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FOR IMMEDIATE RELEASE

CAROLINA GROUP REPORTS NET INCOME
FOR THE THIRD QUARTER OF 2005

NEW YORK, October 27, 2005—Loews Corporation (NYSE:LTR) today reported Carolina Group net income for the 2005 third quarter of \$172.0 million, compared to \$159.9 million in the 2004 third quarter. Net income attributable to Carolina Group stock (NYSE:CG) for the third quarter of 2005 was \$67.5 million, or \$0.99 per share of Carolina Group stock, compared to \$53.4 million, or \$0.92 per share in the comparable period of the prior year.

The increase in net income attributable to Carolina Group stock for the third quarter of 2005, as compared to the corresponding period of the prior year, reflects the sale by Loews Corporation of 10,000,000 shares of Carolina Group stock in December of 2004. Net income per share of Carolina Group stock was not impacted by the sale of Carolina Group stock in December of 2004. Carolina Group stock represents a 39.26% and 33.43% economic interest in the Carolina Group for the three months ended September 30, 2005 and 2004, respectively. Net income also increased due to \$3.3 million (\$2.1 million after taxes) of improved performance of limited partnership investments.

Net sales for the Carolina Group were \$928.4 million in the third quarter of 2005, compared to \$879.3 million in the 2004 third quarter, reflecting an increase in unit sales volume of 3.3%.

Carolina Group net income for the first nine months of 2005 was \$432.6 million, compared to \$384.3 million in the comparable period of the prior year. Net income attributable to Carolina Group stock for the first nine months of 2005 was \$169.7 million, or \$2.49 per share of Carolina Group stock, compared to \$128.4 million, or \$2.21 per share in the comparable period of the prior year. The increase in net income attributable to Carolina Group stock reflects the December of 2004 sale by Loews Corporation of Carolina Group stock discussed above. Net income also increased due to \$2.9 million (\$1.7 million after taxes) of improved performance of limited partnership investments.

Net sales for the Carolina Group were \$2.652 billion in the first nine months of 2005, compared to \$2.515 billion in the comparable period of the prior year. The increase in net sales reflects an increase in unit sales volume of 3.1% and reduced sales promotion expenses (accounted for as a reduction in net sales).

Results of operations of the Carolina Group include interest expense of \$22.0, \$24.4, \$65.4 and \$73.3 million, net of taxes, for the three and nine months ended September 30, 2005 and 2004, respectively, on notional intergroup debt. At September 30, 2005, \$1.71 billion principal amount of notional intergroup debt was outstanding.

The Carolina Group stock, commonly called a tracking stock, is intended to reflect the economic performance of a defined group of the Company's assets and liabilities, referred to as the Carolina Group, principally consisting of the Company's subsidiary Lorillard, Inc. The Carolina Group, a notional group, is not a separate legal entity. The purpose of this financial information is to provide investors with additional information to use in analyzing the results of operations and financial condition of the Carolina Group, and this financial information should be read in conjunction with the consolidated financial information of Loews Corporation.

As of September 30, 2005, there were 68,180,678 shares of Carolina Group stock outstanding representing a 39.27% economic interest. Depending on market conditions, the Company, for the account of the Carolina Group, from time to time may purchase shares of Carolina Group stock in the open market or otherwise.

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A separate press release reporting Loews Corporation's consolidated results for the third quarter of 2005 is being issued contemporaneously with this report.

A conference call to discuss the third quarter results of Loews Corporation has been scheduled for 11:00 a.m. EDT, Thursday, October 27, 2005. A live broadcast of the call will be available online at the Loews Corporation website (www.loews.com). Please go to the website at least ten minutes before the event begins to register and to download and install any necessary audio software. Those interested in participating in the question and answer session of the conference call should dial (877) 692-2592. An online replay will be available at the Company's website following the call.

| | September 30, | | | |
|--|---------------|----------|-------------|------------|
| | Three Months | | Nine Months | |
| | 2005 | 2004 | 2005 | 2004 |
| (Amounts in millions, except per share data) | | | | |
| Net sales (a) | \$ 928.4 | \$ 879.3 | \$ 2,651.8 | \$ 2,515.3 |
| Cost of sales (a) (b) | 543.9 | 504.8 | 1,605.0 | 1,504.4 |
| Selling, advertising and administrative | 95.3 | 85.1 | 282.5 | 288.4 |
| Total operating costs and expenses | 639.2 | 589.9 | 1,887.5 | 1,792.8 |
| Operating income | 289.2 | 289.4 | 764.3 | 722.5 |
| Investment income and other (c) (d) | 20.5 | 8.1 | 51.0 | 23.1 |
| Interest expense | (34.8) | (39.3) | (107.0) | (119.4) |
| Income before income taxes | 274.9 | 258.2 | 708.3 | 626.2 |
| Income taxes | 102.9 | 98.3 | 275.7 | 241.9 |
| Net income | 172.0 | 159.9 | 432.6 | 384.3 |
| Earnings attributable to the Loews Group intergroup interest (e) | 104.5 | 106.5 | 262.9 | 255.9 |
| Income attributable to Carolina Group shareholders (f) | \$ 67.5 | \$ 53.4 | \$ 169.7 | \$ 128.4 |
| Per share of Carolina Group stock | \$ 0.99 | \$ 0.92 | \$ 2.49 | \$ 2.21 |
| Weighted diluted shares (g) | 68.23 | 57.97 | 68.14 | 57.97 |
| Notional intergroup debt owed by the Carolina Group to the Loews Group | | | | |
| September 30, 2005 | | | \$ 1,709.8 | |
| December 31, 2004 | | | 1,871.2 | |

- (a) Includes excise taxes of \$176.2, \$167.9, \$511.4 and \$493.6 for the respective periods.
- (b) Includes charges of \$223.9, \$213.6, \$658.2 and \$649.0 (\$140.8, \$132.8, \$402.0 and \$398.3 after taxes) to accrue obligations under the State Settlement Agreements for the respective periods.
- (c) Includes \$6.1 of interest income, for the nine months ended September 30, 2005, relating to a federal income tax settlement.
- (d) Includes income from limited partnership investments of \$6.4, \$3.1, \$12.8 and \$9.9 (\$4.0, \$1.9, \$7.8 and \$6.1 after taxes) for the respective periods.
- (e) The Loews Group's intergroup interest in the earnings of the Carolina Group reflected share equivalents amounting to 105,445,000 shares of 173,625,678 share and share equivalents outstanding in 2005 and share equivalents amounting to 115,445,000 shares of 173,411,750 share and share equivalents outstanding in 2004. As of September 30, 2005, there were 68,180,678 shares of Carolina Group stock outstanding.
- (f) Represents 39.26%, 33.43%, 39.23% and 33.43% of the economic interest in the Carolina Group for the respective periods presented.
- (g) Earnings per share-assuming dilution and earnings per share-basic are the same for all periods presented because securities that could potentially dilute earnings per share in the future are insignificant or antidilutive.

Carolina Group
Supplemental Information

The following information regarding unit volume shipped by Lorillard Tobacco Company to its direct buying customers by brand follows (all units in thousands):

| | September 30, | | | |
|---|------------------|------------------|-------------------|-------------------|
| | Three Months | | Nine Months | |
| | 2005 | 2004 | 2005 | 2004 |
| Full Price Brands | | | | |
| Total Newport | 8,304,127 | 8,040,274 | 24,429,603 | 23,522,568 |
| Total Kent Family | 180,261 | 215,505 | 543,561 | 651,127 |
| Total True | 148,488 | 167,970 | 436,980 | 502,193 |
| Total Max | 9,798 | 11,364 | 29,737 | 34,677 |
| Total Satin | 1,542 | 1,959 | 4,755 | 6,186 |
| Total Triumph | | | | 886 |
| Total Full Price Brands | 8,644,216 | 8,437,072 | 25,444,636 | 24,717,637 |
| Price/Value Brands | | | | |
| Total Old Gold | 221,097 | 233,650 | 633,519 | 686,704 |
| Total Maverick | 235,210 | 178,734 | 631,534 | 516,540 |
| Total Price/Value Brands | 456,307 | 412,384 | 1,265,053 | 1,203,244 |
| Total Domestic Cigarettes | 9,100,523 | 8,849,456 | 26,709,689 | 25,920,881 |
| Total Puerto Rico and U.S. Possessions | 233,970 | 187,519 | 621,354 | 598,859 |
| Grand Total | 9,334,493 | 9,036,975 | 27,331,043 | 26,519,740 |

Notes:

1. This information is unaudited and is not adjusted for returns.
2. Domestic unit volume includes units sold as well as promotional units, and excludes volumes for Puerto Rico and U.S. Possessions.
3. Unit volume for a quarter is not necessarily indicative of unit volume for any subsequent period.
4. Unit volume is not necessarily indicative of the level of revenues for any period.