

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



Dynamic & Stable

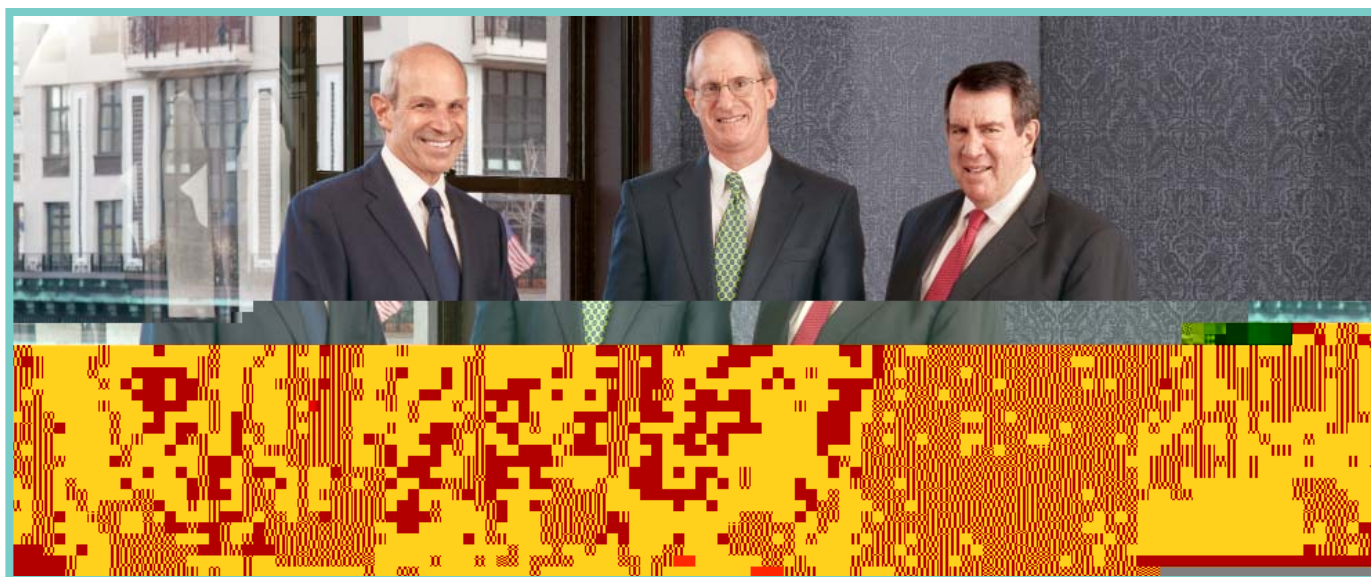
LETTER TO OUR SHAREHOLDERS AND EMPLOYEES

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 **rst** 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

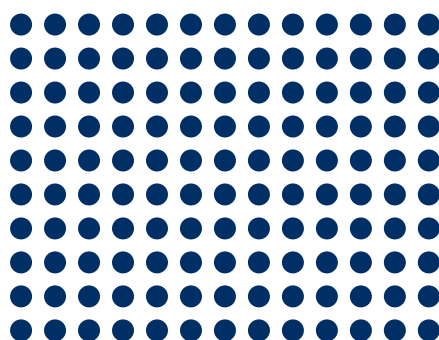
We have spoken before in our annual report about valuing Loews on a sum-of-the-parts basis. We like this approach because it is intuitive and fairly simple. Admittedly equity valuation can be more an art than a science, but in the case of Loews certain important things are known.

- 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

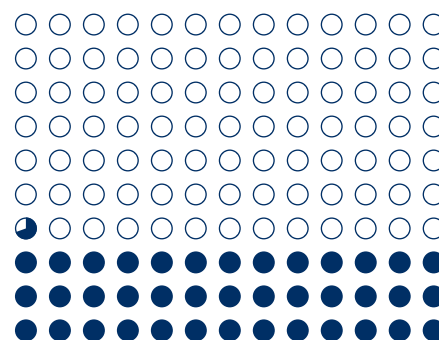
SHARES OUTSTANDING SINCE

(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.



1.3 BILLION
in 1971



397 MILLION
in 2011

● = 10 million shares

SUM OF THE PARTS VALUE PER SHARE



“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*

Our Subsidiaries



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HIGHMOUNT EXPLORATION & PRODUCTION PAGE 10

BOARDWALK PIPELINE PARTNERS PAGE 12

LOEWS HOTELS PAGE 14

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.



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 cyclical nature 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

“Diamond Offshore has delivered value by taking advantage of the cyclical nature of our industry to acquire drilling rigs at attractive prices.”

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.

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)

2011	\$2,147
2010	\$1,902
2009	\$1,534
2008	\$973
2007	\$543
2006	\$140

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

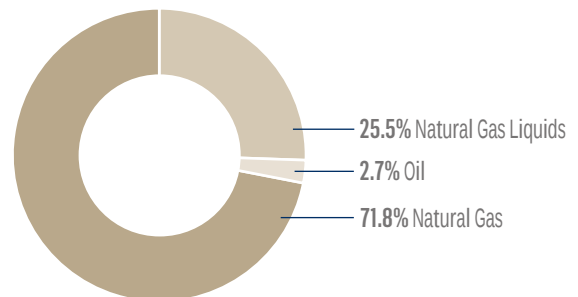
“Over the longer term, we expect natural gas to become a preferred U.S. fuel.”

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.

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.



OUR SUBSIDIARIES:

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

“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.”

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of growth and acquisition opportunities. They include:

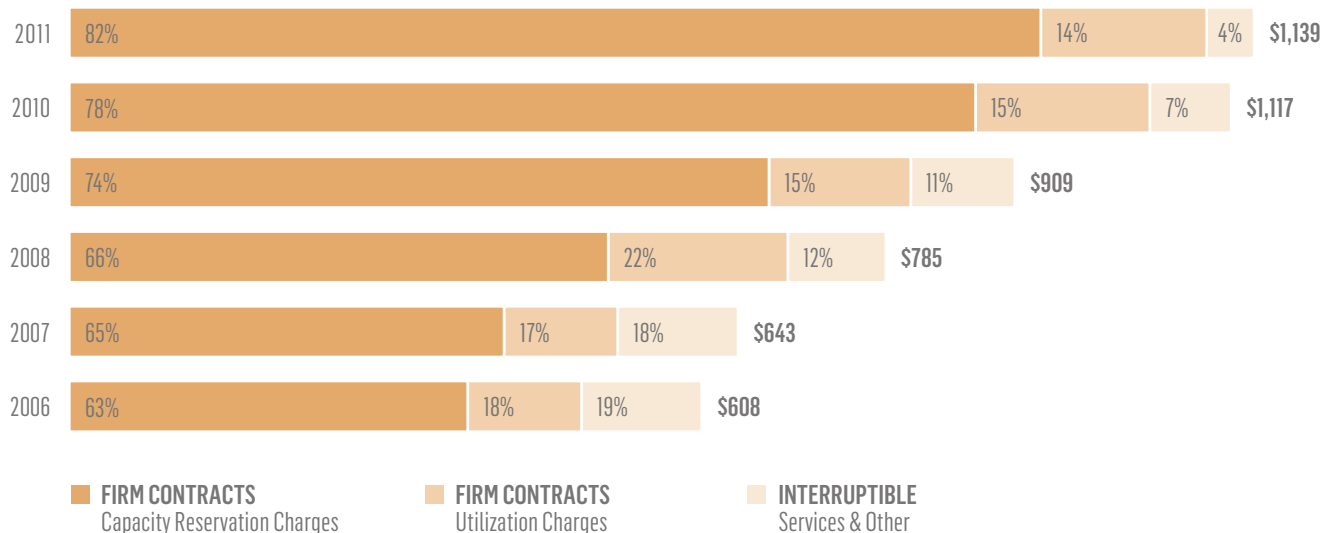
- The acquisition of the Petal and Hattiesburg storage and pipeline assets, now called Boardwalk HP Storage; and

- 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.



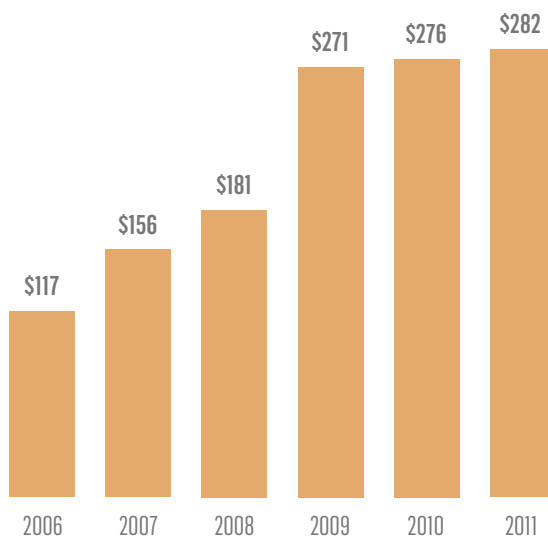
REVENUE PROFILE (in millions)



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)



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.

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

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:

	HIGH	LOW	2010	
			HIGH	LOW
1st Quarter	\$.	\$.	\$38.41	\$34.24
2nd Quarter	.	.	39.47	30.22
3rd Quarter	.	.	38.55	32.95
4th Quarter	.	.	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.

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
*Officer of the President,
Co-Chairman of the Board, and Chairman
of the Executive Committee*

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

□ Jonathan M. Tisch
*Officer 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
*Officer of the President,
President and Chief Executive Officer*

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

Jonathan M. Tisch
*Officer 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
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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
*Stanley C. Horton
Chief Executive Officer
9 Greenway Plaza, Suite 2800
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www.bwpmlp.com*

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President and Chief Executive Officer
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