LOEWS
CORPORATION

2005 Annual Report

CNA

Lorillard

BOARDWALK PIPELINES

DIAMOND OFFSHORE

LOEWS HOTELS

BULOVA

CAROLINA GROUP
LOEWS CORPORATION

IN MEMORIAM

PRESTON ROBERT TISCH
1926 - 2005

Preston Robert "Bob" Tisch, great business and civic leader, passed away on November 15, 2005. Bob was the co-founder and Chairman of Loews Corporation. With his late brother Larry, he transformed a small hotel chain into one of the largest and most successful financial corporations in the country.

Bob became renowned and revered in the hospitality industry while at the same time dedicating himself to building Loews with his brother. Each time they acquired a company, Bob would immerse himself in the new business and seamlessly bring it into the Loews family. Throughout his life, in every one of his endeavors, no business issue was too small to escape his view, no employee was too unimportant for his attention, and no promise was ever forgotten.

In addition to his many years of service to Loews, Bob made his mark in the sports industry as co-owner of the New York Football Giants and as a valued contributor to the National Football League. He also had a remarkable career in public service. Bob had a unique ability to solve problems and build partnerships, not only for Loews, but also for New York City and the nation. He served as Postmaster General of the United States from 1986 to 1988, and was credited with restoring confidence in the integrity of the U.S. Postal Service.

Beloved as a father, grandfather, uncle and friend, perhaps Bob's greatest legacy is the indelible impact he made on society through his philanthropic leadership. His generosity touched people across the country. An extraordinary "people" person, he made everyone at Loews feel like part of a family. Bob will always be remembered as our own "New York giant."

LOEWS CORPORATION

Loews Corporation, a holding company, is one of the largest diversified financial corporations in the United States. Its principal subsidiaries are listed below. ***www.loews.com***

CNA Financial Corporation (91 percent owned) is one of the largest commercial property-casualty insurance companies in the United States. (NYSE: CNA)
www.cna.com

Lorillard, Inc. (wholly owned) is America's oldest tobacco company. Its principal products are marketed under the brand names Newport, Kent, True, Maverick and Old Gold. Substantially all of its sales are in the United States.
www.lorillard.com

Boardwalk Pipeline Partners, LP (85 percent owned) is engaged, through its subsidiaries, in the operation of interstate natural gas pipeline systems. (NYSE: BWP)
www.boardwalkpipelines.com

Texas Gas Transmission, LLC operates a 5,900 mile interstate natural gas pipeline and storage system from the Gulf Coast, east Texas and north Louisiana to markets in the southern United States and throughout the Midwest.
www.txgt.com

Gulf South Pipeline Company, LP operates an 8,000 mile interstate natural gas pipeline and storage system located in the U.S. Gulf Coast.
www.gulfsouthpl.com

Diamond Offshore Drilling, Inc. (54 percent owned) is one of the world's largest offshore drilling companies, offering comprehensive drilling services to the energy industry around the world. The company owns and operates 44 offshore drilling rigs. (NYSE: DO)
www.diamondoffshore.com

Loews Hotels (wholly owned) is one of the country's top luxury lodging companies. It owns and operates hotels and resorts in the United States and Canada.
www.loewshotels.com

Bulova Corporation (wholly owned) is a major distributor and marketer of watches and clocks. Its brand names include Bulova, Caravelle, Wittnauer and Accutron.
www.bulova.com

Loews Corporation has two classes of common stock: Loews common stock (NYSE: LTR) and Carolina Group stock (NYSE: CG).

2005 Report to Shareholders

Financial Highlights

RESULTS OF OPERATIONS

Consolidated net income for 2005 was $1,211.6 million, compared to $1,215.8 million in the prior year.

Net income attributable to Loews common stock for 2005 amounted to $960.3 million, or $5.16 per share, compared to $1,031.3 million, or $5.56 per share, in the prior year.

The results for the year ended December 31, 2005 include an after tax benefit of $136.5 million related to a federal income tax settlement due primarily to net refund interest and the release of federal income tax reserves offset by catastrophe losses at CNA of $304.8 million (after tax and minority interest) primarily related to Hurricanes Wilma, Katrina, Rita, Dennis and Ophelia. Net income also reflects the impact of CNA's significant commutation of finite reinsurance contracts of $236.4 million (after tax and minority interest) and non-commutation related adverse net development of $245.5 million (after tax and minority interest), partially offset by improved results at Diamond Offshore. In 2004, CNA incurred catastrophe losses of $178.9 million (after tax and minority interest) also primarily related to hurricanes. Net income for 2004 also included $116.5 million (after tax) from an affiliate's sale of four ultra-large oil tankers.

Net income attributable to Loews common stock includes net investment losses of $10.3 million (after tax and minority interest) compared to net investment losses of $144.9 million (after tax and minority interest) in the prior year due primarily to a loss of $352.9 million (after tax and minority interest) in 2004 from CNA's sale of its individual life insurance business.

Net income attributable to Carolina Group stock for the year ended 2005 was $251.3 million, or $3.62 per Carolina Group share, compared to $184.5 million, or $3.15 per Carolina Group share in the prior year. The increase in net income attributable to Carolina Group stock is due to improved overall results and reflects the increase in the amount of Carolina Group shares.

Consolidated revenues for the year ended 2005 amounted to $16.0 billion compared to $15.2 billion in the prior year. The increase in revenues is primarily due to the acquisition of Gulf South in December of 2004, improved results at Diamond Offshore and the impact of a loss recorded in 2004 related to CNA's sale of its individual life insurance business.

Year Ended December 31	**2005**	2004*	2003*	2002*	2001*
(in millions, except per share data)					
Results of Operations:					
Revenues	**$ 16,017.8**	$15,236.9	$16,459.7	$17,463.9	$18,736.2
Income (loss) before taxes and minority interest	**$ 1,846.5**	$ 1,828.8	$ (1,357.1)	$ 1,666.1	$ (764.5)
Income (loss) from continuing operations	**$ 1,192.9**	$ 1,235.3	$ (654.0)	$ 993.5	$ (510.4)
Discontinued operations, net	**18.7**	(19.5)	56.8	(33.8)	9.9
Cumulative effect of changes in accounting principles, net				(39.6)	(53.3)
Net income (loss)	**$ 1,211.6**	$ 1,215.8	$ (597.2)	$ 920.1	$ (553.8)
Income (loss) attributable to:					
Loews common stock:					
Income (loss) from continuing operations	**$ 941.6**	$ 1,050.8	$ (769.2)	$ 852.8	$ (510.4)
Discontinued operations, net	**18.7**	(19.5)	56.8	(33.8)	9.9
Cumulative effect of changes in accounting principles, net				(39.6)	(53.3)
Loews common stock	**960.3**	1,031.3	(712.4)	779.4	(553.8)
Carolina Group stock	**251.3**	184.5	115.2	140.7	
Net income (loss)	**$ 1,211.6**	$ 1,215.8	$ (597.2)	$ 920.1	$ (553.8)
Diluted Income (Loss) Per Share:					
Loews common stock:					
Income (loss) from continuing operations	**$ 5.06**	$ 5.66	$ (4.15)	$ 4.54	$ (2.61)
Discontinued operations, net	**0.10**	(0.10)	0.31	(0.18)	0.05
Cumulative effect of changes in accounting principles, net				(0.21)	(0.27)
Net income (loss)	**$ 5.16**	$ 5.56	$ (3.84)	$ 4.15	$ (2.83)
Carolina Group stock	**$ 3.62**	$ 3.15	$ 2.76	$ 3.50	
Financial Position:					
Investments	**$ 45,396.0**	$44,298.5	$42,514.8	$40,136.7	$41,159.1
Total assets	**70,675.6**	73,720.3	77,673.9	70,211.0	74,732.9
Debt	**5,206.8**	6,990.3	5,820.2	5,651.9	5,920.3
Shareholders' equity	**13,092.1**	11,969.9	10,855.3	10,995.5	9,170.5
Cash dividends per share:					
Loews common stock	**0.60**	0.60	0.60	0.60	0.58
Carolina Group stock	**1.82**	1.82	1.81	1.34	
Book value per share of Loews common stock	**70.93**	65.56	59.85	60.39	47.89
Shares outstanding:					
Loews common stock	**185.85**	185.58	185.45	185.44	191.49
Carolina Group stock	**78.19**	67.97	57.97	39.91	

* Restated. Please read Note 25 of the Notes to Consolidated Financial Statements included under Item 8 in the accompanying Form 10-K Report.

Letter to Our Shareholders and Employees

Office of the President (from left to right):
Jonathan M. Tisch, Co-Chairman of the Board, Chairman and Chief Executive Officer, Loews Hotels;
James S. Tisch, President and Chief Executive Officer;
Andrew H. Tisch, Co-Chairman of the Board, and Chairman of the Executive Committee.

Loews reported solid earnings in 2005 – $1.2 billion of consolidated net income, which was roughly the same amount as in 2004. While the year was negatively impacted by hurricane-related losses and various reserve-related charges at CNA, the operating businesses of all of our subsidiaries performed well. In addition, we took advantage of the robust condition of financial markets to make beneficial adjustments to our capital structure. Today, Loews has a combination of income and balance sheet strength unmatched in its history.

CNA's 2005 net income declined 38 percent versus the prior year as losses from hurricanes, commutations of finite reinsurance contracts and non-commutation related adverse net reserve development more than offset improved underwriting and investment performance. Although the 2005 hurricane season was the costliest on record, CNA's catastrophe losses of $334 million after taxes were low in relation to its peers and the expectations of industry analysts – a testament to CNA's ongoing efforts to reduce its coastal exposures and enhance conservative reinsurance programs.

Notwithstanding the charges CNA took in 2005, the company's operating performance improved. CNA is writing business in a disciplined and intelligent fashion, despite a softening underwriting environment for property-casualty insurers. Meanwhile, rising short-term interest rates and a growing investment portfolio have helped it to generate more investment income. Importantly, the company's credit profile and position in the marketplace remain very solid.

Diamond Offshore enjoyed dramatic improvement in its results during the year. Global demand for offshore drilling rigs increased significantly beginning in the second half of 2004, as oil and natural gas exploration and production companies ramped up drilling budgets after many years of conservative spending practices. During 2005, the demand for rigs became quite intense; by year-end, dayrates for new contracts were at levels two, three, even four times as high as at the beginning of the year. Accordingly, most of the industry's rig fleet has been contracted through 2006 and much of 2007.

Diamond Offshore has been a major beneficiary of these improved conditions, in part because of the investments it has made over the last few years to upgrade the capability – and thus the marketability – of its fleet. These factors combined to increase Diamond Offshore's contribution to Loews's earnings to $126.9 million in 2005 from a loss of $9.2 million in 2004.

Diamond Offshore's strong performance came despite the disruptive impact of several severe hurricanes in the Gulf of Mexico. Hurricane Katrina ravaged the Gulf region in late August, ripping the *Ocean Warwick* from its jack-up legs resting on the ocean floor and carrying the rig 66 miles to the coast of Alabama. The *Ocean Warwick* was rendered a total loss, but had been insured for more than its carrying value. Hurricanes Katrina and Rita also caused minor damage to several of the company's other rigs, all of which were returned to service by late 2005. In spite of the destruction these dangerous storms caused, none of Diamond Offshore's employees was injured as a result – a great tribute to the company's extensive and meticulous safety procedures. The severe hurricane season also did little to slow the surging performance of our offshore drilling subsidiary. In fact, the hurricanes may have had a positive impact on the industry, as they served to tighten supply by reducing the number of rigs operating in the Gulf of Mexico.

Lorillard had a very good year in 2005, registering earnings growth of nearly 10 percent. This improvement is largely the product of the investments Lorillard made over the last few years to enhance the market position of its flagship brand, Newport. Cigarette marketplace fundamentals have improved over the difficult environment that prevailed in 2003, revealing the value of Lorillard's continuous efforts to protect and improve Newport's competitive position through targeted promotional support. Newport achieved an 8.44 percent market share in 2005, representing an increase of 0.5 market share points, notwithstanding the fact that Lorillard promoted the brand more selectively.

The past year marked a continuation of tobacco companies' positive litigation track record. Specifically, two very important judicial rulings were decided in favor of the industry. In mid-October, the U.S. Supreme Court refused to consider, at this stage in the litigation, an appeal of an appellate court ruling that the disgorgement of past profits was not an available remedy in the U.S. Department of Justice's case against tobacco companies. In mid-December, the Illinois Supreme Court reversed a $10.1 billion damage award issued by a lower state court in the case *Price v. Philip Morris USA*. This latter judgment does not have direct implications for Lorillard as it was not a defendant in the case; however, this decision should serve as a constructive precedent in the industry's defense of "lights" cases, where plaintiffs have claimed that tobacco companies defrauded smokers by allegedly suggesting "light" cigarettes were less hazardous than full-flavor brands. The tobacco industry is now awaiting a ruling in *Engle v. R.J. Reynolds Tobacco Co., et al.* In that case, the Florida Supreme Court is reviewing the decision of the state's Third District Court of Appeals, which reversed a $145 billion punitive damage judgment against the industry and decertified the class that had brought the suit.

Loews Hotels and Bulova were successful in increasing profits during the year. Loews Hotels benefited from continued strength in the lodging market, which drove average room rates for its owned hotels higher by 11 percent. As a result, revenue per available owned hotel room increased almost 12 percent over 2004, reaching levels the company last experienced in 2000. Meanwhile, Bulova continued to prove itself an able competitor in the timepiece market. Its new marketing strategies have served to increase selling prices. The retail environment for timepieces also generally improved, helping Bulova's revenues increase by 10 percent.

Possibly the most significant event at Loews in 2005 was the initial public offering of a 14.5 percent interest in Boardwalk Pipeline Partners, LP. Boardwalk is the holding company for Texas Gas Transmission and Gulf South Pipeline, the natural gas pipeline and storage systems we acquired in 2003 and 2004, respectively. Boardwalk is a master limited partnership, which will allow it to make distributions to the holders of its limited partnership units in a tax-efficient manner. Creating a public market for Boardwalk's partnership units provides the company with an efficient source of capital, which should help it fund growth projects and compete for acquisitions. Boardwalk's IPO also served to highlight the value of our pipeline assets, which had appreciated materially in the short time we owned them.

In 2005, we engaged in several transactions that enhanced our capital structure. In January, we replaced $400 million of 7% Senior Notes due 2023 with $100 million of 5¼% Senior Notes due 2016 and $300 million of 6% Senior Notes due 2035. In April, we redeemed the entire $1.15 billion outstanding principal of our 3⅛% Exchangeable Subordinated Notes due 2007. Although this debt was a relatively inexpensive source of capital for many years, the rise in Diamond Offshore's stock price increased the risk that noteholders would exercise their right to exchange their notes for shares of Diamond Offshore, significantly reducing our stake in the company.

In 2005, we received more than $900 million in dividends from our operating subsidiaries and approximately $250 million in conjunction with the IPO of Boardwalk Pipeline Partners, LP. We also raised $415 million through the sale of Carolina Group stock in November. Thus, despite using $1.15 billion of cash to redeem our 3⅛% Exchangeable Subordinated Notes, our cash balance at the holding company increased from $2.5 billion at the end of 2004 to $2.9 billion at the end of 2005 – and is now more than double the amount of our parent company long-term debt.

The liquid state of our balance sheet begs an obvious question: What will we do with all our cash? The answer: Create shareholder value in a prudent manner. We would like to add to our collection of businesses, but will do so only if attractive returns can be generated. This may require patience, as valuations, broadly speaking, are currently quite high. But, as we have been known to say, "Cash does not burn a hole in our pocket." However we ultimately allocate our liquid resources, our decisions will always be governed by the recognition that a conservative capital structure is an important element in generating value for shareholders.

As we have done in the last few years, we would like to take advantage of this opportunity to point readers to portions of this report that may be helpful in augmenting their understanding of Loews. In particular, we have again included a section entitled *Loews: A Financial Portrait* that should offer more insight into the structure of the Company. In addition, the consolidating financial information, which can be found in Note 24 of the accompanying Form 10-K Report, beginning on page 224, lends some clarity to how our different subsidiaries combine to form Loews Corporation.

We would like to extend our gratitude to our employees, shareholders and directors for their many contributions which helped make 2005 a very good year for the Company. We would especially like to thank John Brademas, who is retiring from the Board of Directors of Loews Corporation after more than 20 years of invaluable service. We look forward to working with all of our constituents to ensure our continued success in 2006.

On a final note, it is with profound sadness that we bid farewell to Preston Robert Tisch, the charismatic patriarch of Loews. Bob, who together with his late brother Larry transformed their family's ownership in a small hotel in New Jersey into the modern-day Loews Corporation, was truly a dynamic presence. Bob's influence stretched from the halls of Loews, where he was chief operating officer as well as Chairman, to the halls of Washington, where as Postmaster General he helped restore the vitality of the U.S. Postal Service. He was the founder and driving force behind philanthropic institutions like Citymeals-on-Wheels and Take the Field, and spent many years as the leader of various other organizations whose mission was to improve business and civic life in his hometown, New York City. Bob was also the proud co-owner of the National Football League's New York Giants. Most importantly though, Bob was the heart and soul of Loews – where he will be sorely missed, and where his legacy endures.

Sincerely,

James S. Tisch
Office of the President

Andrew H. Tisch

Jonathan M. Tisch

March 9, 2006

Loews: A Financial Portrait

Loews Corporation is one of the largest diversified financial companies in the United States, with subsidiaries in the insurance, tobacco and energy industries. Our primary holdings include CNA Financial, one of the largest U.S. commercial property-casualty insurers; Lorillard Tobacco Company, the maker of Newport, the second largest selling cigarette brand in the U.S.; Diamond Offshore Drilling, a leading offshore drilling contractor; and Boardwalk Pipeline Partners, LP, which owns interstate natural gas pipeline systems. We also own Loews Hotels, one of the top luxury lodging companies in the nation, and Bulova Corporation, a distributor and marketer of watches and clocks.

Loews is a holding company. We closely monitor our subsidiaries but do not involve ourselves in their daily operations. An experienced management team, headed by a chief executive, is in place at each company. These executives make fundamental decisions about their businesses, including those concerning operating issues, marketing programs, products and properties, and long-range plans. We work with our subsidiaries to offer them counsel on significant strategic, financial and capital allocation issues.

Our primary objective is to generate wealth for our shareholders. In addition to monitoring the performance of our subsidiaries, helping to ensure that they are positioned to operate as efficiently as possible, we create value by actively managing our liquid assets. At the end of 2005, we had approximately $2.9 billion of cash and marketable securities at the holding company level. In addition, there are significant amounts of cash and equivalents on the balance sheets of our various operating businesses.

Investments

We manage our substantial liquid assets conservatively, yet we are also prepared to take advantage of opportunities as they arise. Our subsidiaries employ this same approach. Most of our investment assets are allocated to high-quality fixed income securities because we currently consider this to be the most appropriate asset class for these funds. Within this fixed income allocation, we have a diverse set of exposures, which are directed by in-house portfolio managers who specialize in a wide range of fixed income areas – including the U.S. Treasury, asset-backed, investment grade and high-yield corporate, and municipal markets. We have allocated a relatively small percentage of our liquid assets to equity securities, which are, for the most part, managed internally. In addition, relatively minor portions of the portfolios have been allocated to third-party limited partnerships specializing in a variety of investment strategies.

We leverage the expertise of our investment department professionals to optimize our capital costs, as well as those of our subsidiaries. Over the past two years, under guidance from our bond market professionals, we refinanced, retired or issued a total of almost $3.8 billion of intermediate- and long-term debt. Notably, in 2005 we redeemed our 3⅛% Exchangeable Subordinated Notes due 2007, which were exchangeable for a portion of our interest in Diamond Offshore common stock, rather than risk reducing our ownership of our offshore drilling subsidiary by almost 18 million shares, or about 25 percent of our holdings.

Acquisition Strategy

In general, Loews's acquisition strategy is oriented towards purchasing assets at a significant discount to their inherent value. For this reason, historically we have had a penchant for cyclical industries, as their ebbs and flows frequently provide opportunities to acquire assets at good values and generate significant investment returns over time. For example, during the turmoil of the 1974 bear stock market, which roiled insurance stocks, we first acquired an interest in CNA at a fraction of the company's value today. A few years later, during the oil crisis of the early 1980s, a Loews subsidiary purchased several crude oil tankers at scrap value, selling some for multiples thereof a few years later and contributing others to a joint venture that operated them for almost two decades. In the late 1980s, as offshore drilling in the Gulf of Mexico hit a cyclical bottom, we created a subsidiary to buy a number of rigs at historical lows. We then established a full-fledged offshore drilling company from these assets, and in 1995 took it public as Diamond Offshore Drilling, Inc. Most recently, as cyclical forces roiled the energy sector in 2003, we were able to purchase Texas Gas Transmission at an attractive price from an energy company facing liquidity constraints.

Today, however, building shareholder wealth by buying neglected or distressed assets has become a more difficult task – simply put, asset prices are at historically high levels across many sectors. Nonetheless, in late 2004 we exploited our existing asset base to create strategic value for the Company. We recognized that we could acquire Gulf South Pipeline and operate it in collaboration with Texas Gas to produce efficiencies that would reward us with significant and consistent cash returns on invested capital. The combination of these two companies created a major pipeline system in the Gulf of Mexico region and delivery capabilities that stretch northward up to Ohio. As an integrated network, Boardwalk Pipeline commands considerable market value, which we highlighted in late 2005 through a public offering of a 14.5 percent equity interest in Boardwalk Pipeline Partners, LP.

Condensed Consolidated Balance Sheet

(in billions)

December 31, 2005	CNA	Lorillard	Boardwalk Pipeline	Diamond Offshore	Loews Hotels	Corporate and Other*	Total
Cash & Investments	$39.8	$1.7	$0.1	$0.8		$3.1	$45.5
Total Assets	58.7	2.8	2.5	3.6	$0.4	2.7	70.7
Total Debt	1.7		1.1	1.0	0.2	1.2	5.2
Total Liabilities	49.5	1.5	1.5	1.8	0.3	0.9	55.5
Minority Interest	1.0		0.3	0.8			2.1
Loews's interest in Shareholders' Equity	8.2	1.3	0.7	1.0	0.1	1.8	13.1

* *Net of eliminations*

Financial Structure

The cornerstone of our ability to create value for our shareholders is our financial strength. Our strong credit profile, anchored by our liquid balance sheet, allows us to lean against cyclical winds to purchase assets from distressed sellers or unlock value through other means. To that end, each of our subsidiaries – much like Loews itself – is conservatively capitalized. This is evident from the table above, which is a condensed version of the Company's consolidating balance sheet information presented in Note 24 on page 224 of the accompanying Form 10-K Report. Only in the case where business dynamics warrant more leverage does a subsidiary's debt slightly exceed its net book value.

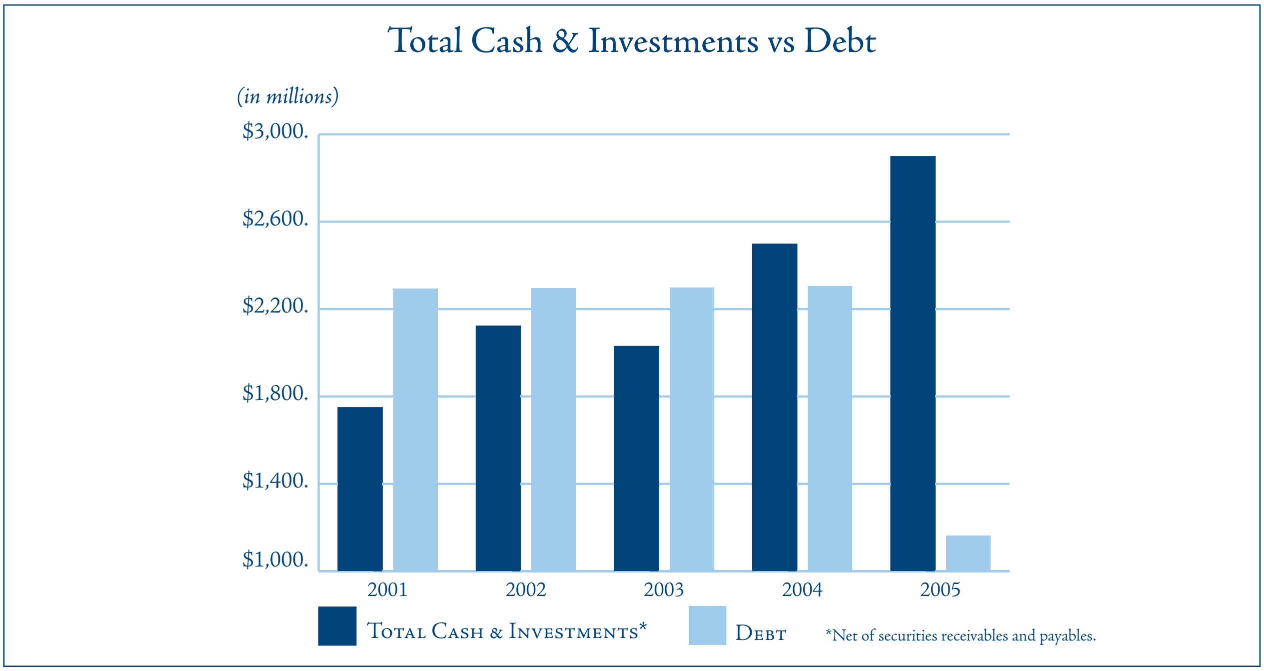
CNA has approximately $1.7 billion of debt, while its common shareholders' equity is approximately $8.2 billion after minority interest. Lorillard has no long-term debt and shareholder's equity of approximately $1.3 billion. The capital structure of our energy-related subsidiaries reflect their substantial fixed assets and stable cash flows. Nonetheless, our energy subsidiaries still have a very conservative bias to their financial structure – not only relative to their competitors, but in absolute terms as well. Diamond Offshore has less than $140 million of net long-term debt compared to common shareholders' equity of over $1.8 billion and a market capitalization of just under $9 billion, while Boardwalk Pipeline's stable operating profile enables it to service its current debt levels comfortably.

Our conservative capitalization is reflected in the "Total" column of the table above, which consolidates the balance sheets of the holding company and our subsidiaries. While consolidated shareholders' equity measures $13.1 billion, debt amounts to only $5.2 billion. In other words, debt comprises slightly less than 30 percent of our total capital. In addition, cash and investments at the holding company level, net of trading liabilities, add up to $2.9 billion – $1.7 billion more than parent company debt. This liquidity provides an extra measure of security above and beyond the prudent financial profile of our subsidiaries. As is evident from the following chart, we consistently strive to structure our holding company balance sheet in this conservative manner.

In addition to the strength and flexibility that we enjoy as a result of our net cash position, we benefit from having sizable annual cash flows. In 2005, Loews Corporation received nearly $940 million in dividends from its operating subsidiaries. Over the course of the year, the Company paid approximately $240 million in dividends to holders of Loews common stock and Carolina Group stock. After dividends, corporate interest and overhead, the parent holding company had cash flows of slightly less than $700 million – free and clear to be allocated at our discretion.

While a large proportion of our cash flow has historically come from Lorillard, we have diversified our cash flow sources in recent years. The acquisition of two major pipeline companies since 2003 has helped significantly, as Boardwalk Pipeline supplied more than 16 percent of the total cash dividends that we received from our subsidiaries in 2005. Meanwhile, the robust state of the offshore drilling market allowed Diamond Offshore to raise its quarterly dividend in 2005. In January 2006, Diamond Offshore declared a special dividend of $1.50 per share, which was paid to its shareholders in early March. We received slightly more than $105 million in cash as a result of this distribution. The board of directors of Diamond Offshore has indicated its willingness to consider paying annual special dividends in the future, depending on the company's results, financial position and prospects. Loews Hotels distributed more than $100 million in dividends to us in 2005 as the company refinanced some of its properties under favorable conditions. Going forward, we expect Lorillard, Diamond Offshore, and Boardwalk Pipeline to be sources of significant cash flow for Loews. In addition, we hope that CNA will be able to pay a dividend to shareholders in the not too distant future.

In 2005, we improved our parent company cash balances through proceeds received from the IPO of Boardwalk Pipeline and the sale of 10 million shares of Carolina Group stock. These two transactions contributed $665 million of cash to Loews, and helped to offset the cash impact of the redemption of our 3⅛% Exchangeable Subordinated Notes. These proceeds, combined with other cash distributions from our



Corporate Cash Flow Summary
(in millions)

Cash & Investments, 1/1/05	$ 2,497
Dividends from Subsidiaries	937
Debt related payments, net	(878)
Sale of CG Shares	415
Dividends paid (CG & LTR)	(240)
Other Operating Cash Flow	167
Cash & Investments, 12/31/05	**$2,898**

subsidiaries as indicated on the *Corporate Cash Flow Summary* above, increased the cash position at the holding company by almost $400 million in 2005.

Common Stock Performance

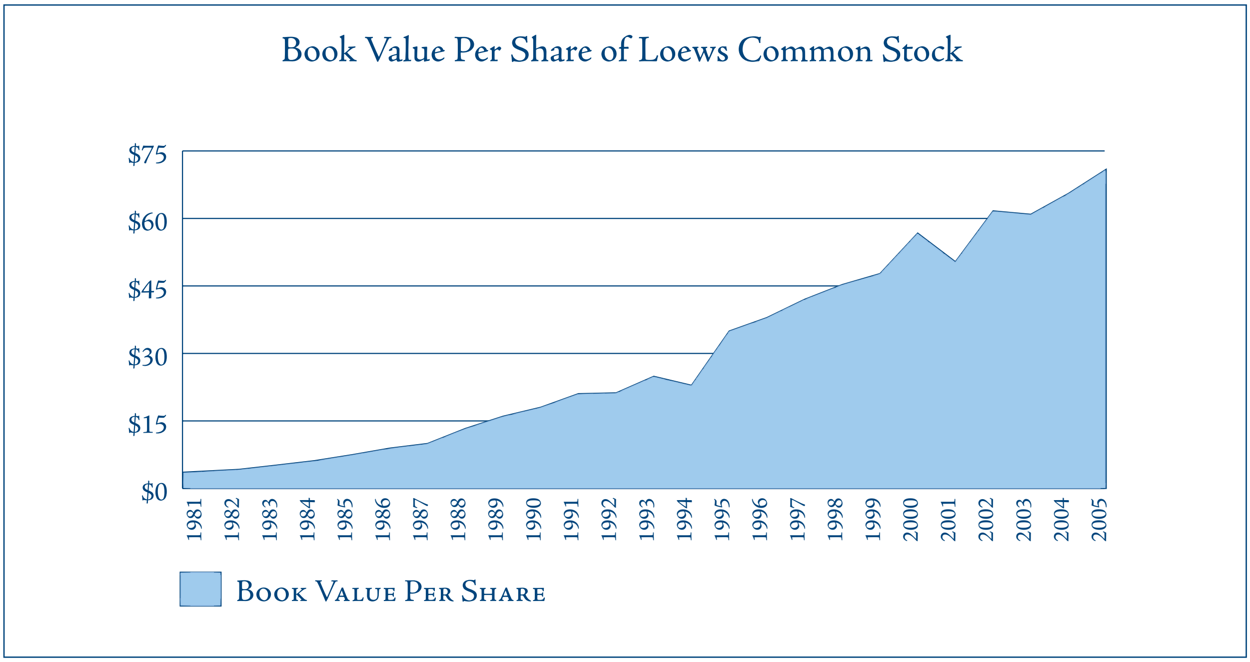
Loews has two classes of common stock: Loews common stock, which has been traded publicly for over 45 years, and Carolina Group stock, which we created in 2002 in order to have a publicly traded security that would reflect the performance of our Lorillard tobacco subsidiary.

In early 2002, we attributed our 100 percent interest in Lorillard to a notional group called Carolina Group, and began referring to our other assets and liabilities as Loews Group. The creation of Carolina Group did not, however, change our ownership of Lorillard, Inc., which remains a wholly owned subsidiary of Loews Corporation. In addition to Lorillard, a liability termed notional intergroup debt, payable to Loews Group, was attributed to Carolina Group. A brief summary of the mechanics of the Carolina Group structure may help to clarify the function of the notional intergroup debt: Cash from any dividends that Lorillard pays to us is allocated to Carolina Group, and is first earmarked to satisfy other obligations of Carolina Group. Thereafter, the balance is used to pay accrued interest on the outstanding portion of the notional intergroup debt. Subsequent to the payment of interest, the balance is available to pay dividends declared by our board of directors on Carolina Group stock. The remaining cash is then applied by our Board of Directors to reduce the principal of the notional intergroup debt, after maintaining a reserve at Carolina Group that currently amounts to $100 million. At the time Carolina Group was created, the notional intergroup debt balance was $2.5 billion; as of February 15, 2006, it stood at just over $1.5 billion. (For financial information regarding Carolina Group and Loews Group, see Note 6 of the Notes to Consolidated Financial Statements in the accompanying Form 10-K Report.)

Today, Carolina Group stock represents an interest of about 45 percent in Carolina Group. The remaining 55 percent economic interest in Carolina Group that has not been sold to the public is attributed to Loews Group, as are the other assets and liabilities of Loews Corporation. These include Loews Corporation's ownership interests in CNA, Diamond Offshore and Boardwalk Pipeline, all three of which also have publicly traded shares.

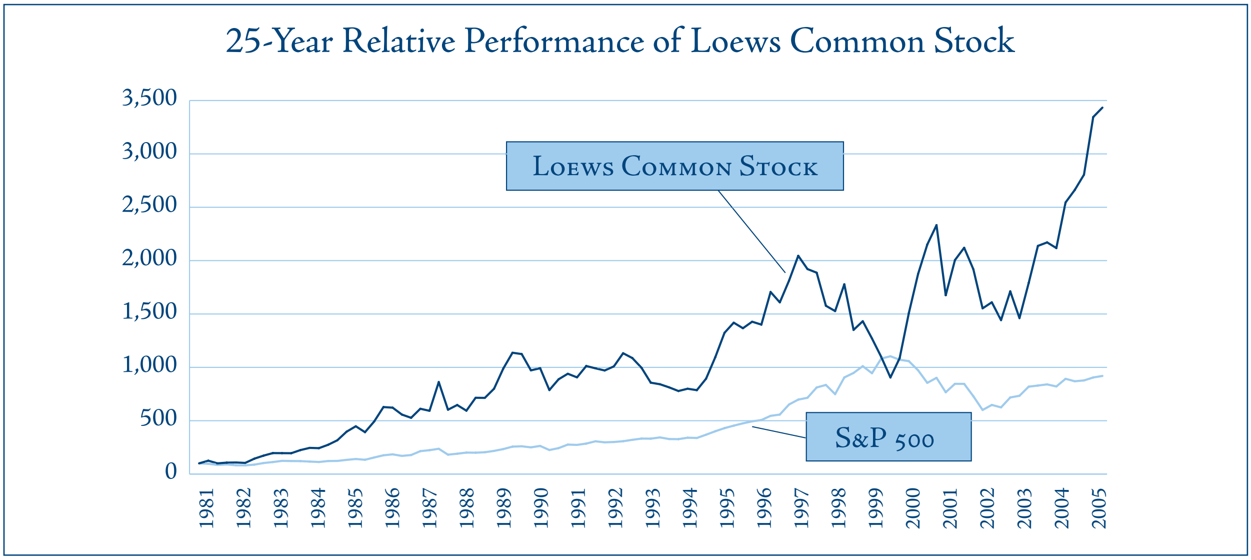
At publication of this report, in March 2006, the value of Loews Group's 55 percent economic interest in Carolina Group, its 91 percent ownership of the common stock of CNA, its 54 percent holding of the common stock of Diamond Offshore, and its 85 percent interest in Boardwalk Pipeline – calculated using recent market prices for the publicly traded stock relating to each of these entities – together exceeded the market value of Loews common stock by approximately $1.3 billion. This gap widens when our other assets are considered, including the large net cash balance of the holding company, our 100 percent ownership stakes in Loews Hotels and Bulova Corporation, a $750 million cumulative preferred equity investment in CNA ($947 million including undeclared cumulative dividends), and the $1.5 billion outstanding balance of notional intergroup debt of Carolina Group.

This collection of assets reflects the value that we have been able to build for shareholders over time. When measured on a historical cost basis, as seen in the *Book Value Per Share of Loews Common Stock* chart on the next page, shareholder wealth has increased at a 12.7 percent annual rate over the past 25 years. In the meantime, the market value of Loews common stock has kept pace. As reflected in the *25-Year Relative Performance of Loews Common*



Stock chart, Loews's stock at year-end 2005 was over 34 times its price at year-end 1980, which amounts to a 14.9 percent annual rate of return, excluding the dividends paid in each of those years. This far outstrips the 9.7 percent yearly appreciation registered by the S&P 500 index during that time. With the exception of a period in 2000, when companies with exposure to the tobacco industry fell out of favor and the stock market generally gravitated towards the securities of internet and technology firms, the cumulative performance of Loews common stock over the last 25 years has consistently exceeded that of the benchmark S&P 500.

An integral part of the process of growing shareholder wealth – for holders of both Loews common stock and Carolina Group stock – is the performance of Loews Corporation's operating subsidiaries. The following section lends some perspective to the contributions these companies made to Loews in 2005.



Year-End Review

CNA

2005 posed significant challenges for property-casualty insurers, including the costliest hurricane in U.S. history. CNA's results include losses from hurricanes, commutations of finite reinsurance contracts and non-commutation related adverse reserve development, primarily from accident years 2001 and prior. Nonetheless, CNA recorded net income of $264 million for the year.

CNA's ability to weather catastrophic events, react to market opportunities and produce profitable results is a testament to the stronger, more focused enterprise demonstrated by the improvement in its retention ratio – the proportion of retained premium to total premium up for renewal. In 2003 and 2004, the company's retention ratios lagged behind its competitors as CNA undertook initiatives to shed more volatile, higher-risk classes of business. In 2005, these efforts were completed and CNA's retention ratio improved to roughly 80 percent – a normal level for a sound book of business in the current market. CNA's new business writings over the past year were also targeted and selective. New business represented a little more than 20 percent of total

"CNA has made great strides in improving the quality of its book of business over the past few years."

it has become in the last few years. Over the course of 2005, the commercial property-casualty insurance marketplace witnessed modest decreases in average rates after two years of gradually moderating rate increases. Against this backdrop, CNA's core property-casualty unit continued to deliver solid accident year underwriting performance through disciplined risk selection, portfolio optimization and expense management.

The $259 million and $243 million in after-tax charges that CNA recorded during the year for the commutation of finite reinsurance contracts and non-commutation adverse net development, respectively, are consistent with the company's policy of dealing with balance sheet issues quickly and forthrightly. While these events dampened earnings for the year, the finite commutations remove the interest expense that had been associated with these contracts. This will benefit CNA's earnings by $55 million after taxes in 2006, as well as by significant but lesser amounts in subsequent years.

In general, CNA has made great strides in improving the quality of its book of business over the past few years, as production, down slightly from 2004 and in line with market conditions.

In 2005, CNA continued to pursue a strategy of portfolio optimization – adjusting its mix of business to optimize the risk-reward balance of its insurance portfolio. CNA selectively increased its exposure to health and non-health professional liability, where market rates remained fairly attractive. In contrast, CNA was more selective in workers compensation and other casualty lines, where pricing did not keep pace with loss trends.

For the second year in a row, an extreme hurricane season put CNA's portfolio management strategy to the test – a test it passed with high marks. Catastrophe losses of $334 million after-tax in 2005 were below the expectations of industry analysts and modest relative to its capital base. This was not happenstance – CNA has actively and successfully worked to reduce its exposure to coastal risks in recent years.

In addition to improving its underwriting practices, CNA has concentrated on reducing expenses. In

2005, it achieved its goal of removing more than $100 million of direct expenses during the year, which was the same target the company reached in 2004. Expense management is an issue that CNA will continue to focus on in 2006 as it addresses overhead associated with legacy business.

CNA's net investment income increased by 13 percent year-over-year as interest charges from reinsurance declined, its asset base grew, and interest rates generally increased. CNA's net realized investment losses also improved materially in 2005 versus the prior year, as 2004 included a significant loss related to the sale of the company's individual life insurance business.

CNA will, no doubt, face many challenges in the coming year; however, the company's formidable financial condition, strong marketplace position, and keen operating focus leave it poised for continued success in 2006.

LORILLARD

Lorillard performed well in 2005, registering a 10 percent improvement in its net income over 2004 as dynamics in the cigarette marketplace developed favorably during the year. The company's earnings for the year reached $706.4 million. The driving force behind Lorillard's results was its Newport brand, which propelled the company's overall share of U.S. wholesale shipments to increase 0.4 share points to 9.2 percent for the year.

Newport's share of the overall domestic cigarette market reached 8.4 percent of wholesale cigarette shipments for the year, up 0.5 share points over 2004. Newport is the leading U.S. menthol cigarette brand with 32.5 percent of the category, which is approximately the same segment share as the next three largest menthol competitors combined. Newport's performance was especially significant as unit volumes for the U.S. cigarette industry as a whole declined 3.4 percent.

Newport accounted for 91.6 percent of total wholesale shipment volumes for Lorillard; its other premium brands – Kent, True, Max and Satin – accounted for another 3.8 percent. Lorillard's premium brands also occupied a larger portion of the premium category this year, improving to 12.3 percent of the segment from 12 percent in 2004. Meanwhile, Lorillard's two discount brands, Old Gold and Maverick, also generally fared better than competing brands, as their share of the discount cigarette category improved to 4.7 percent from 4.6 percent a year earlier.

In general, cigarette market conditions were stable in 2005, especially in light of the dynamics created two years earlier by a weak U.S. economy, significant federal and state excise tax increases, and heightened competitive pressures. Although deep discount cigarettes constituted a smaller share of the market than in 2004 and retail price pressure for premium brands also eased, consumer price sensitivity remains an issue for tobacco companies.

Lorillard was able to manage these challenges by continuously evaluating marketplace trends and competitive factors and selectively promoting Newport in markets with the highest potential return on investment.

The tobacco litigation environment also continued to

"Newport is the leading U.S. menthol cigarette brand, with 32.5 percent of the category."

develop well during the year. As discussed in earlier sections of this annual report, cigarette manufacturers have recently benefited from a number of favorable legal developments, even though the industry will continue to face significant litigation challenges for a number of years to come.

In all, 2005 was a productive year for Lorillard. The strong brand identity of Newport and generally favorable marketplace dynamics should allow the company to continue to prosper.

BOARDWALK PIPELINE

2005 was a banner year for Boardwalk Pipeline. Earnings improved to more than $100 million as the company continued on a path of growth through operating enhancements, organic expansion and acquisition. The highlight for the year was the November 15 initial public offering of the company as a master limited partnership (MLP) – Boardwalk Pipeline Partners, LP. This transaction marked the culmination of a successful set of acquisitions by Loews in the natural gas pipeline sector over the past few years.

"The highlight for the year was the November 15 initial public offering of the company as a master limited partnership."

In 2005, there was a great deal of activity at the operating level at Boardwalk. Specifically, the company made good progress expanding its footprint and capturing operating efficiencies between its Texas Gas and Gulf South units. It completed a number of projects, including an expansion of its natural gas storage capacity. The added storage capacity was quickly contracted at maximum allowed rates, enabling the company to announce a second phase of the project that again will expand storage capacity by an equal amount. The first phase is expected to add about $8 million of revenue to Boardwalk in 2006. In addition, Boardwalk established two new interconnects in 2005 that will allow the Texas Gas and Gulf South pipeline systems to exchange gas in South Louisiana, positioning the company to take better advantage of rate differentials between gas producing areas in the Gulf Coast region.

Texas Gas increased its takeaway capacity from the Carthage, Texas natural gas hub in 2005 by leasing a third party pipeline, which should contribute about $4 million annually to Boardwalk's operating results. In early March 2006, Boardwalk Pipeline announced that Gulf South had signed long-term binding agreements with customers to support its East Texas and Mississippi expansion projects. These expansions will provide Boardwalk Pipeline with 1.5 Bcf per day of additional capacity. The total cost of these projects, which are expected to be completed during the second half of 2007, is anticipated to be $800 million. The expansion projects are expected to contribute to incremental operating cash flow annually.

Making strategic acquisitions is an important component of Boardwalk's growth plan. The company's stable cash flows and operating expertise, combined with the advantages its MLP structure provides in raising capital, allow it to consider a wide variety of opportunities. These advantages should enable it to develop and acquire new assets that will help to increase cash available to all unitholders of Boardwalk Pipeline Partners, LP.

DIAMOND OFFSHORE

The global offshore drilling market was extremely robust in 2005. Dayrates for all classes of rigs – from jack-ups to fifth generation semisubmersibles – reached levels never before seen in the offshore drilling industry. Diamond Offshore was well positioned to take advantage of these conditions, and improved its net earnings from a $7 million net loss in 2004 to net income of $260 million in 2005. It also increased its contract backlog from $900 million to almost $4 billion during the course of the year.

As offshore drilling market conditions tightened, many previously idled rigs were brought back into service, including Diamond Offshore's *Ocean Voyager*, *Ocean Champion* and *Ocean New Era*. Of the company's 44 rigs, 42 are currently under contract and drilling, while the other two, the Victory class rigs *Ocean Endeavor* and *Ocean Monarch*, are being upgraded to enhance their deepwater capabilities and marketability.

Diamond Offshore has historically favored upgrading and acquiring rigs opportunistically as the means to improve its competitive position. Victory class upgrades cost less than $300 million and generally can be completed in about 30 months, yielding significant economic advantages over new construction. In addition, given current industry dynamics, Diamond Offshore placed orders for two new high-specification jack-up rigs this past year to further modernize its fleet. While shipyards are building jack-up rigs at full capacity – in all, 53 new jack-ups are under construction worldwide – the industry jack-up fleet is aging; there has not been a significant addition to the global fleet in over 20 years. Furthermore, strong demand for hydrocarbons is expected to persist in the near term and continue to propel offshore exploration.

While 2005 was an unqualified success for Diamond Offshore, the company did face a number of considerable challenges during the year. Most significantly, the hurricane season was extremely violent, causing material damage to roughly 60 percent of the industry's actively marketed fleet in the Gulf of Mexico. The fierce winds of Hurricane Katrina ripped the jack-up *Ocean Warwick* from its location and carried it 66 miles to the coast of Alabama, rendering it a total loss. Five of Diamond Offshore's semisubmersibles broke free from their moorings and four others also sustained damage during the season's various storms. All but the *Warwick* have been repaired and have returned to service. Diamond Offshore has committed $42 million of its 2006 budget to augment the mooring systems on 10 of its semisubmersible rigs in the Gulf of Mexico.

"Dayrates for all classes of rigs reached levels never before seen by the offshore drilling industry."

It is a great testament to Diamond Offshore and its competitors that, despite the extremely hazardous conditions and the damage that the season's hurricanes caused, not one barrel of oil was spilled or leaked from active wells. It is also important to note that the crews of the many rigs in the Gulf of Mexico were all evacuated in a safe and timely manner – and that none of Diamond Offshore's employees was injured.

Diamond Offshore expects strong cash flows over the coming years. Part of these cash flows will be allocated to growth projects – including the two Victory class rig upgrades and the two jack-up newbuilds. In addition, Diamond Offshore's board elected to increase the company's annual dividend rate to $0.50 per share and declared a special dividend of $1.50 per share in the first quarter of 2006. Diamond Offshore's board also stated that it may consider paying additional annual special dividends in the future if it believes that such action is warranted in light of the company's financial position, earnings outlook, capital spending plans and other relevant factors.

The company's confidence in the future reflects the advantageous competitive position of its fleet as well as the prospect for continued significant offshore oil and gas exploration. Diamond Offshore is poised to continue to create tremendous value for shareholders.

LOEWS HOTELS

Loews Hotels benefited from continued strength in the lodging market in 2005, returning the company to operating levels last experienced in 2000. Average room rates and occupancy for all of the company's owned hotels increased 11 percent and one percent, respectively, fueling revenue per available room to over $151 from just less than $136 in 2004. Overall, revenues for Loews Hotels increased 11 percent to $351 million, while earnings from continuing operations increased 46 percent to more than $31 million.

At year-end 2005, Loews Hotels was comprised of 18 hotels. This was two fewer than at the end of the prior year, as management contracts for the company's two Washington, DC properties expired. The hotels showing the most dramatic year-over-year improvement were The Regency, a Loews Hotel, in New York and the Loews Miami Beach Hotel, which increased revenues by 15 percent and 9 percent, respectively.

The severe 2005 hurricane season had only a limited impact on Loews Hotels. Its properties in Florida suffered minimal damage, and while the Loews New Orleans Hotel was forced to close for a few weeks as a result of Hurricane Katrina, it was up and running again on a limited basis within a short time frame. The financial impact of the closure of the Loews New Orleans, which the company manages but does not own, was relatively insignificant.

In order to build upon its established reputation for exceptional guest satisfaction, Loews Hotels is launching a renewed brand initiative – a comprehensive effort that will enhance amenity offerings and services at each of its properties. The brand initiative, which complements expansion plans for additional markets, will be a significant catalyst for growth and increased profitability.

In general, business is robust for Loews Hotels, as the travel sector has rebounded fully from the challenges it faced in 2001 and 2002. The company's properties and its brand are well positioned to benefit from the prevailing environment, and it will remain vigilant in identifying and exploiting opportunities that will generate value for shareholders.

"Business is robust for Loews Hotels, as the travel sector has rebounded fully from the challenges it faced in 2001 and 2002."

BULOVA

Bulova Corporation achieved record revenues in 2005, despite the persistence of a highly competitive retail environment for consumer timepieces. The company's strong revenue performance resulted in an improvement in net income of 10 percent. This robust performance was largely the product of Bulova's dynamic marketing programs, which have allowed the company to increase per-unit selling prices.

In particular, the results achieved by the Bulova brand during the year were noteworthy, as sales increased by

14 percent. The Wittnauer brand, celebrating its 125th anniversary and its fourth year as part of Bulova, also provided a bright spot for the company as its sales rose 17 percent. In addition, the company's Harley-Davidson product line, which it licenses, again proved to be a winner, registering a sales gain of 26 percent over 2004.

Bulova continued with its international expansion in 2005, and saw sales jump an impressive 37 percent in Italy, the major focus of Bulova's European relaunch. Bulova's Canadian and Mexican subsidiaries also fared well, as both achieved record sales and operating income.

Meanwhile, the company's Accutron and Caravelle brands experienced weakness in 2005. The Bulova clock brand was also in transition in 2005, as its emphasis shifted toward the higher-end market. Bulova also entered an agreement to acquire a leading grandfather clock business. This should have the long-term impact of bolstering the company's existing grandfather clock line and enhancing its presence at quality furniture and clock retailers.

Bulova is committed to actively pursuing opportunities to grow its global franchise. Its broad mix of products and brands allows it to meet the challenges of an unpredictable market for consumer timepieces.

"Bulova Corporation achieved record revenues in 2005, despite the persistence of a highly competitive retail environment for consumer timepieces."

Corporate Directory

Board of Directors

ANN E. BERMAN (1)
Vice President for Finance and Chief Financial Officer of Harvard University

JOSEPH L. BOWER (3) (4)
Professor of Business Administration
Harvard Business School

JOHN BRADEMAS (3)
President Emeritus
New York University

CHARLES M. DIKER (1) (3)
Managing Partner
Diker Management LLC

PAUL J. FRIBOURG (1) (3) (4)
Chairman of the Board of Directors and Chief Executive Officer of ContiGroup Companies, Inc.

WALTER L. HARRIS (1) (4)
President and Chief Executive Officer of Tanenbaum-Harber Co., Inc.

PHILIP A. LASKAWY (1)
Former Chairman and Chief Executive Officer of Ernst & Young

GLORIA R. SCOTT (1) (4)
Former President of Bennett College

ANDREW H. TISCH (2)
Office of the President,
Co-Chairman of the Board
Chairman of the Executive Committee

JAMES S. TISCH (2)
Office of the President,
President and Chief Executive Officer

JONATHAN M. TISCH (2)
Office of the President,
Co-Chairman of the Board
Chairman and Chief Executive Officer, Loews Hotels

(1) Member of Audit Committee

(2) Member of Executive Committee

(3) Member of Compensation Committee

(4) 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
Chairman of the Executive Committee

JONATHAN M. TISCH
Office of the President,
Co-Chairman of the Board
Chairman and Chief Executive Officer, 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

ARTHUR L. REBELL
Senior Vice President

SUSAN BECKER
Vice President – Tax

JASON BOXER
Vice President – Real Estate

LISA HESS
Vice President,
Chief Investment Officer

ALAN MOMEYER
Vice President – Human Resources

JONATHAN NATHANSON
Vice President – Corporate Development

RICHARD E. PILUSO
Vice President – Internal Audit

AUDREY A. RAMPINELLI
Vice President – Risk Management

JOHN J. KENNY
Treasurer

MARK S. SCHWARTZ
Controller

Principal Subsidiaries

CNA Insurance
Stephen W. Lilienthal, Chairman and
Chief Executive Officer
CNA Center
Chicago, IL 60685-0001
www.cna.com

Lorillard Tobacco Company
Martin L. Orlowsky, Chairman and
Chief Executive Officer
714 Green Valley Road
Greensboro, NC 27408-7018
www.lorillard.com

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

Loews Hotels
Jonathan M. Tisch, Chairman and
Chief Executive Officer
667 Madison Avenue
New York, NY 10021-8087
www.loewshotels.com

Boardwalk Pipeline Partners, LP
Texas Gas Transmission, LLC
H. Dean Jones II, President
3800 Frederica Street
Owensboro, KY 42301
www.txgt.com

Gulf South Pipeline Company, LP
Rolf Gafvert, President
20 East Greenway Plaza, Suite 900
Houston, TX 77046
www.gulfsouthpl.com

Bulova Corporation
Herbert C. Hofmann, President and
Chief Executive Officer
One Bulova Avenue
Woodside, NY 11377-7874
www.bulova.com

Corporate Office

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New York, NY 10021-8087
212-521-2000
www.loews.com

Transfer Agent and Registrar

Mellon Investor Services LLC
85 Challenger Road
Ridgefield Park, NJ 07660
800-851-9677
www.melloninvestor.com

Independent Auditors

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

CEO and CFO Certifications

In 2005, Loews Corporation provided the New York Stock Exchange with the annual certification of its Chief Executive Officer regarding the Company's compliance with the corporate governance listing standards of the New York Stock Exchange. In addition, Loews Corporation filed with the U.S. Securities and Exchange Commission, as exhibits to its Form 10-K for the year ended December 31, 2005, the certifications of its Chief Executive Officer and Chief Financial Officer required by the Sarbanes-Oxley Act regarding the quality of the Company's public disclosures.

Common Stock Data

Price Range of Loews Common Stock

Our common stock is listed on the New York Stock Exchange. The following table sets forth the reported high and low sales prices in each calendar quarter of 2005 and 2004:

	2005		2004	
	High	**Low**	High	Low
1st Qtr	**$74.60**	**$67.05**	$63.20	$49.07
2nd Qtr	**80.28**	**68.94**	61.35	55.45
3rd Qtr	**93.97**	**76.70**	60.16	53.35
4th Qtr	**98.70**	**87.50**	71.01	55.54

Price Range of Carolina Group Stock

Carolina Group stock is listed on the New York Stock Exchange. The following table sets forth the reported high and low sales prices in each calendar quarter of 2005 and 2004:

	2005		2004	
	High	**Low**	High	Low
1st Qtr	**$34.50**	**$28.47**	$29.85	$24.46
2nd Qtr	**33.49**	**29.25**	27.90	22.49
3rd Qtr	**40.29**	**33.10**	25.04	22.92
4th Qtr	**46.06**	**38.72**	30.00	24.05

Dividend Information

We have paid quarterly cash dividends on Loews common stock in each year since 1967. Regular dividends of $0.15 per share of Loews common stock were paid in each calendar quarter of 2005 and 2004.

We have paid quarterly cash dividends on Carolina Group stock in each year since inception. Regular dividends of $0.455 per share of Carolina Group stock were paid in each calendar quarter of 2005 and 2004.

Annual Meeting

The Annual Meeting will be held on Monday, May 8, 2006 at 11:00 A.M. at the Regency Hotel, 540 Park Avenue, New York City.