



# **EARNINGS SUPPLEMENT**

*April 2018*

**2018 Q1**

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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.

There are a number of 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 contained herein, including those risk factors discussed in detail in annual and quarterly reports and other filings made with the SEC by Loews Corporation and its subsidiaries: CNA Financial Corporation, Diamond Offshore Drilling, Inc. and Boardwalk Pipeline Partners, LP. Given these risk factors, investors and analysts should not place undue reliance on forward-looking statements.

**Non-GAAP Financial Measures.** Certain financial information presented herein contains non-GAAP financial measures. Management believes these measures are useful to understanding the key drivers of the Company's operating performance. These non-GAAP measures are reconciled to GAAP numbers herein (or in documents referred to herein).

**Where You Can Find More Information.** Annual, quarterly and other reports filed with the SEC 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**, <http://ir.loews.com/phoenix.zhtml?c=102789&p=irol-sec>
- To view the most recent SEC filings of **CNA Financial Corporation**, <http://investor.cna.com/phoenix.zhtml?c=104503&p=irol-sec>
- To view the most recent SEC filings of **Diamond Offshore Drilling, Inc.**, <http://investor.diamondoffshore.com/phoenix.zhtml?c=78110&p=irol-sec>
- To view the most recent SEC filings of **Boardwalk Pipeline Partners, LP**, <http://ir.bwpmlp.com/phoenix.zhtml?c=193443&p=irol-sec>

# 2018 First Quarter – Key Highlights



- \$4.9 billion in cash and investments at the parent company
- Net income of \$293 million, or \$0.89 per share
- 9.9 million shares repurchased at an aggregate cost of \$497 million
- Dividends from subsidiaries totaled \$571 million
- \$18.5 billion in shareholders' equity / book value per share of \$57.48

<b>Loews Cash &amp; Investments</b> (\$ millions)	<b>March 31, 2018</b>
<b>Portfolio Composition *</b>	
Cash & short term investments	\$ 2,475
Fixed maturity securities	842
Limited partnership investments	926
Equity securities	561
Other	61
<b>Total Cash &amp; Investments</b>	<b>\$ 4,865</b>

\* Net of receivable and payable positions.

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

All balance sheet data included in this presentation is as of March 31, 2018.

# Financial Summary



	March 31	
	YTD	
	2018	2017
(in millions, except per share data)		
Revenues	\$ 3,581	\$ 3,300
Net income	293	295
Net income per share	0.89	0.87
Dividends paid per share	0.0625	0.0625
Weighted average shares (diluted)	328.7	337.7
Cash & investments (Parent company)	\$ 4,865	\$ 5,581
Total debt (Parent company)	1,800	1,800
Book value per share	57.48	54.91
Book value per share excluding AOCI	58.78	55.35

# Net Income



(\$ millions)	March 31	
	YTD	
	2018	2017
CNA	\$ 261	\$ 234
Diamond	10	12
Boardwalk	36	37
Hotels	13	10
Corporate <sup>1</sup>	(27)	2
<b>Net income attributable to Loews</b>	<b>\$ 293</b>	<b>\$ 295</b>

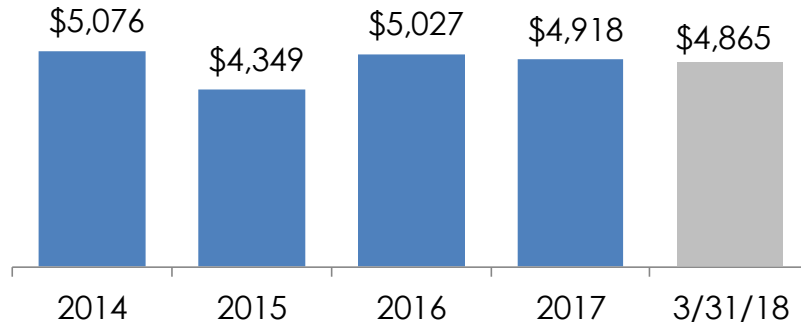
1. Includes the financial results of Consolidated Container Company since its acquisition on May 22, 2017, parent company net investment income and interest expense, and other unallocated corporate expenses.

# Financial Trends



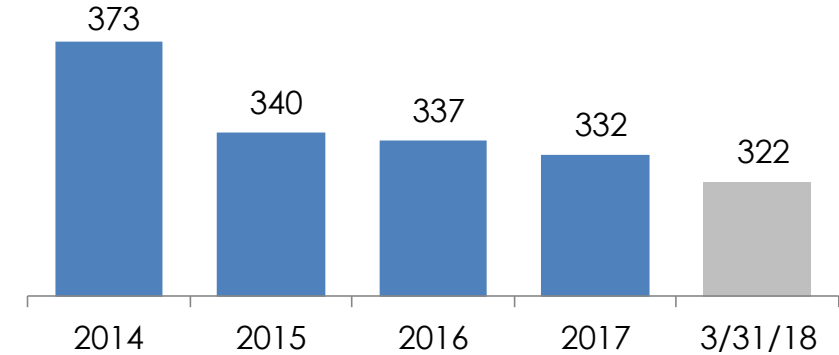
## Parent company cash & investments

(\$ millions)



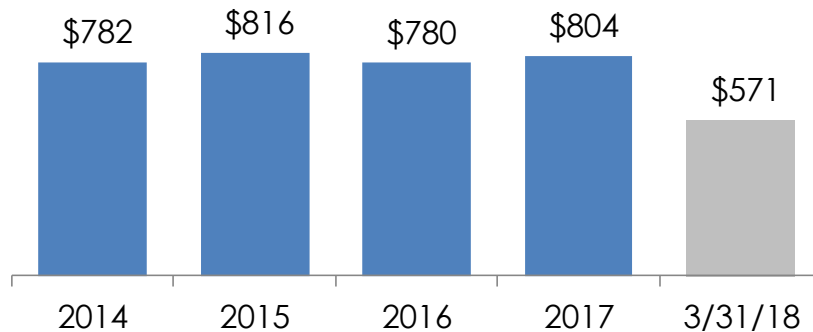
## Shares outstanding

(shares in millions)

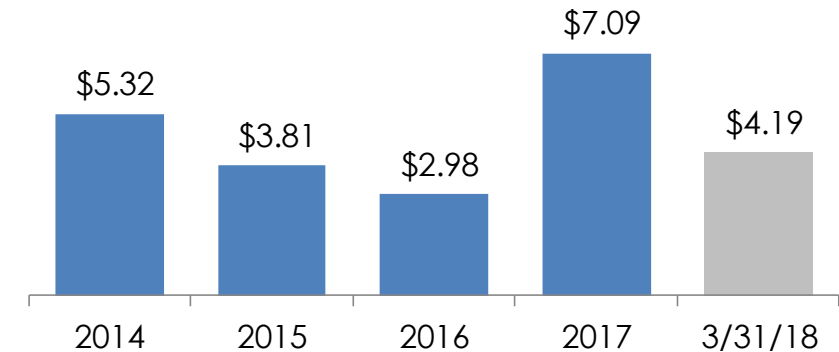


## Dividends from subsidiaries<sup>1</sup>

(\$ 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 period-end.

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

2. The amount by which the value per share of Loews's public assets and its cash & investments net of debt (excluding any valuation of its non-public assets) exceeded Loews's stock price as of the end of the period indicated.

# Loews Ownership



## LOEWS CORPORATION OWNS

	PUBLICLY TRADED			NON-PUBLICLY TRADED		PARENT COMPANY
<b>INDUSTRY</b>	Property & Casualty Insurance	Offshore Drilling	Natural Gas & NGL Midstream MLP	Deluxe and Luxury Hotels	Rigid Plastic Packaging	\$4.9 Cash & Investments
<b>TICKER</b>	CNA	DO	BWP	12,361 System-wide Guest Rooms	National Footprint	+
<b>MARKET CAP</b>	\$13.4	\$2.0	\$2.6	\$199 million Adjusted EBITDA <sup>2</sup>	58 Facilities <sup>3</sup>	\$1.8 Debt
<b>LOEWS STAKE</b>	\$12.0	\$1.1	\$1.3			+
<b>OWNERSHIP</b>	89%	53%	51% <sup>1</sup>	100%	99%	100% BWP General Partner

Data as of March 31, 2018, except as noted. Dollars in billions unless otherwise noted.

1. Includes 2% general partner interest.

2. Adjusted EBITDA is for the year ended December 31, 2017. See Company Overview Appendix – "Loews Hotels & Co Adjusted EBITDA" for 2017 EBITDA to GAAP reconciliation available on [www.loews.com](http://www.loews.com)

3. Facility count is as of April 30, 2018.

# CNA Financial – Financial Highlights



Financials <sup>1</sup>		
	March 31	
	QTD	
	2018	2017
(\$ millions, except per share data)		
Core income <sup>2</sup>	\$ 281	\$ 235
Net realized investment gains (after-tax)	10	25
Net income	291	260
Loews accounting adjustments:		
<i>Amounts attributable to noncontrolling interests</i>	(31)	(27)
<i>Other</i> <sup>3</sup>	1	1
Net income attributable to Loews	\$ 261	\$ 234
Invested assets	\$ 45,535	\$ 45,279
Net written premiums	1,813	1,632
Combined ratio ex. catastrophes and development	93.2	97.4
Combined ratio	93.1	97.2
Loss ratio ex. catastrophes and development	60.0	62.2
Loss ratio	59.9	62.0
Book value per share ex. AOCI	\$ 43.57	\$ 43.49
Book value per share	42.10	43.15
Regular and special dividends per share <sup>4</sup>	2.30	2.25

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

2. See CNA's press release dated April 30, 2018 for a reconciliation of Core income to Net income, available at <http://www.cna.com/web/guest/cna/about/investorrelations/financial>

3. Other includes adjustments for purchase accounting, income taxes and rounding.

4. Quarterly dividend increased to \$0.30 per share in the 2017 third quarter. Special dividend of \$2.00 per share paid in March of 2018 and 2017.



# Diamond Offshore – Financial Highlights



Financials <sup>1</sup>		
(\$ millions)	March 31	
	QTD	
	2018	2017
Revenue	\$ 296	\$ 374
Operating income	1	51
Pretax income (loss)	(25)	24
Tax adjustment pursuant to the Tax Act <sup>2</sup>	43	-
Net income	19	24
Loews accounting adjustments:		
<i>Amounts attributable to noncontrolling interests</i>	(9)	(11)
<i>Other</i> <sup>3</sup>	-	(1)
Net income attributable to Loews	\$ 10	\$ 12
Number of active rigs <sup>4</sup>	12	14

1. Unless noted as attributable to Loews, financial results are at the subsidiary level. See Diamond's press release dated April 30, 2018, available at <http://www.diamondoffshore.com/>

2. Reflects tax benefit due to the reversal of an uncertain tax position recorded in Q4 2017 pursuant to the enactment of the Tax Act.

3. Other includes adjustments for purchase accounting, income taxes and rounding.

4. As of March 31 for each period presented.

# Boardwalk Pipeline – Financial Highlights



Financials <sup>1</sup>		
	March 31	
	QTD	
	2018	2017
(\$ millions, except per unit)		
Revenue	\$ 335	\$ 367
EBITDA <sup>2</sup>	224	246
Net income	97	119
Loews accounting adjustments:		
<i>Amounts attributable to noncontrolling interests</i>	(47)	(58)
<i>Other</i> <sup>3</sup>	(14)	(24)
Net income attributable to Loews	\$ 36	\$ 37
Distributions paid per unit	\$ 0.10	\$ 0.10

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

2. See Boardwalk's press release dated April 30, 2018 for a reconciliation of EBITDA to Net income, available at <http://www.bwpmpl.com/>

3. Other includes adjustments for purchase accounting, income taxes and rounding.

# Loews Hotels & Co – Financial Highlights



Financials		
(\$ millions, except Rev PAR)	March 31	
	QTD	
	2018	2017
Revenue	\$ 183	\$ 167
Adjusted EBITDA <sup>1</sup>	57	44
Pretax income <sup>2</sup>	20	19
Net income <sup>2</sup>	13	10
Same store RevPAR <sup>3</sup>	\$ 203	\$ 188
Adjusted mortgage debt <sup>4</sup>	1,361	1,285

- Adjusted EBITDA is total amount of EBITDA attributable to Loews Hotels & Co based on its percent ownership of each property (e.g., if Loews Hotels & Co legally owns 50% of a property, 50% of that property's EBITDA is included), plus management company EBITDA and excluding non-recurring items such as acquisition transaction and transition costs, gains/losses on sale and impairments. See Appendix – "Loews Hotels & Co Adjusted EBITDA."
- 2017 includes a net benefit of \$10 million (\$6 million after-tax) from a gain on sale and an impairment charge both related to joint venture properties.
- Represents Revenue Per Available Room ("RevPAR") for owned and joint venture hotels that were open and operating continuously without substantial constraints on availability from January 1, 2016 to March 31, 2018 – these hotels are marked with an asterisk (\*) on the page titled "Loews Hotels & Co - Portfolio".
- Pro rata mortgage debt for Loews Hotels & Co ownership interest in each asset, including adjusted mortgage debt related to assets under development of \$116 million and \$39 million at March 31, 2018 and 2017, respectively.

# Loews Hotels & Co – Portfolio



		City, ST	Rooms	Ownership %	Year Acquired / First Managed
<b>OWNED<sup>1</sup> (13)</b>	Loews Annapolis Hotel*	Annapolis, MD	215	100%	1989
	Loews Chicago Hotel*	Chicago, IL	400	100%	2015
	Loews Chicago O'Hare Hotel*	Chicago, IL	556	100%	2014
	Loews Coronado Bay Resort	San Diego, CA	439	100%	2000
	Loews Miami Beach Hotel	Miami Beach, FL	790	100%	1998
	Loews Minneapolis Hotel*	Minneapolis, MN	251	100%	2014
	Loews Philadelphia Hotel*	Philadelphia, PA	581	100%	2000
	Loews Regency New York Hotel*	New York, NY	379	100%	1963
	Loews San Francisco Hotel*	San Francisco, CA	155	100%	2015
	Loews Hotel 1000	Seattle, WA	120	100%	2016
	Loews Vanderbilt Hotel*	Nashville, TN	340	100%	1989
	Loews Ventana Canyon Resort*	Tucson, AZ	398	100%	1984 / 2014
	Loews Hotel Vogue*	Montreal, QC	142	100%	1995
			<b>4,766</b>		
<b>JOINT VENTURE<sup>2</sup> (8)</b>	Hard Rock Hotel, at Universal Orlando*	Orlando, FL	650	50%	2001
	Loews Portofino Bay Hotel, at Universal Orlando*	Orlando, FL	750	50%	1999
	Loews Royal Pacific Resort, at Universal Orlando*	Orlando, FL	1,000	50%	2002
	Universal's Cabana Bay Beach Resort	Orlando, FL	2,200	50%	2014
	Loews Sapphire Falls Resort, at Universal Orlando	Orlando, FL	1,000	50%	2016
	Loews Boston Hotel*	Boston, MA	225	50%	2013
	Loews Hollywood Hotel*	Los Angeles, CA	628	50%	2012
	Loews Atlanta Hotel	Atlanta, GA	414	50%	2010 / 2015
			<b>6,867</b>		
<b>MANAGED<sup>3</sup> (3)</b>	Bisha Hotel and Residences	Toronto, ON	96		2017
	Loews New Orleans Hotel	New Orleans, LA	285		2003
	Loews Santa Monica Beach Hotel	Santa Monica, CA	347		1989
			<b>728</b>		
<b>UNDER DEVELOPMENT (6)</b>	Universal's Aventura Hotel	Orlando, FL	600	50%	Scheduled Opening 2018
	Universal Endless Summer Resort - Surfside Inn and Suites	Orlando, FL	750	50%	2019
	Universal Endless Summer Resort - Dockside Inn and Suites	Orlando, FL	2,050	50%	2020
	Live! by Loews Arlington, TX	Arlington, TX	300	50%	2019
	Loews Kansas City	Kansas City, MO	800	65%	2020
	Live! by Loews St. Louis, MO	St. Louis, MO	216	50%	2020
			<b>4,716</b>		
<b>TOTAL LOEWS HOTELS</b>			<b>17,077</b>		

Note: Asterisks (\*) represent the comparable owned and joint venture hotels included in the same store metrics on the page titled "Loews Hotels & Co – Financial Highlights."

1. Loews Chicago Hotel and Loews San Francisco Hotel added to same store metrics in 2018. Loews Hotel 1000 in Seattle added to portfolio in January 2016.
2. Loews Atlanta Hotel has been managed by Loews Hotels & Co since it opened in 2010. Loews Hotels & Co acquired 50% of the hotel in Q2 2015. Loews Sapphire Falls Resort, at Universal Orlando opened in Q3 2016.
3. Loews-managed Bisha Hotel and Residences opened in Q3 2017.

# Appendix – Loews Hotels & Co Adjusted EBITDA



(\$ millions)

Consolidated GAAP pre-tax income

Acquisition transaction and transition costs, gains/losses on sales and impairment charges

Subtotal

Depreciation and amortization of owned hotels

Interest expense on owned hotels

Adjustments for unconsolidated joint ventures' proportionate share of EBITDA<sup>1</sup>

**Adjusted EBITDA**

		March 31	
		QTD	
		2018	2017
\$	20	\$	19
	-		(10)
	20		9
	17		16
	7		7
	13		12
<b>\$</b>	<b>57</b>	<b>\$</b>	<b>44</b>

1. Represents the difference between Loews Hotels & Co's GAAP pre-tax income for its joint venture properties and its pro rata share of those properties' EBITDA based on its percentage ownership (e.g. if Loews Hotels & Co legally owns 50% of a property, 50% of that property's EBITDA is included).

# Appendix – Key Drivers for the First Quarter

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Net income of \$293 million, or \$0.89 per share, compared to \$295 million, or \$0.87 per share in the prior year period

- Favorable impact to Loews consolidated results in Q1 2018 from the reduced corporate tax rate pursuant to the enactment of the Tax Act
- CNA ↑ \$27 million (Pretax ↑ \$2 million)
  - Improved P&C underwriting income, partially offset by a decline in limited partnership investment results, higher retroactive reinsurance losses from the loss portfolio transfer and lower realized investment gains
- Diamond ↓ \$2 million (Pretax ↓ \$50 million)
  - Decline in contract drilling revenue due to continuing depressed market conditions, offset by a favorable adjustment to an uncertain tax position recorded at year-end 2017 related to the Tax Act
- Boardwalk ↓ \$1 million (Pretax ↓ \$23 million)
  - Lower revenues due to firm transportation contract restructuring as well as lower storage and parking & lending revenues, partially offset by revenues from growth projects and the impact of the lower corporate tax rate at the holding company level
- Hotels ↑ \$3 million (Pretax ↑ \$1 million)
  - Improved performance at joint venture properties and several owned hotels, primarily the Loews Miami Beach Hotel, with results in the prior year including a \$10 million net pretax gain on the sale of a joint venture property and the impairment of an investment in another joint venture property
- Corporate<sup>1</sup> ↓ \$29 million (Pretax ↓ \$35 million)
  - Lower investment income primarily due to lower returns on equity securities, partially offset by income from Consolidated Container Company and the absence of transaction-related expenses incurred in 2017

1. Includes the financial results of Consolidated Container Company since its acquisition on May 22, 2017.

# Appendix – Loews Consolidating Condensed Balance Sheet



March 31, 2018	CNA Financial	Diamond Offshore	Boardwalk Pipeline	Loews Hotels & Co	Corporate <sup>1</sup>	Total
(\$ millions)						
<b>Assets:</b>						
Cash and investments	\$ 45,816	\$ 429	\$ 37	\$ 325	\$ 4,909	\$ 51,516
Receivables	7,349	246	103	41	154	7,893
Property, plant and equipment	346	5,222	8,340	1,133	420	15,461
Other assets	4,111	296	530	314	665	5,916
<b>Total assets</b>	<b>\$ 57,622</b>	<b>\$ 6,193</b>	<b>\$ 9,010</b>	<b>\$ 1,813</b>	<b>\$ 6,148</b>	<b>\$ 80,786</b>
<b>Liabilities and Equity:</b>						
Insurance reserves	\$ 37,106	\$ -	\$ -	\$ -	\$ -	\$ 37,106
Short term debt	32	-	1	174	6	213
Long term debt	2,681	1,973	3,688	552	2,361	11,255
Other liabilities	6,406	442	1,053	280	183	8,364
<b>Total liabilities</b>	<b>46,225</b>	<b>2,415</b>	<b>4,742</b>	<b>1,006</b>	<b>2,550</b>	<b>56,938</b>
Total shareholders' equity	10,188	2,010	1,930	806	3,598	18,532
Noncontrolling interests	1,209	1,768	2,338	1	-	5,316
<b>Total equity</b>	<b>11,397</b>	<b>3,778</b>	<b>4,268</b>	<b>807</b>	<b>3,598</b>	<b>23,848</b>
<b>Total liabilities and equity</b>	<b>\$ 57,622</b>	<b>\$ 6,193</b>	<b>\$ 9,010</b>	<b>\$ 1,813</b>	<b>\$ 6,148</b>	<b>\$ 80,786</b>

Note: Amounts presented will not necessarily be the same as those in the individual financial statements of the Company's subsidiaries due to adjustments for purchase accounting, income taxes and noncontrolling interests.

1. Corporate primarily reflects the parent company's investment in its subsidiaries, portfolio cash and investments, corporate long-term debt and Consolidated Container Company.