



# 2014 Q3 Earnings Results Snapshot

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# Legal Disclaimers



**Forward Looking Statements and Risk Factors.** All of the information presented herein is available from public sources, including our earnings releases and our SEC filings. We urge you to read those documents, and we specifically direct you to the forward-looking statements disclaimers and risk factors they contain. The primary purpose of this presentation is to help you understand how we view our Company, not to update our filings or correct any forecasts – we categorically do not give guidance. Conditions faced by our various businesses may have changed – for better or worse – since the time periods reflected in this presentation and we disclaim any obligation to update the information presented herein. Any statements made in addressing our results are not meant as an indication of the Company's performance since the time of our latest public filings and disclosures.

Important risk factors that could cause the actual results for each of the companies discussed in this presentation to differ from those expressed in forward-looking statements are discussed in detail in the annual and quarterly reports and other filings made with the Securities and Exchange Commission by Loews Corporation and its subsidiaries: CNA Financial Corporation, Diamond Offshore Drilling, Inc. and Boardwalk Pipeline Partners, LP. Given the risk factors discussed in these filings, investors and analysts should not place undue reliance on forward-looking statements.

**Where You Can Find More Information.** The annual, quarterly and other reports filed with the Securities and Exchange Commission by Loews Corporation and its subsidiaries: CNA Financial Corporation, Diamond Offshore Drilling, Inc. and Boardwalk Pipeline Partners, LP., contain important additional information about those companies and we urge you to read this presentation together with those filings, copies of which are available, as applicable, at the corporate websites of Loews Corporation at [www.loews.com](http://www.loews.com) and such subsidiaries at [www.cna.com](http://www.cna.com), [www.diamondoffshore.com](http://www.diamondoffshore.com) and [www.bwpmlp.com](http://www.bwpmlp.com), or at the SEC's website at [www.sec.gov](http://www.sec.gov).

To view the most recent SEC filings of Loews Corporation, click here

<http://ir.loews.com/phoenix.zhtml?c=102789&p=irol-sec>

To view the most recent SEC filings of CNA Financial Corporation, click here

<http://www.cna.com/web/guest/cna/about/investorrelations/financial>

To view the most recent SEC filings of Diamond Offshore Drilling, Inc. , click here

<http://investor.diamondoffshore.com/phoenix.zhtml?c=78110&p=irol-irhome>

To view the most recent SEC filings of Boardwalk Pipeline Partners, LP, click here

<http://ir.bwpmlp.com/phoenix.zhtml?c=193443&p=irol-sec>



# 2014 Third Quarter – Key Highlights

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- Income from continuing operations of \$179 million, or \$0.47 cents per share
- \$5.2 billion in cash and investments at the holding company
- 5.1 million shares repurchased at an aggregate cost of \$220 million, plus an additional 4.0 million shares repurchased during October at a cost of \$166 million
- Q3 dividends from subsidiaries totaled \$135 million
- \$19.7 billion in shareholders' equity / book value per share of \$52.01

Loews Q3 release: <http://ir.loews.com/phoenix.zhtml?c=102789&p=irol-financials>

# Financial Summary



(\$ millions, except per share data)

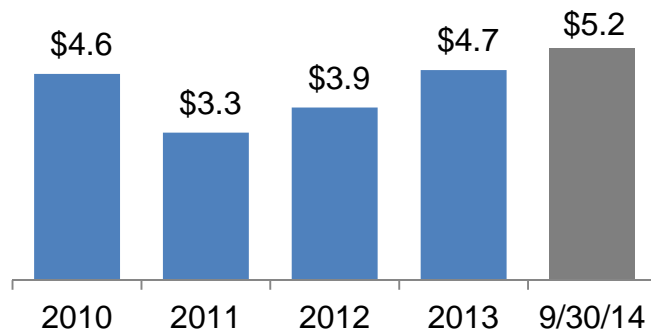
	Quarter Ended September 30,		Nine Months Ended September 30,	
	2014	2013	2014	2013
Revenues	\$ 3,523	\$ 3,597	\$ 10,804	\$ 10,831
Income from continuing operations	\$ 179	\$ 318	\$ 747	\$ 901
Income from continuing operations per share	\$ 0.47	\$ 0.82	\$ 1.94	\$ 2.32
Net income	\$ 208	\$ 282	\$ 383	\$ 793
Dividends paid per share	\$ 0.0625	\$ 0.0625	\$ 0.1875	\$ 0.1875
Cash & investments (Parent company)	\$ 5,208	\$ 4,752		
Long-term debt (Parent company)	\$ 1,700	\$ 1,700		
Book value per share	\$ 52.01	\$ 49.99		
Book value per share (Excluding AOCI)	\$ 50.32	\$ 49.94		



# Financial Trends

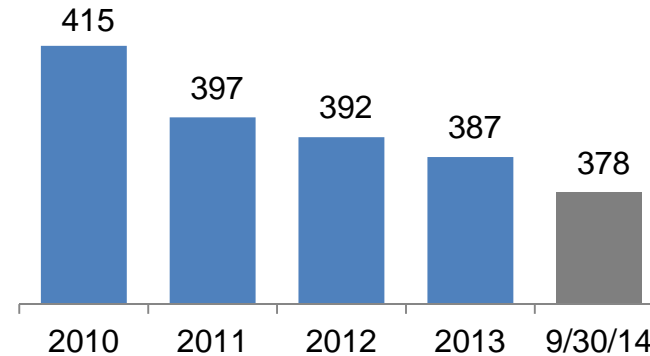
## Parent company cash

(\$ billions)



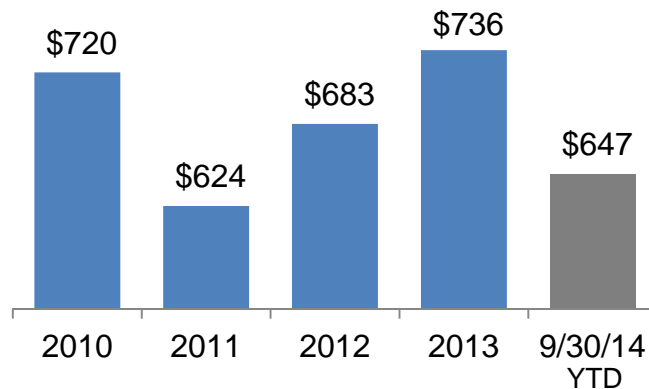
## Shares outstanding

(millions of shares)

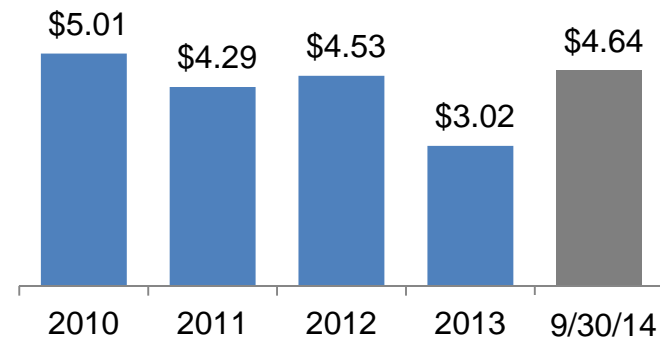


## Dividends from subsidiaries

(\$ millions)







## Sum of the parts discount<sup>1</sup>



<sup>1</sup> Discount of Loews share price vs. the value per Loews share of the sum of its public assets and cash & investments net of debt

# Loews Ownership



Loews Owns					
					Other
	(90%)	(51%)	(51% LP / 2% GP)	(100%)	
	<b>Property &amp; casualty insurance</b>	<b>Offshore drilling</b>	<b>Natural gas &amp; NGL midstream MLP</b>	<b>Luxury hotels &amp; resorts</b>	<b>BWP General Partner</b>
Ticker	CNA	DO	BWP		
Market cap	\$ 10.3B	\$ 4.7B	\$ 4.6B		
Loews stake	\$ 9.2B	\$ 2.4B	\$ 2.4B		<b>Cash &amp; investments</b> \$5.2B
Shares per Loews share	0.64	0.19	0.35		

As of September 30, 2014

# CNA Financial Segment Highlights



## Financials

### By the Numbers

(\$ millions, except per share data)

	Quarter Ended September 30		Nine Months Ended September 30	
	2014	2013	2014	2013
Net operating income	\$ 182	\$ 271	\$ 644	\$ 695
Net income from continuing operations	\$ 209	\$ 271	\$ 690	\$ 702
Income from continuing operations attributable to Loews*	\$ 188	\$ 245	\$ 623	\$ 635
Net income	\$ 213	\$ 272	\$ 493	\$ 716
Invested assets	\$ 46,320	\$ 46,233	\$ 46,320	\$ 46,233
P&C net written premiums	\$ 1,560	\$ 1,619	\$ 4,981	\$ 5,115
P&C rate increases	3%	6%	3%	7%
P&C combined ratio	96.1%	94.0%	99.7%	99.0%
P&C combined ratio ex. cat losses and development	96.2%	95.9%	96.6%	98.1%
P&C loss ratio	62.8%	60.9%	66.3%	65.6%
P&C loss ratio ex. cat losses and development	62.9%	62.8%	63.2%	64.7%
Book value per share	\$ 48.28	\$ 45.06	\$ 48.28	\$ 45.06
Book value per share ex. AOCI	\$ 45.42	\$ 44.64	\$ 45.42	\$ 44.64

## Highlights

- Decline in NOI due to lower net investment income, driven by LPs, co-insurance, adverse development at CNA Commercial, and losses at Hardy
- Partially offset by improving underwriting results at CNA Specialty
- Book value ex. AOCI increased slightly compared with the 2Q2014
- CNA continues to make progress in its core P&C operations, with its year-to-date underlying combined ratio improving 1.5 points over the prior period
- Achieved premium rate increases in P&C Operations during the quarter of:
  - 4% for CNA Commercial
  - 3% for CNA Specialty
- Common stock dividend of \$0.25 per share

\*Unless noted as attributable to Loews, financial results are at the subsidiary level

# Diamond Offshore Segment Highlights



## Financials

### By the Numbers

(\$ millions, except per share data)

	Quarter Ended September 30		Nine Months Ended September 30	
	2014	2013	2014	2013
Revenue	\$ 738	\$ 706	\$ 2,139	\$ 2,194
Net income	\$ 53	\$ 95	\$ 288	\$ 456
Net income attributable to Loews*	\$ 25	\$ 44	\$ 136	\$ 213
Offshore drilling rigs (excluding rigs to be scrapped)	38	45	38	45
Regular Dividends per share	\$ 0.125	\$ 0.125	\$ 0.375	\$ 0.375
Special Dividends per share	\$ 0.75	\$ 0.75	\$ 2.250	\$ 2.250

\*Note: Unless noted as attributable to Loews, financial results are at the subsidiary level

## Highlights

- Decline in earnings primarily due to an impairment loss as Diamond Offshore decided to retire and scrap six mid-water floaters
- Announced two contracts with Hess Corporation expected to generate about \$1 billion in combined revenue and seven years of contract drilling backlog
- Petrobras has extended contracts on three of Diamond Offshore's ultra-deepwater semi-submersibles, representing \$1.4 billion in revenue and an additional nine years of contract drilling backlog
- Within a 12-month period, the company will have added five assets to its fleet: three new drillships and two semi-submersibles
- Diamond Offshore maintains the highest credit ratings of any offshore driller in the industry

### Average daily revenue and utilization by rig type (Q3 '14)

	Dayrate	Utilization
Ultra-deepwater floaters	\$442K	77%
Deepwater floaters	\$346K	57%
Mid-water floaters	\$263K	59%
Jack-ups	\$ 99K	83%



# Boardwalk Pipeline Segment Highlights



## Financials

### By the Numbers

*(\$ millions, except per unit data)*

	Quarter Ended September 30		Nine Months Ended September 30	
	2014	2013	2014	2013
Revenue	\$ 279	\$ 276	\$ 929	\$ 893
Net income	\$ 29	\$ 62	\$ 197	\$ 234
Net income attributable to Loews*	\$ 8	\$ 19	\$ 7	\$ 74
Paid distributions per unit	\$ 0.1000	\$ 0.5325	\$ 0.3000	\$ 1.5975

\*Unless noted as attributable to Loews, financial results are at the subsidiary level

## Highlights

- Decline in Boardwalk's income driven by lower storage and park-and-land revenues, as well as the absence of the gains on the sale of operating gas that were booked in Q3 2013
- Boardwalk continues to make headway on securing long-term commitments from customers to utilize new-build pipelines connecting to end-use markets
  - Boardwalk's pipeline project to supply natural gas to the Freeport LNG terminal is an example of this strategy in action; the company has entered into 20-year firm agreements with shippers to transport ~1.4 BCF/day of natural gas to the planned liquefaction terminal in Freeport, Texas

# Loews Hotels & Resorts Segment Highlights



## Financials

### By the Numbers

(\$ millions, except per unit data)

	Quarter Ended September 30		Nine Months Ended September 30	
	2014	2013	2014	2013
Revenue	\$ 126	\$ 95	\$ 343	\$ 290
EBITDA	\$ 16	\$ 7	\$ 49	\$ 33
Net income	\$ -	\$ 1	\$ 8	\$ 2
RevPar	\$ 178.03	\$ 168.66	\$ 187.78	\$ 172.04

## Highlights

- Loews Hotels has a total of 21 properties in the U.S. and Canada
- Continues to target strategic expansion in gateway cities and key resort areas
- Loews Hotels announced plans to develop its fifth hotel in Orlando, growing its successful partnership with Universal Studios
- Loews Hotels saw improved operating performance, with RevPAR in owned and joint-venture hotels up almost 6% and pre-tax income before non-recurring items up significantly as compared to the prior year quarter

## New Loews Hotels Properties

### Cabana Bay Beach Resort, FL

Opened in first half of 2014  
900 standard guestrooms  
900 family suites



### Loews Chicago

Opens in 2015  
400 guestrooms



### Loews Chicago O'Hare

Acquired in July 2014  
556 guestrooms



### Loews Minneapolis, MN

Acquired in July 2014  
255 guestrooms

