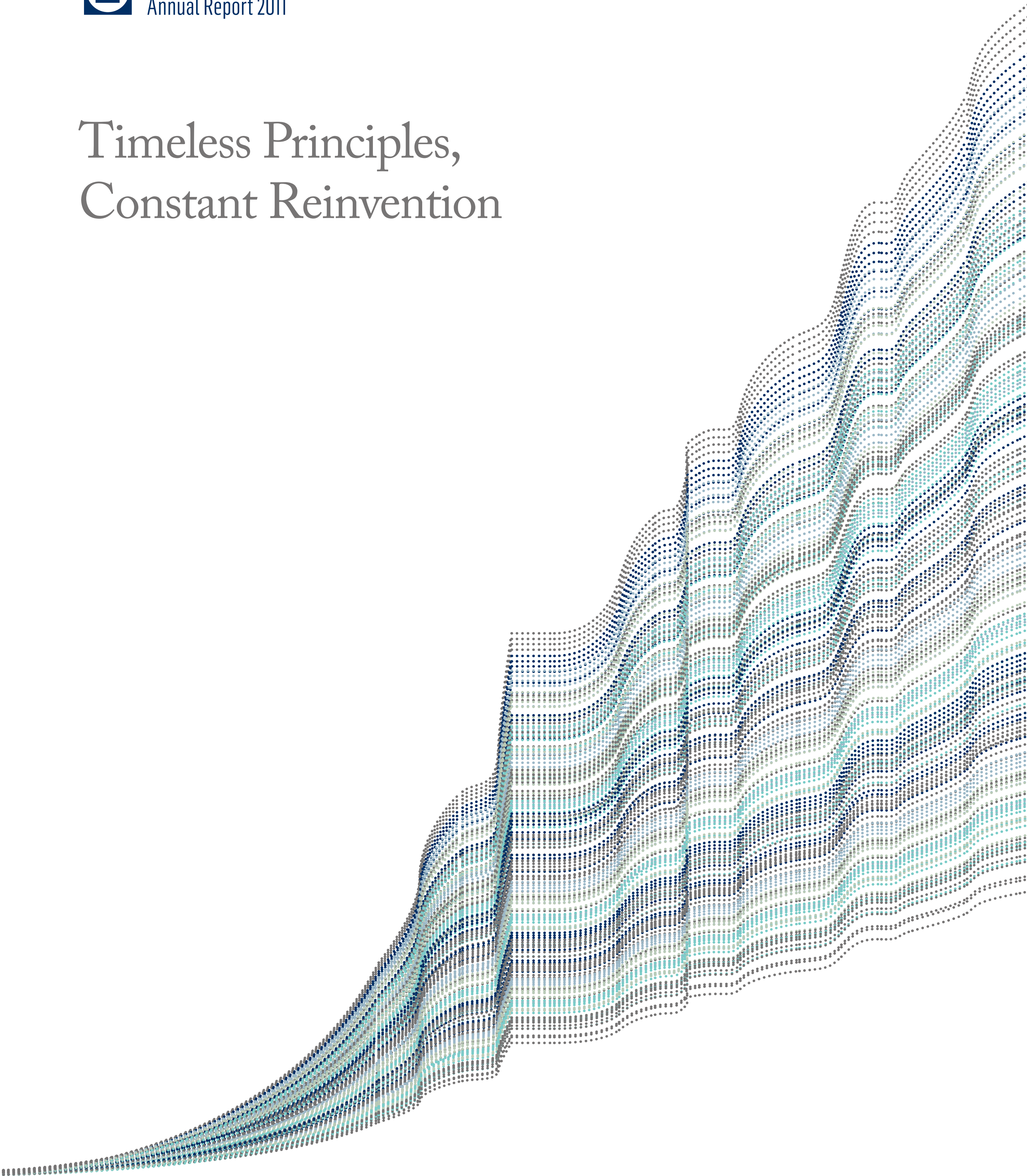
Loews Corporation
Annual Report 2011

Timeless Principles, Constant Reinvention



Creating Value Is What We Do

Loews's primary goal is to create lasting shareholder value. Currently, our assets consist of three publicly traded subsidiaries: CNA Financial, Diamond Offshore Drilling, and Boardwalk Pipeline Partners; and two wholly owned subsidiaries: HighMount Exploration & Production and Loews Hotels; as well as a large portfolio of cash and investments.

Our unique structure gives us the freedom to make investments and acquisitions across a broad spectrum of industries, wherever we see opportunity.

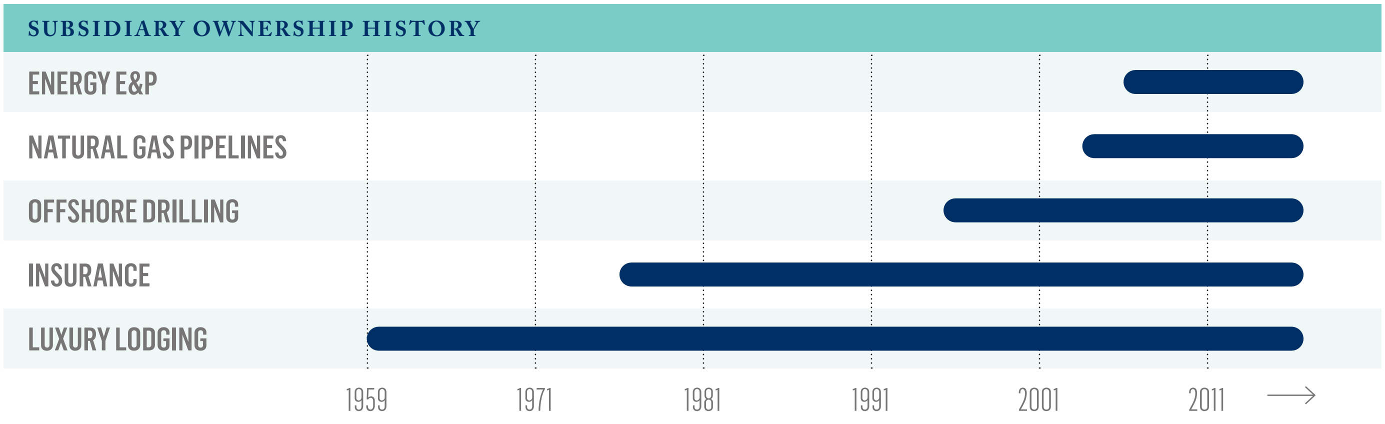
CNA FINANCIAL

Among the largest commercial property & casualty insurance companies in the United States.

DIAMOND OFFSHORE DRILLING

A leading global offshore oil and gas drilling contractor with 49 offshore drilling rigs.

NYSE SYMBOL	CNA	DO
OWNED	90%	50.4%
INDUSTRY	Commercial Property & Casualty Insurance	Offshore Drilling
CEO	Thomas F. Motamed	Lawrence R. Dickerson
WEBSITE	www.cna.com	www.diamondoffshore.com
REFER TO	pages 6–7	pages 8–9

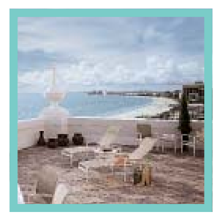


HIGHMOUNT EXPLORATION & PRODUCTION

A company engaged in the exploration and production of natural gas and oil.

BOARDWALK PIPELINE PARTNERS

An operator of interstate natural gas transportation and storage systems.



LOEWS HOTELS

Among the country's top luxury lodging companies, with 17 hotel properties in the U.S. and Canada.

—	BWP	—
100%	61%	100%
Energy Exploration & Production	Natural Gas Pipelines & Storage	Luxury Lodging
Steve B. Hinchman	Stanley C. Horton	Paul W. Whetsell
www.highmountep.com	www.bwpmlp.com	www.loewshotels.com
pages 10–11	pages 12–13	pages 14–15

FINANCIAL HIGHLIGHTS

YEAR ENDED DECEMBER 31	2011	2010	2009	2008	2007
(In millions, except per share data)					
Results of Operations:					
Revenues	**$14,127**	$14,615	$14,117	$13,247	$14,302
Income before income tax	**$ 2,232**	$ 2,902	$ 1,730	$ 587	$ 3,194
Income from continuing operations	**$ 1,696**	$ 2,007	$ 1,385	$ 580	$ 2,199
Discontinued operations, net		(20)	(2)	4,713	901
Net income	**1,696**	1,987	1,383	5,293	3,100
Amounts attributable to noncontrolling interests	**(632)**	(699)	(819)	(763)	(612)
Net income attributable to Loews Corporation	**$ 1,064**	$ 1,288	$ 564	$ 4,530	$ 2,488
Income (loss) attributable to:					
Loews common stock:					
Income (loss) from continuing operations	**$ 1,064**	$ 1,307	$ 566	$ (182)	$ 1,586
Discontinued operations, net		(19)	(2)	4,501	369
Loews common stock	**1,064**	1,288	564	4,319	1,955
Former Carolina Group stock:					
Discontinued operations, net				211	533
Net income	**$ 1,064**	$ 1,288	$ 564	$ 4,530	$ 2,488
Diluted Net Income (Loss) Per Share:					
Loews common stock:					
Income (loss) from continuing operations	**$ 2.63**	$ 3.11	$ 1.31	$ (0.38)	$ 2.96
Discontinued operations, net		(0.04)	(0.01)	9.43	0.69
Net income	**$ 2.63**	$ 3.07	$ 1.30	$ 9.05	$ 3.65
Former Carolina Group stock:					
Discontinued operations, net	**$ –**	$ –	$ –	$ 1.95	$ 4.91
Financial Position:					
Investments	**$49,028**	$48,907	$46,034	$38,450	$46,669
Total assets	**75,375**	76,277	74,070	69,870	76,128
Debt					
Parent Company	**694**	867	867	866	866
Subsidiaries	**8,307**	8,610	8,618	7,392	6,392
Shareholders' equity	**18,835**	18,450	16,899	13,133	17,599
Cash dividends per share:					
Loews common stock	**0.25**	0.25	0.25	0.25	0.25
Former Carolina Group stock	**–**	–	–	0.91	1.82
Book value per share of Loews common stock	**47.49**	44.51	39.76	30.18	32.42
Shares outstanding:					
Loews common stock	**396.59**	414.55	425.07	435.09	529.68
Former Carolina Group stock	**–**	–	–	–	108.46

RESULTS OF OPERATIONS

Net income for 2011 was $1.1 billion, or $2.63 per share, compared to net income of $1.3 billion, or $3.07 per share, in 2010. Results in 2010 included a charge of $328 million (after tax and noncontrolling interests) related to the Loss Portfolio Transfer agreement involving the Company's CNA Financial subsidiary. Excluding the prior year charge, net income decreased $552 million in 2011 as compared to 2010 primarily due to lower investment income from limited partnership results at CNA in 2011, higher catastrophe losses, a lower level of net prior year development recorded by CNA in 2011 than in 2010 and a $104 million (after tax and noncontrolling interests) increase in insurance reserves for CNA's payout annuity business. The decrease in net income also reflected reduced results from the parent company trading portfolio due to lower performance of equity investments.

Net income also included net investment losses of $31 million (after tax and noncontrolling interests) in 2011 as compared to net investment gains of $27 million in the prior year. Net investment losses in 2011 were primarily driven by lower gains on sales of securities partially offset by lower other-than-temporary impairment losses at CNA.

Consolidated revenues in 2011 amounted to $14.1 billion, compared to $14.6 billion in 2010. At December 31, 2011, the book value per share of Loews common stock was $47.49 as compared to $44.51 at December 31, 2010.

At December 31, 2011, there were 396.6 million shares of Loews common stock outstanding. During 2011, Loews repurchased 18.2 million shares of its common stock at an aggregate cost of $718 million.

Dynamic & Stable

LETTER TO OUR SHAREHOLDERS AND EMPLOYEES

from left to right

JONATHAN M. TISCH
*Co-Chairman of the Board of Loews,
Chairman of Loews Hotels*

JAMES S. TISCH
President and Chief Executive Officer of Loews

ANDREW H. TISCH
*Co-Chairman of the Board, and Chairman
of the Executive Committee of Loews*

"It's rare for a Fortune 500 company to have an open door and a first name culture. It drives collaboration and transparency."
– Andrew Tisch

"The only constant is change." When this now-familiar truism was first articulated in ancient Greece more than two thousand years ago, it was conceivably a stark new revelation. Today we acknowledge it is a fact, not only in life, but also in business.

Loews could be the poster-child for this aphorism; our businesses today bear little resemblance to the Loews of 50 years ago, and historically we have been nimble in our responses to changing times and circumstances. Paradoxically, however, our dynamism has been made possible by an investment philosophy that has remained solid and indeed constant throughout the years. We follow the path set by Larry and Bob Tisch, two brothers from Brooklyn who started working together in the 1950s and formed a remarkable team. Larry and Bob were committed to a stable foundation of value investment principles, and it was this commitment that enabled them, and continues to enable us, to take advantage of countless opportunities for growth and reinvention.

Loews's adherence to the principles of value investing and conservative management means that we strive to:

- acquire assets and companies at attractive prices;
- manage our businesses and resources conservatively, and with a long-term focus;
- maintain liquidity to seize opportunity when it emerges, while minimizing risk; and
- navigate business cycles.

Carefully navigating through business cycles was a focus for us in 2011. Loews and its subsidiaries continued to weather the economic storm, while remaining positioned strategically and financially to take advantage of whatever might come our way. Though net income was down year over year — from $3.07 per share in 2010 to $2.63 per share in 2011 — each Loews subsidiary strengthened its operations in important ways, becoming a better and more durable competitor.

CREATING VALUE

We never tire of saying that the Loews management team has a singular focus: to build long-term value for shareholders. We pursue our goal in three ways: by allocating Loews's capital effectively and prudently, by making opportune investments and acquisitions, and by working to enhance the operating performance and capital structure of our subsidiary companies.

Our **first** principle for creating long-term value is to manage and allocate Loews's capital effectively. In 2011, we spent $718 million buying back 18.2 million shares of Loews common stock. Repurchasing Loews common stock at prices we consider favorable is a longstanding practice here at Loews because it boosts the value of all remaining outstanding shares. In fact, it is not an exaggeration to say that we have a "long and glorious history" of buying back our own shares. Over the past four decades, Loews has used share repurchases to reduce the number of outstanding shares by nearly 70 percent — from a split-adjusted 1.3 billion shares in 1971 to 397 million shares at year-end 2011.

Second, we constantly focus on opportunities to allocate our capital for investments and acquisitions that position us for future growth. This past year Loews did not make any acquisitions at the holding company level. We did, however, facilitate significant investments for two of our subsidiaries, Boardwalk Pipeline and HighMount Exploration & Production. These investments should serve to greatly enhance the long-term value of those two companies and, of course, of Loews.

ENHANCING THE VALUE OF LOEWS SHARES

1 Effectively manage and allocate Loews's capital.

2 Focus on making opportune investments and acquisitions that position us for future growth.

3 Constantly work to enhance our subsidiaries' operating performance and capital structure.

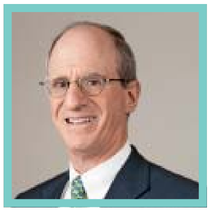
STRENGTH • OPPORTUNITY • VALUE

We feel no pressure to make acquisitions, even given the current historically low returns on short-term cash instruments. It is our strong belief that the ability to take advantage of attractive acquisition or share repurchase opportunities justifies the earnings drag from carrying large cash balances.

Our **third** fundamental principle for value creation is that we continually work to enhance our subsidiaries' operating performance and capital structure. The management team at each subsidiary shares our approach to building long-term value, eschewing short-term thinking in favor of long-term planning and execution. During the past several years our subsidiaries have made great progress in establishing strategic and financial goals and driving toward them, which should make our subsidiaries stronger and better able to compete in any economic climate.

TIMELESS PRINCIPLES, CONSTANT REINVENTION

At Loews, we are ardent believers in the timeless principle of disciplined value



"We know value when we see it. Value investing is a focus on the balance sheet. It is a focus on the sustainability of earnings. And it's the expectation that you're going to pay less than a dollar for a dollar's worth of assets."

– Jim Tisch

investing. We constantly look to acquire businesses at prices below the true value of their assets or cash flows. We don't require immediate gratification and are willing to see our subsidiaries accrue value over time. This principle, coupled with skillful management, is the best way we know to deliver superior shareholder returns.

Loews has provided superior returns for more than 50 years by managing with a view to the long term and by avoiding a myopic focus on results for any single quarter or year. Loews shareholders have enjoyed the fruits of our long-term, value-oriented approach: Over the past 50 years, the price of Loews common stock has grown at an average annual rate of approximately 14%, compared with an approximate 6% growth rate for the S&P 500.

As long-term value investors, we understand the necessity of continual reinvention. In today's marketplace, enterprises must constantly reinvent themselves or risk becoming noncompetitive. Even though we shy away from businesses with serious obsolescence risk, where a product cycle may last less than a year or two, our seemingly "stable" businesses also must constantly adapt or be in jeopardy of falling behind. To paraphrase hockey great Wayne Gretzky, we try to skate to where the puck is going to be, not to where it has been.

We are not in the business of predicting when a robust economic recovery will take hold. In our view, those who live by the crystal ball must learn to eat ground glass. What we can state with confidence, however, is that we have built our financial house out of bricks and expect to be able to withstand whatever economic huffing and puffing may come our way. Likewise, when a durable economic recovery does occur, we believe that Loews will benefit from the forward-thinking leadership in place at each of our subsidiaries.

In such a dynamic and changing world, we believe financial flexibility is of paramount importance. Our holding company portfolio of cash and investments amounted to $3.3 billion at the end of 2011. Our liquidity allows us to move without impediment when opportunity presents itself, whether it is a chance to make an acquisition, repurchase shares at bargain prices, or finance an important investment in a subsidiary when outside financing on reasonable terms is unavailable.

BUILDING FOR THE LONG TERM

We pursue our overriding objective of building long-term shareholder value by trying to execute well on the basics. We invest in good assets with strong growth potential at prices we consider advantageous. We ensure that each of our subsidiaries is headed by a talented CEO and executive team with extensive industry experience and that their strategies and practices are aligned with our principles of long-term value creation. We endeavor to generate various sources of cash flow, including dividends paid by our subsidiaries to the holding company, which in turn give us the liquidity to take advantage of fresh opportunities.

New acquisitions by the holding company are comparatively rare at Loews, but we are constantly surveying the landscape and evaluating opportunities. We don't set goals or establish timeframes to acquire our next subsidiary; rather, we do our homework and act only when we believe that it makes sense for our shareholders. We are especially attuned to downside risk, although we certainly scrutinize potential upside to ensure that we make the right risk-reward tradeoffs.

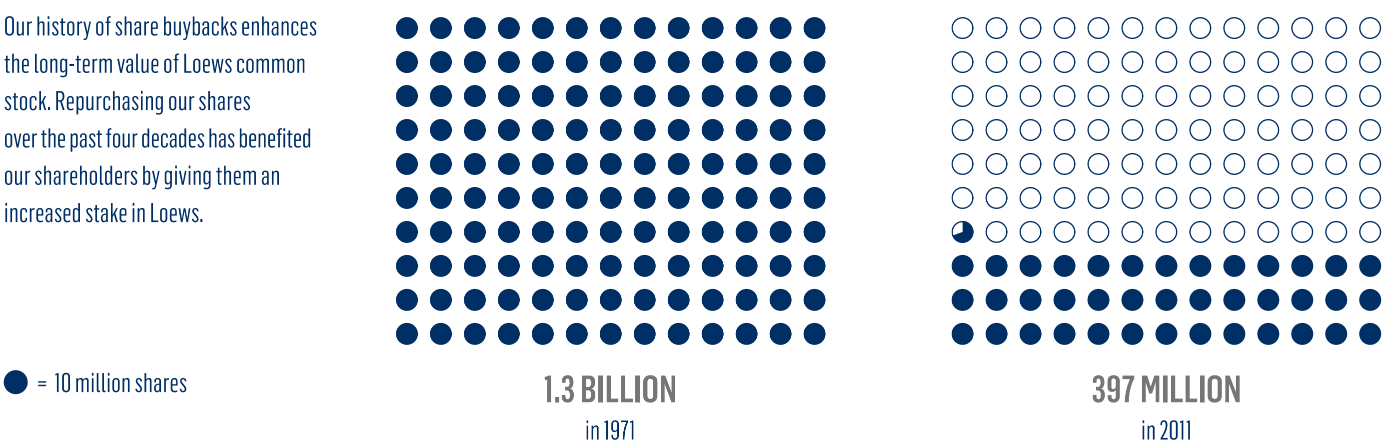
SUM OF THE PARTS

We have spoken before in our annual report about valuing Loews on a sum-of-the-parts basis. We like this approach because it is intuitive and fairly simple. Admittedly equity valuation can be more an art than a science, but in the case of Loews certain important things are known.

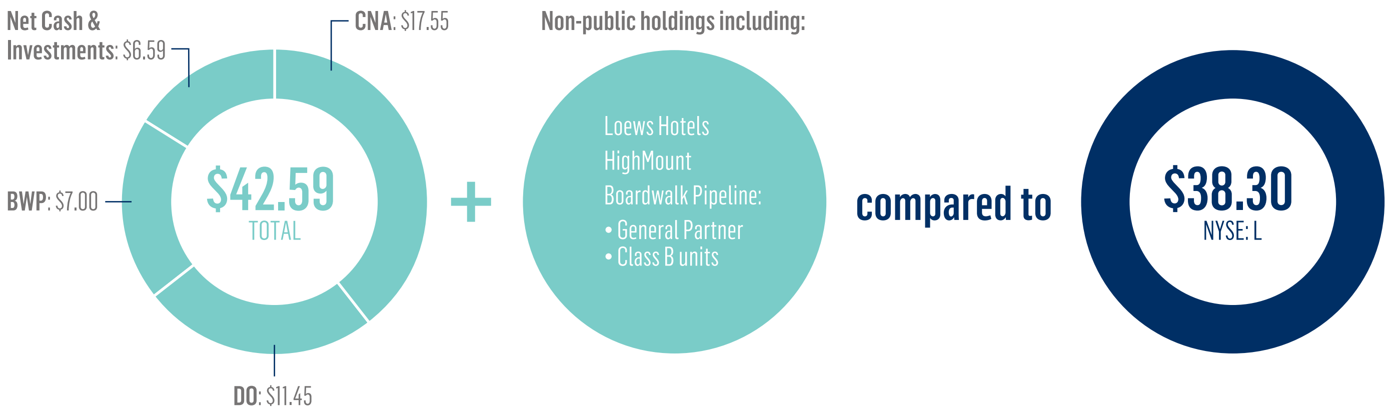
- Of our five subsidiaries, three are publicly traded companies, making our stakes in them easy to value based on New York Stock Exchange trading prices. As of February 17, 2012, our shares of Boardwalk Pipeline, CNA Financial, and Diamond Offshore

SHARES OUTSTANDING SINCE 1971 (adjusted for splits)

Our history of share buybacks enhances the long-term value of Loews common stock. Repurchasing our shares over the past four decades has benefited our shareholders by giving them an increased stake in Loews.



SUM OF THE PARTS VALUE PER SHARE



Per share value of Loews's stake in shares of CNA, DO, and BWP based on New York Stock Exchange closing prices on February 17, 2012 and Loews's net cash and investments at December 31, 2011.

New York Stock Exchange closing price of Loews common stock.

had a total combined value of approximately $14 billion, or just over $36 per Loews share.

- If you add in our holding company cash and investments and back out our $700 million of holding company debt, the value of Loews increases to about $42 per share.
- Finally, you can add to that figure the value of Loews's non-public assets, which include the Loews Hotels and HighMount subsidiaries, and the Boardwalk general partnership interest and Class B units.
- Compare all this to Loews's closing stock price on February 17, 2012 of $38.30. That's what we call a real bargain.

We are asked repeatedly why Loews appears so undervalued, as it seems investors give us little credit for our cash and investments and other non-public holdings. Our response remains the same—We don't control the price of Loews common stock—but we are happy to buy it back at such an attractive discount. What we do control, however, is how we manage Loews, and on that score we remain true to our principles.

"If you look at the evolution of this company over the last 50 years, what has always tied us together is opportunity—as well as respect for our shareholders, our co-workers, and the communities in which we operate."

– Jonathan Tisch

We believe that sticking to our two constants—following our core investing principles while simultaneously embracing change—will benefit our shareholders in the future as it has in the past.

THANK YOU

While we strive each day to build long-term value for our shareholders, we couldn't do this without our talented and dedicated workforce. We want to thank our employees and directors—both at our subsidiaries and at Loews—for their hard work, excellence, and integrity. We also want to thank you, our shareholders, for endorsing our commitment to the precepts of value investing. Your support and encouragement empower us to continue building and managing Loews for long-term value creation.

Sincerely,

James S. Tisch   Andrew H. Tisch

Jonathan M. Tisch

Office of the President
February 22, 2012

Our Subsidiaries

OUR SUBSIDIARIES:

CNA Financial

Thomas F. Motamed
Chairman and Chief Executive Officer, CNA Financial

Financial stability plus strong, stable relations with agents, brokers, and our customers are the foundation on which CNA is built, enabling us to be there for our policyholders in times of need. At the same time, we are constantly remaking CNA, seizing opportunities to better serve the ever-changing needs of our customers. We are pleased and encouraged by our company's progress in 2011 in terms of improved underwriting profitability and growth in our core property and casualty insurance lines.

CNA achieved positive rate increases, solid business retention, and strong new business growth — all of which contributed to healthy premium growth. We also continued to demonstrate the consistency of our underwriting appetite through better communications and a more proactive approach to producers in our branch offices. The results are beginning to show. Our net written premium increased for the first time in five years. We made additional progress turning around underperforming businesses, as demonstrated by our improved underwriting margins.

CNA's net operating income for the year was $614 million versus $660 million in 2010. The unfavorable year-over-year comparison was largely driven by lower net investment income and by reduced results in our life and group insurance run-off businesses. Book value for CNA increased more than five percent year over year.

CNA continues to pursue a three-part strategy: developing and deepening our expertise in targeted segments; managing our mix of businesses for improved profitability; and improving our capabilities at the point of sale across our broad geographic footprint. We are focused on disciplined risk selection and pricing, and on constantly enhancing our field force.

We also made further headway streamlining and simplifying CNA for improved organizational strength. In the past three years, we have reduced staff expenses and headcount substantially. By improving the productivity and efficiency of the staff areas, we have funded investments

"CNA achieved positive rate increases, solid business retention and strong new business growth."

in our core Property and Casualty business. We further simplified CNA in 2011 by selling our 50 percent ownership interest in First Insurance Company of Hawaii. In addition, we increased the scale of our profitable Specialty business by acquiring the minority shares of CNA Surety that our company did not already own.

CNA has more work to do to deliver the returns our shareholders expect and deserve, but I am encouraged by our progress in building the strengths for which we want to be known — talented people, superior customer service, industry-specific expertise, strong producer relationships, commitment to our communities, and top- and bottom-line growth to reward our shareholders.

EXTENDING OUR GEOGRAPHIC REACH

• Field Office/Branch Name • New Branch Office • New Service Center

BY THE NUMBERS (for the year ended Dec. 31, 2011)

Revenues (in millions)	$8,947
Employees	7,600
Agents & brokers	3,400
Field offices worldwide	65
Invested assets (in millions)	$44,373
Years in business	115

BOOK VALUE PER CNA COMMON SHARE

OUR SUBSIDIARIES:

Diamond Offshore

Lawrence R. Dickerson
President and Chief Executive Officer, Diamond Offshore

Diamond Offshore operates in 14 countries, in the waters off six of the world's seven continents. The 5,300 men and women of Diamond Offshore are focused on providing top-notch drilling services to our customers and great value to our shareholders.

Diamond Offshore has delivered value by taking advantage of the cyclicality of our industry to acquire drilling rigs during times of distress at attractive prices. Our rig construction program has run on-time and on-budget, and is aimed to deliver high capacity at a low relative cost.

The dividends that we pay are a constant reminder to our shareholders that we seek to return a portion of our earnings directly to them. In 2011, Diamond Offshore paid cash dividends totaling $245 million to Loews.

Currently our fleet of 49 rigs includes four rigs under construction — three ultra deepwater drillships in Korea, and a deepwater rig in the U.S. We have contracted the first two drillships for a combined ten years of work and $1.8 billion of revenue. These drillships are scheduled for delivery during 2013, while our third ship will be available mid-2014. Our deepwater rig will also be delivered in 2013.

Diamond's net income for the year was $963 million, compared with $955 million in 2010. In the year's fourth quarter, Diamond received contract awards and extensions that are expected to generate $1.2 billion in revenues and approximately 11 rig-years of work, bringing our revenue backlog to approximately $8.6 billion as of February 1, 2012. The backlog we added late in the year demonstrates the strong demand in Diamond's key markets and underscores the opportunities that exist for our new units coming on line over the next two years.

> **"Diamond Offshore has delivered value by taking advantage of the cyclicality of our industry to acquire drilling rigs at attractive prices."**

In addition to our financial results, we are focused on operational excellence, which means servicing our customers' needs while maintaining employee safety. We are determined to leave the ocean environment as we found it. We have been striving for flawless operations across the entire Diamond Offshore fleet for many years. As a result of this continuing effort, we set a new company record for personnel safety in 2011 — achieving our lowest total recordable incident rate ever.

Given the world's ongoing demand for oil and the industry's success in locating new reserves in ultra-deep waters, we remain optimistic about our long-term prospects for success.

NEW DEEPWATER AND ULTRA-DEEPWATER RIGS

YEAR ADDED TO FLEET

2014

OCEAN BLACKRHINO
Drillship
Nominal Water Depth: 10,000 ft

2013

OCEAN BLACKHAWK
Drillship
Nominal Water Depth: 10,000 ft

OCEAN BLACKHORNET
Drillship
Nominal Water Depth: 10,000 ft

OCEAN ONYX
Semisubmersible
Nominal Water Depth: 6,000 ft

2009

OCEAN COURAGE
Semisubmersible
Nominal Water Depth: 10,000 ft

OCEAN VALOR
Semisubmersible
Nominal Water Depth: 10,000 ft

2008

OCEAN MONARCH
Semisubmersible
Nominal Water Depth: 10,000 ft

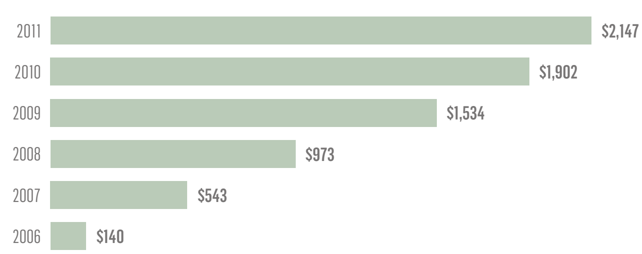
2007

OCEAN ENDEAVOR
Semisubmersible
Nominal Water Depth: 10,000 ft

BY THE NUMBERS (for the year ended Dec. 31, 2011)

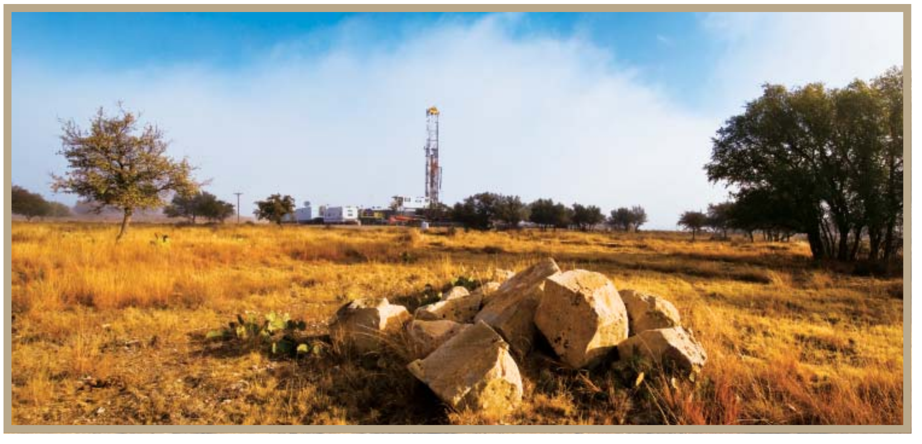
Total revenue (in millions)	$3,322
Net income (in millions)	$963
Offshore drilling rigs	49
Employees	5,300

CUMULATIVE DIVIDENDS RECEIVED BY LOEWS (in millions)



OUR SUBSIDIARIES:

HighMount Exploration & Production



Steve B. Hinchman
Chief Executive Officer, HighMount Exploration & Production

HighMount is engaged in the exploration, development, and production of oil and gas in three regions of the United States — the Permian Basin in West Texas; the Anadarko Basin in the Texas Panhandle; and the MidContinent Mississippian Lime in Oklahoma. While we remain optimistic about natural gas prices over the long term, in the last year we have taken steps to diversify our business by acquiring land with the intention of developing and producing more liquids-rich resources, which currently offer better returns than natural gas.

In 2011, we began implementing our strategy to increase the amount of liquid resources produced in 2012 and beyond. We acquired a core position in the Mississippian Lime oil play in Oklahoma and we added additional acreage to our position in the Texas Panhandle.

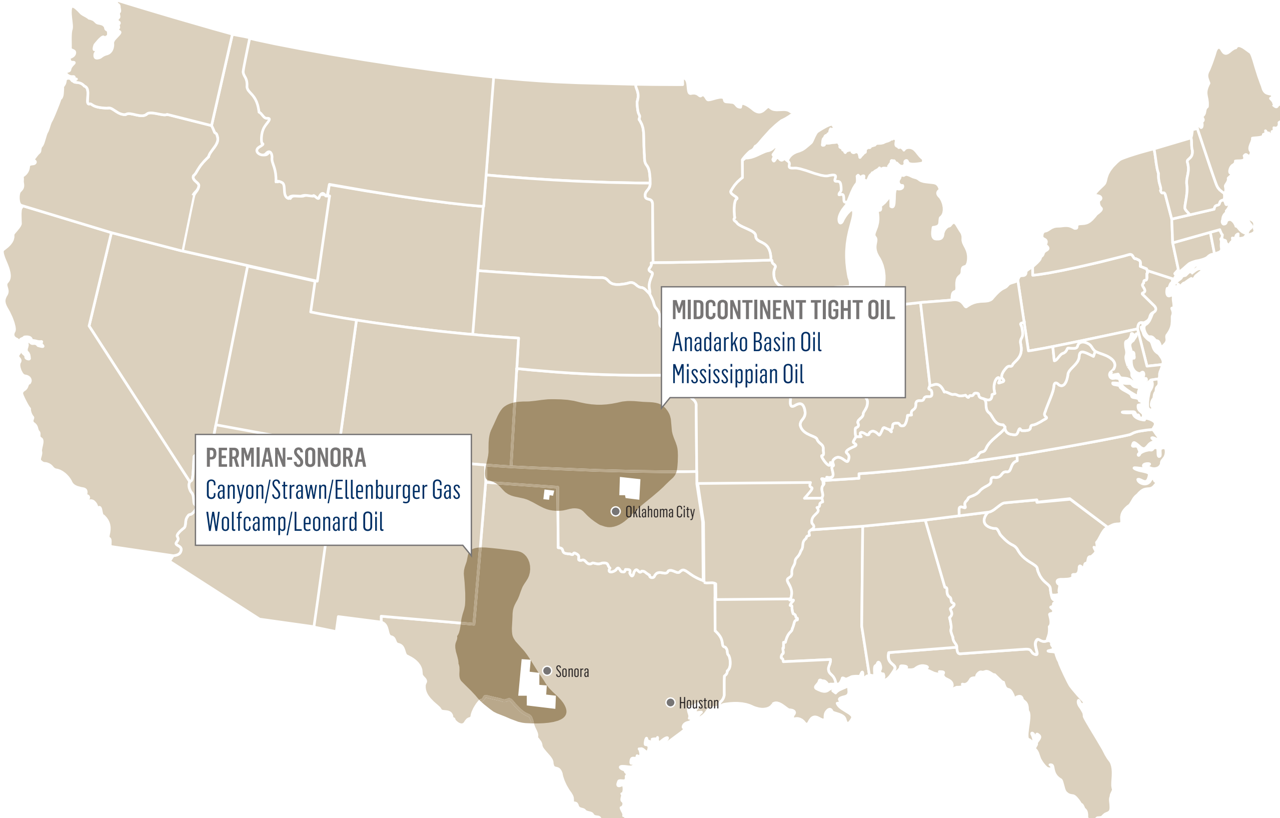
> **"Over the longer term, we expect natural gas to become a preferred U.S. fuel."**

In addition, we are pursuing drilling programs in our Permian Basin Sonora field directed at geologic zones that we anticipate will produce a higher mix of oil and natural gas liquids. We believe that these additions of top tier oil plays provide a more diversified investment portfolio that will build liquid volume for the next several years.

Over the longer term, we expect natural gas to become a preferred U.S. fuel — especially for electrical power generation — because it is more abundant than oil and cleaner than coal. Eventually, we also expect natural gas to play a significant role in the U.S. transportation sector.

Like Loews itself, HighMount remains focused on the long term. Also unchanged is HighMount's focus on operational excellence, minimizing our environmental impacts, and maintaining a superior level of safety for employees. We are pleased with our performance in all these areas over the past year.

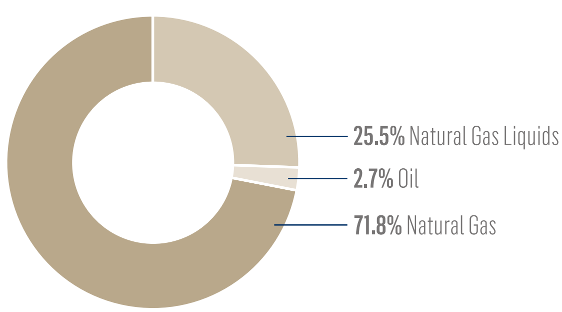
AREAS OF OPERATION



BY THE NUMBERS (for the year ended Dec. 31, 2011)

Total revenue (in millions)	$390
Net proved reserves	1,134 Bcfe; 72% gas/28% liquids
Proved developed reserves	851 Bcfe; or 75% of total net proved reserves
Net producing wells	5,839
Average daily production	173 MMcfe
Employees	400

2011 PRODUCTION BY COMPONENT



Boardwalk Pipeline Partners

Stanley C. Horton
Chief Executive Officer,
Boardwalk Pipeline Partners

Boardwalk Pipeline, a master limited partnership, is an interstate operator of natural gas pipelines and underground storage systems. Over the last five years the U.S. natural gas market has changed dramatically. Today there is an abundance of natural gas, whereas about a decade ago the U.S. was taking steps to prepare for a decline in production. While Boardwalk is not directly impacted by the price of natural gas, the value of short-term transportation and storage has been impacted by new supplies.

In the long term, a strong supply of natural gas is positive for Boardwalk. As demand for natural gas increases, the need for even more infrastructure provides opportunities for growth. We believe that the vast majority of that demand will come from a combination of electric power generation and industrial load growth over the next decade. We are positioned to benefit from that increased natural gas consumption and from the finite amount of U.S. pipeline and storage capacity that currently exists.

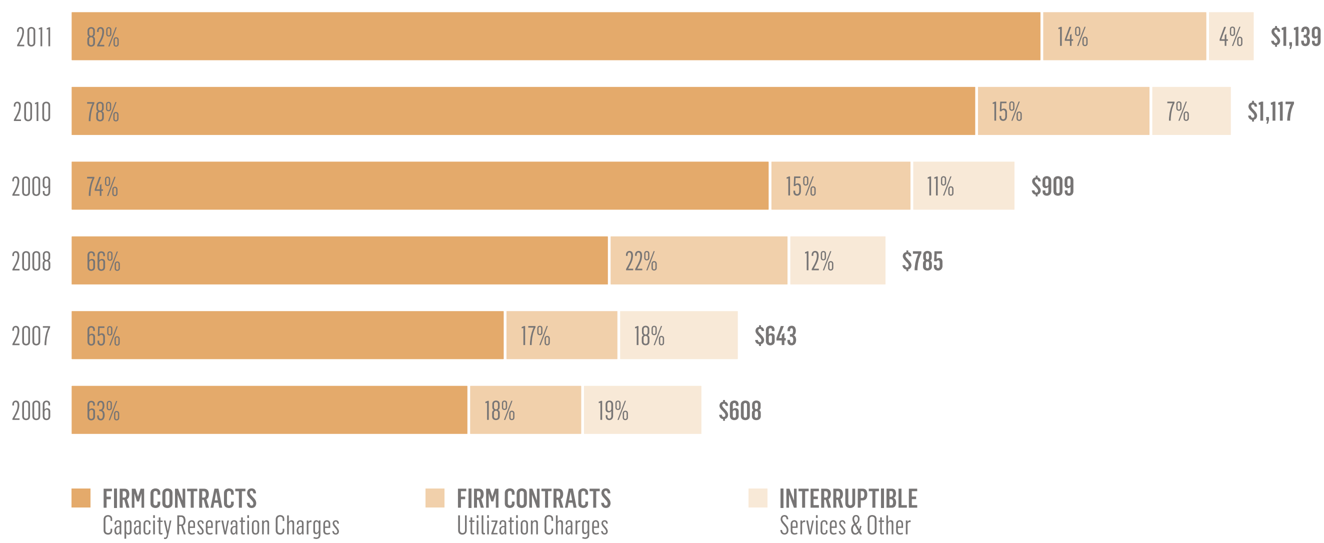
In the last year we have been actively pursuing our growth strategy, seeking projects that will leverage Boardwalk's core assets, as we diversify our services and geographic footprint. We recently announced approximately $875 million of growth and acquisition opportunities. They include:

"In the last year we have been actively pursuing our growth strategy, seeking projects that will leverage Boardwalk's core assets, as we diversify our services and geographic footprint."

- The acquisition of the Petal and Hattiesburg storage and pipeline assets, now called Boardwalk HP Storage; and
- Two projects for our Boardwalk Pipeline's Field Services business:
  - The Eagle Ford Shale project, where we will be constructing 55 miles of gathering pipeline and a natural gas liquids processing plant. Long-term fee-based agreements are in place with anchor tenants Statoil and Talisman for half of the processing plant's capacity; and
  - The Marcellus gas gathering project, which is anchored by a 15-year fee-based agreement with Southwestern Energy. The system will be built over a period of several years.

Finally, Boardwalk Pipeline continued to enhance its operational excellence, which includes a strong record for safety and environmental stewardship—both essential requirements for growth in pipelines and energy storage services.

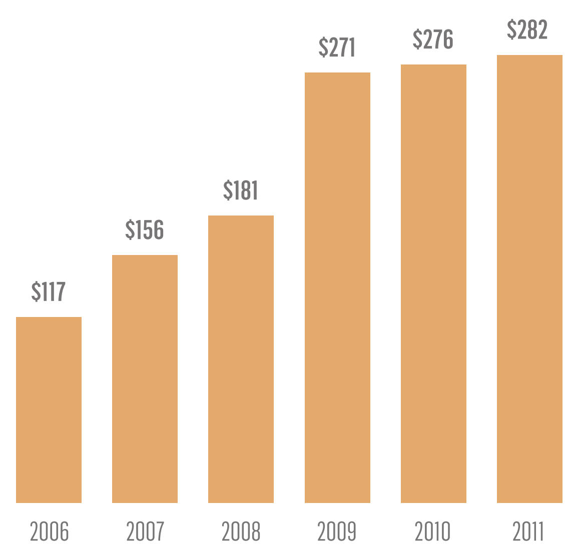
REVENUE PROFILE (in millions)



BY THE NUMBERS (for the year ended Dec. 31, 2011)

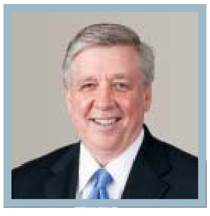
Total revenue (in millions)	$1,139
Average daily throughput	7.3 Bcf
Total miles of pipeline	14,200
Underground storage fields	11
Employees	1,170

ANNUAL CASH RECEIVED BY LOEWS (in millions)



OUR SUBSIDIARIES:

Loews Hotels



Paul W. Whetsell
President and Chief Executive Officer, Loews Hotels

I am pleased to report that 2011 was a good year for Loews Hotels. Revenue per available room (RevPAR)—a key metric for our market—grew by more than 10 percent, which significantly outperformed the U.S. industry average. Despite the sluggish economy, the U.S. travel industry continues to recover—particularly the luxury hotel sector, where additions to room supply are limited.

The Loews Hotels brand is synonymous with comfort, exemplary service, and distinction. Over the next several years we are committed to continue building our brand in several important ways. First, we want to add hotels in primary urban markets and top-tier resort destinations through acquisitions of existing properties.

> **"Revenue per available room grew by more than 10 percent, which significantly outperformed the U.S. industry average."**

We will also consider new construction in key markets where barriers to entry are high. At the same time, we will continue to reinvest in Loews Hotels' existing properties to maintain the quality of the brand.

Second, we intend to build the Loews Hotels brand by broadening our customer base. While much of Loews Hotels' business comes from group meetings and conventions, we have a renewed focus on the business travel market—as well as on the leisure travel market.

Finally, our company long ago recognized the importance of being a responsible member of the communities where we operate. The Loews Hotels Good Neighbor Policy was the hospitality industry's first comprehensive community outreach program, addressing issues ranging from hunger relief and literacy to green practices, the arts, and education. In 2011, in partnership with the non-profit DonorsChoose.org, we invited hotel guests to help us allocate each hotel's charitable funds to a school classroom project of their choice, providing essential classroom tools for public schools across the country.

Our growth efforts at Loews Hotels will not alter our commitment to four-star product and service offerings. We aim to surprise and delight our guests with accommodations that are supremely comfortable and uniquely local, and with food and service offerings that are exceptional. We are confident that these strategies, taken together, will provide excellent returns for Loews.

GROWTH IN REVENUE PER AVAILABLE ROOM

BY THE NUMBERS (for the year ended Dec. 31, 2011)

Total revenue (in millions)	$337
Hotels	17
Guest rooms	7,641
Employees	3,500

TOTAL REVENUE (in millions)

SHAREHOLDER INFORMATION

PRICE RANGE OF LOEWS COMMON STOCK

Our common stock is listed on the New York Stock Exchange under the symbol "L." The following table sets forth the reported high and low sales prices in each calendar quarter:

	2011		2010	
	HIGH	LOW	HIGH	LOW
1st Quarter	**$45.31**	**$39.06**	$38.41	$34.24
2nd Quarter	**44.46**	**39.99**	39.47	30.22
3rd Quarter	**42.64**	**33.79**	38.55	32.95
4th Quarter	**41.66**	**32.90**	40.34	37.23

DIVIDEND INFORMATION

We have paid quarterly cash dividends on Loews common stock in each year since 1967. Regular dividends of $0.0625 per share of Loews common stock were paid in each calendar quarter of 2011 and 2010.

TRANSFER AGENT AND REGISTRAR

BNY Mellon Shareowner Services
480 Washington Boulevard
Jersey City, NJ 07310-1900
800-358-9151
www.bnymellon.com/shareowner
/equityaccess

INDEPENDENT AUDITORS

Deloitte & Touche LLP
Two World Financial Center
New York, NY 10281-1442
www.deloitte.com

ANNUAL MEETING

The Annual Meeting of Shareholders will be held on Tuesday, May 8, 2012, at 11:00 a.m. at the Loews Regency Hotel, 540 Park Avenue, New York City.

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CORPORATE DIRECTORY

BOARD OF DIRECTORS

Lawrence S. Bacow
Fellow, Harvard College and
President in Residence,
Harvard Graduate School of Education

■ Ann E. Berman
Retired Senior Advisor to the President,
Harvard University

■ ○ ● Joseph L. Bower
Baker Foundation Professor of
Business Administration, Harvard Business School

■ ○ Charles M. Diker
Managing Partner, Diker Management, LLC,
Chairman of the Board, Cantel Medical Corp.

Jacob A. Frenkel
Chairman, the Group of Thirty,
Chairman, JPMorgan Chase
International

■ ○ ● Paul J. Fribourg
Chairman of the Board, President and
Chief Executive Officer,
Continental Grain Company

■ ● Walter L. Harris
Vice Chairman,
Alliant Insurance Services, Inc.

■ Philip A. Laskawy
Retired Chairman and
Chief Executive Officer,
Ernst & Young

■ ● Ken Miller
President and Chief Executive Officer,
Ken Miller Capital, LLC

■ ● Gloria R. Scott
Owner,
G. Randle Services

□ Andrew H. Tisch
Office of the President,
Co-Chairman of the Board, and Chairman
of the Executive Committee

□ James S. Tisch
Office of the President,
President and Chief Executive Officer

□ Jonathan M. Tisch
Office of the President,
Co-Chairman of the Board,
Chairman of Loews Hotels

■ Member of Audit Committee
□ Member of Executive Committee
○ Member of Compensation Committee
● Member of Nominating and Governance Committee

OFFICERS

James S. Tisch
Office of the President,
President and Chief Executive Officer

Andrew H. Tisch
Office of the President,
Co-Chairman of the Board, and
Chairman of the Executive
Committee

Jonathan M. Tisch
Office of the President,
Co-Chairman of the Board,
Chairman of Loews Hotels

David B. Edelson
Senior Vice President

Gary W. Garson
Senior Vice President, Secretary and General Counsel

Herbert C. Hofmann
Senior Vice President

Peter W. Keegan
Senior Vice President, Chief Financial Officer

Richard W. Scott
Senior Vice President, Chief Investment Officer

Kenneth I. Siegel
Senior Vice President

Susan Becker
Vice President, Tax

Robert F. Crook
Vice President, Internal Audit

Robert D. Fields
Vice President, Chief Information Officer

Alan Momeyer
Vice President, Human Resources

Audrey A. Rampinelli
Vice President, Risk Management

John J. Kenny
Treasurer

Mark S. Schwartz
Controller

PRINCIPAL SUBSIDIARIES

CNA Financial Corporation
Thomas F. Motamed
Chairman and Chief Executive Officer
333 South Wabash Avenue
Chicago, IL 60604-4107
www.cna.com

Diamond Offshore Drilling, Inc.
Lawrence R. Dickerson
President and Chief Executive Officer
15415 Katy Freeway
Houston, TX 77094-1810
www.diamondoffshore.com

HighMount Exploration & Production LLC
Steve B. Hinchman
Chief Executive Officer
16945 Northchase Drive, Suite 1750
Houston, TX 77060-2151
www.highmountep.com

Boardwalk Pipeline Partners, LP
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Chief Executive Officer
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