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*February 2016*

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# **2015 Q4 Earnings Results Snapshot**

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Earnings Supplement

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# Legal Disclaimers

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**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.bwpmplp.com](http://www.bwpmplp.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.bwpmplp.com/phoenix.zhtml?c=193443&p=irol-sec>

# 2015 Fourth Quarter—Key Highlights

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- \$4.3 billion in cash and investments at the parent company
- Loss from continuing operations of \$201 million, or \$0.58 cents per share, driven by unusual items at CNA and Diamond
- 17.0 million shares repurchased at an aggregate cost of \$632 million
- Dividends from subsidiaries totaled \$83 million
- \$17.6 billion in shareholders' equity / book value per share of \$51.67

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

# Financial Summary



	Quarter Ended December 31,		Year Ended December 31,	
	2015	2014	2015	2014
<i>(\$ millions, except per share data)</i>				
Revenues	\$ 3,333	\$ 3,521	\$ 13,415	\$ 14,325
Income (loss) from continuing operations	(201)	215	260	962
Income (loss) from continuing operations per share	(0.58)	0.57	0.72	2.52
Net income (loss)	(201)	208	260	591
Dividends paid per share	0.0625	0.0625	0.2500	0.2500
Cash & investments (Parent company)	\$ 4,349	\$ 5,076		
Total debt (Parent company)	1,700	1,700		
Book value per share	51.67	51.70		
Book value per share (Excluding AOCI)	52.72	50.95		

# Income (Loss) from Continuing Operations - Unusual Items



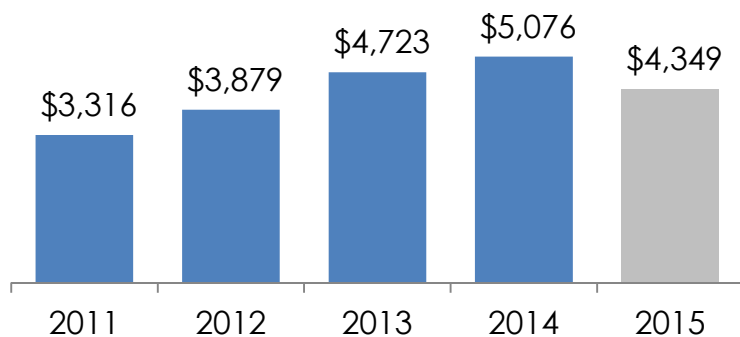
	Quarter Ended December 31,		Year Ended December 31,	
	2015	2014	2015	2014
<i>(\$ millions)</i>				
<b>As reported</b>	<b>\$ (201)</b>	<b>\$ 215</b>	<b>\$ 260</b>	<b>\$ 962</b>
<b>CNA</b>				
<i>LTC reserve charge</i>	(177)	-	(177)	-
<i>Other items</i>	(22)	(49)	(60)	(30)
<b>Diamond</b>				
<i>Asset impairment</i>	(182)	-	(341)	(55)
<i>Other items</i>	-	-	(23)	-
<b>Boardwalk</b>	-	-	6	(55)
<b>Hotels</b>	(3)	-	(3)	-
<b>As adjusted</b>	<b>\$ 183</b>	<b>\$ 264</b>	<b>\$ 858</b>	<b>\$ 1,102</b>

# Financial Trends



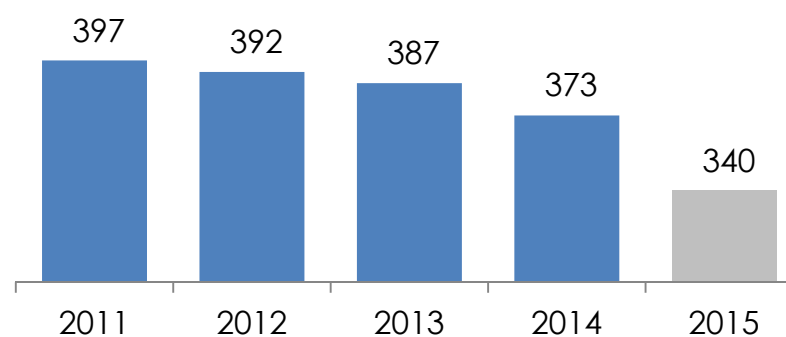
## Parent company cash & investments

(\$ billions)



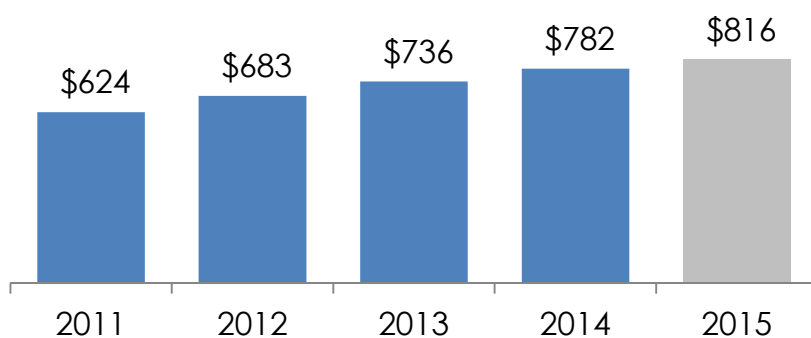
## Shares outstanding

(millions of shares)

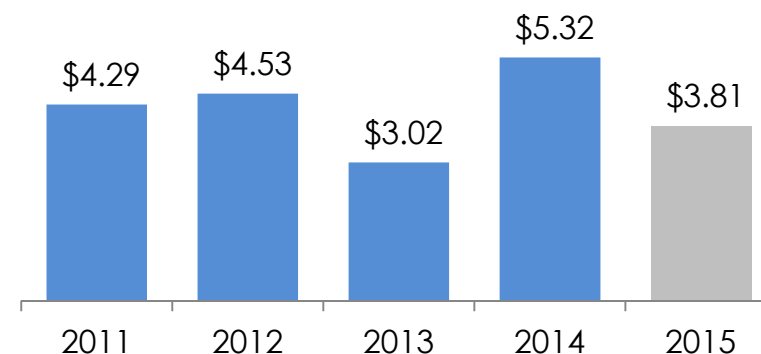


## Dividends from subsidiaries<sup>1</sup>

(\$ millions)



## Sum of the parts discount<sup>2</sup>







Note: Parent company cash & investments, shares outstanding, and sum of the parts discount are as of end-of-period.

1. Includes dividends received by Loews during each annual period.

2. The amount by which the value per share of Loews's public assets and its cash & investments net of debt exceed Loews's stock price.

# Loews Ownership



Loews Owns					
		 DIAMOND OFFSHORE	 BOARDWALK PIPELINE PARTNERS	 LOEWS HOTELS • RESORTS	Other
	(90%)	(53%)	(49% LP / 2% GP)	(100%)	
Industry	<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	\$ 9.5	\$ 2.9	\$ 3.3		<b>Cash &amp; investments</b>
Loews stake	\$ 8.5	\$ 1.5	\$ 1.6		\$ 4.3
Number of shares/units held by Loews (in millions)	242.4	73.1	125.6		<b>Parent company debt</b>
Shares per Loews share	0.71	0.22	0.37		\$ 1.7

All data as of December 31, 2015. Dollars in billions except shares/units and per share data.

# CNA Financial: Segment Highlights



## Financials

By the Numbers* (\$ millions, except per share)	Quarter Ended December 31,		Year Ended December 31,	
	2015	2014	2015	2014
Net operating income (loss)**	\$ (52)	\$ 205	\$ 515	\$ 849
Income (loss) from continuing operations attributable to Loews	(62)	179	433	802
Net income (loss) attributable to Loews	(62)	179	433	625
Invested assets	\$ 44,699	\$ 46,262	\$ 44,699	\$ 46,262
Net written premiums	1,585	1,555	6,421	6,536
Rate increases	- %	3%	1%	3%
Combined ratio	98.9	91.8	95.4	97.7
Combined ratio ex. cat losses and dev	97.7	93.6	96.3	95.9
Loss ratio	62.9	59.6	61.0	64.6
Loss ratio ex. cat losses and dev	61.7	61.4	61.9	62.8
Book value per share	\$ 43.49	\$ 47.39	\$ 43.49	\$ 47.39
Book value per share ex. AOCI	44.66	45.91	44.66	45.91

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

\*\* Net operating income is calculated by excluding from net income (loss) the after-tax effects of 1) net realized investment gains or losses, 2) income or loss from discontinued operations and 3) any cumulative effects of changes in accounting guidance

## Q4 2015 Quarterly Highlights

- Net operating loss as a result of:
  - A charge of \$177 million at the Loews level to increase insurance reserves in the long term care business;
  - A charge of \$22 million at the Loews level related to an accounting change related to callable fixed maturity securities;
  - Lower LP income;
  - Higher catastrophe losses;
  - Less favorable prior year development; and
  - Lower non-cat accident year underwriting income, driven by a deterioration in Specialty's and International's loss ratios and an unusually high expense ratio that was not representative of the company's expense run-rate.
- Continued improvement in Commercial's loss ratio partially offset these negative factors
- Quarterly common stock dividend of \$0.25 per share paid in December 2015
- Announced \$2 special dividend to be paid in March 9, 2016





# Diamond Offshore: Segment Highlights



## Financials

By the Numbers* <i>(\$ millions, except per share)</i>	Quarter Ended December 31,		Year Ended December 31,	
	2015	2014	2015	2014
	Revenue	\$ 556	\$ 675	\$ 2,419
Pretax income (loss)	(360)	153	(381)	515
Net income (loss)**	(245)	99	(274)	387
Net income (loss) attributable to Loews	(122)	47	(156)	183
Number of active rigs	19	33	19	33
Regular dividends per share	\$ 0.125	\$ 0.125	\$ 0.500	\$ 0.500
Special dividends per share	-	0.75	-	3.00

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

\*\* The asset impairment charge at the Diamond Offshore level was \$367 million and \$686 million after tax for the quarter and year ended December 31, 2015.

## Q4 2015 Quarterly Highlights

- Diamond's results were dominated by a \$499 million pretax asset impairment charge, which reduced Loews's income from continuing operations by \$182 million
  - Diamond wrote down nine rigs in the fourth quarter – five jack-ups, two mid-water floaters and two deep-water floaters.
- Diamond's Board of Directors suspended the regular dividend to preserve financial flexibility



DIAMOND

# Boardwalk Pipeline: Segment Highlights



## Financials

By the Numbers* <i>(\$ millions, except per unit)</i>	Quarter Ended December 31,		Year Ended December 31,	
	2015	2014	2015	2014
Revenue	\$ 327	\$ 305	\$ 1,249	\$ 1,234
Net income attributable to controlling interests	66	37	222	234 <sup>1</sup>
Net income attributable to Loews	19	11	74	18 <sup>2</sup>
Distributions paid per unit	\$ 0.10	\$ 0.10	\$ 0.40	\$ 0.40

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

1) The asset impairment charge in 2014 was \$7 million after tax at the Boardwalk Pipeline level related to the terminated Bluegrass project.

2) The asset impairment charge in 2014 was \$55 million after tax and noncontrolling interests at the Loews level related to the terminated Bluegrass project.

## Q4 2015 Quarterly Highlights

Boardwalk had a strong fourth quarter:

- Contribution to income from continuing operations increased to \$19 million from \$11 million in Q4 2014
- Net operating revenues were up 10% in the quarter while expenses remained relatively flat -- resulting in a 78% increase in net income attributable to controlling interests
- Higher revenues primarily driven by the Gulf South rate case, the Evangeline pipeline being back in service, and growth projects coming online

# Loews Hotels & Resorts: Segment Highlights



## Financials

By the Numbers* (\$ millions, except RevPar)	Quarter Ended December 31,		Year Ended December 31,	
	2015	2014	2015	2014
	Revenue	\$ 152	\$ 132	\$ 604
Adjusted EBITDA <sup>1</sup>	38	35	158	123
Net income (loss)	(3)	3	12	11
Same store <sup>2</sup> RevPar	\$ 194.01	\$ 191.14	\$ 209.27	\$ 197.57

## Q4 2015 Quarterly Highlights

- Net income was mainly affected by an asset impairment charge on a joint venture hotel property, hotel opening expenses and losses posted at certain recently acquired properties
- There is typically an operational and financial transition period for recently acquired properties when becoming Loews-branded hotels
- Loews Hotels had a total of 23 properties in the U.S. and Canada at the end of 2015 and continues to target strategic expansion in gateway cities and key resort areas

## New Loews Hotels Properties

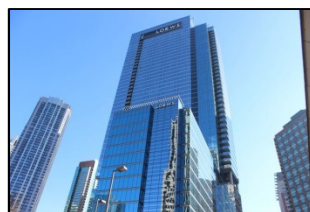
### Cabana Bay Beach Resort, FL

Opened in 2014  
900 standard guestrooms<sup>3</sup>  
900 family suites



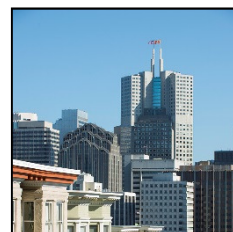
### Loews Chicago

Opened in March 2015  
400 guestrooms



### Loews Regency San Francisco

Acquired in April 2015  
155 guestrooms



### Loews Sapphire Falls Resort

Opens in 2016  
1,000 guestrooms



1) Adjusted EBITDA is total amount of EBITDA attributable to Loews Hotels based on its percent ownership of each property (e.g. if Loews Hotels owns 20% of a property, 20% of that property's EBITDA is included), plus management company EBITDA. Excludes non-recurring items such as acquisition and transition costs.

2) Represents RevPAR for owned and joint venture hotels that were open and operating continuously since January 1, 2013.

3) Additional 400 room expansion to be completed in 2017.