the Company's subsidiary Lorillard, Inc. The Carolina Group, a notional group, is not a separate legal entity. The purpose of this financial information is to provide investors with additional information to use in analyzing the results of operations and financial condition of the Carolina Group, and this financial information should be read in conjunction with the consolidated financial information of Loews Corporation.

As of June 30, 2004, there were 57,966,750 shares of Carolina Group stock outstanding representing a 33.43% economic interest. Depending on market conditions, the Company, for the account of the Carolina Group, from time to time may purchase shares of Carolina Group stock in the open market or otherwise.

Loews Corporation has issued a separate press release reporting its consolidated results for the second quarter of 2004, which accompanies this press release.

A conference call to discuss the second quarter results of Loews Corporation has been scheduled for 11:00 a.m. EDT, Thursday, July 29, 2004. A live broadcast of the call will be available online at the Loews Corporation website ([www.loews.com](http://www.loews.com)). Please go to the website at least ten minutes before the event begins to register and to download and install any necessary audio software. Those interested in participating in the question and answer session of the conference call should dial (877) 692-2592. An online replay will be available at the Company's website following the call.

#### Carolina Group Financial Review

	June 30,			
	Three Months		Six Months	
	2004	2003	2004	2003
(Amounts in millions, except per share data)				
Net sales (a)	\$ 868.1	\$ 780.9	\$1,636.0	\$1,625.1
Cost of sales (a) (b)	532.3	454.9	999.6	921.4
Selling, advertising and administrative (c)	103.3	120.1	203.3	254.8

Total operating costs and expenses	635.6	575.0	1,202.9	1,176.2
Operating income	232.5	205.9	433.1	448.9
Investment income	6.5	8.9	15.0	17.7
Interest expense	(39.8)	(47.3)	(80.1)	(95.5)
Income before income taxes	199.2	167.5	368.0	371.1
Income taxes	77.8	59.1	143.6	138.3
Net income	121.4	108.4	224.4	232.8
Earnings attributable to the Loews Group intergroup interest	80.8	83.4	149.4	179.2
Income attributable to Carolina Group shareholders (d)	\$ 40.6	\$ 25.0	\$ 75.0	\$ 53.6
Per share of Carolina Group stock (e)	\$ 0.70	\$ 0.63	\$ 1.29	\$ 1.34
Weighted number of shares outstanding	57.97	39.91	57.97	39.91

(a) Includes excise taxes of \$169.5, \$163.4, \$325.7 and \$320.3 for the respective periods.

(b) Includes charges of \$234.3, \$180.1, \$435.4 and \$377.6 (\$142.8, \$116.3, \$265.5 and \$236.9 after taxes) to accrue obligations under the State Settlement Agreements for the respective periods.

(c) Includes a \$26.0 charge (\$16.8 after taxes) in the three and six months ended June 30, 2003 to settle litigation with tobacco growers and includes a \$28.0 charge (\$17.1 after taxes) in the six months ended June 30, 2003 to resolve indemnification claims and trademark matters in connection with the 1977 sale by Lorillard of its international business.

(d) Represents 33.43%, 23.01%, 33.43% and 23.01% of the economic interest in the Carolina Group for the respective periods.

(e) Earnings per common share-assuming dilution is not presented because securities that could potentially dilute basic earnings per share in the future would have been insignificant or antidilutive for the periods presented.

#### Carolina Group Supplemental Information

The following information regarding unit volume shipped by Lorillard Tobacco Company to its direct buying customers by brand as follows (all units in thousands):

June 30,	
Three Months	Six Months

	2004	2003	2004	2003
-----				
Full Price Brands				
Total Newport	8,102,336	7,700,142	15,482,294	15,171,507
Total Kent Family	225,173	279,439	435,622	548,428
Total True	173,459	202,554	334,223	395,298
Total Max	12,006	14,481	23,313	28,089
Total Satin	2,133	2,871	4,227	5,697
Total Triumph	358	945	886	1,962
-----				
Total Full Price Brands	8,515,465	8,200,432	16,280,565	16,150,981
-----				
Price/Value Brands				
Total Old Gold	234,240	271,575	453,054	517,920
Total Maverick	182,244	118,149	337,806	200,823
-----				
Total Price/Value Brands	416,484	389,724	790,860	718,743
-----				
Total Domestic Cigarettes	8,931,949	8,590,156	17,071,425	16,869,724
Total Puerto Rico and U.S. Possessions	199,476	209,723	411,340	401,741
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Grand Total	9,131,425	8,799,879	17,482,765	17,271,465
=====				

Notes:

1. This information is unaudited and is not adjusted for returns.
2. Unit volume for a quarter is not necessarily indicative of unit volume for any subsequent period.
3. Unit volume is not necessarily indicative of the level of revenues for any period.

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