



# **EARNINGS SUPPLEMENT**

*August 2020*

**2020 Q2**

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# Legal Disclaimers

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**Forward Looking Statements and Risk Factors.** The information presented herein is generally available from public sources, including our and our subsidiaries' earnings releases and SEC filings. We urge you to read those documents, and we specifically direct you to the forward-looking statements disclaimers and risk factors they contain. The primary purpose of this presentation is to help you understand how we view our Company, not to update our filings or correct any forecasts – we categorically do not give guidance. Conditions faced by our various businesses may have changed – for better or worse – since the time periods reflected in this presentation and we disclaim any obligation to update the information presented herein. Any statements made in addressing our results are not meant as an indication of the Company's performance since the time of our latest public filings and disclosures.

There are a number of important risk factors that could cause the actual results for each of the companies discussed in this presentation to differ from those expressed in forward-looking statements contained herein, including those risk factors discussed in detail in annual and quarterly reports and other filings made with the SEC by Loews Corporation and its subsidiaries: CNA Financial Corporation, Boardwalk Pipelines and Diamond Offshore Drilling, Inc. Given these risk factors, investors and analysts should not place undue reliance on forward-looking statements.

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

**Where You Can Find More Information.** Annual, quarterly and other reports filed with the SEC by Loews Corporation and its subsidiaries: CNA Financial Corporation, Boardwalk Pipeline Partners, LP and Diamond Offshore Drilling, Inc. contain important additional information about those companies and we urge you to read this presentation together with those filings, copies of which are available, as applicable, at the corporate websites of Loews Corporation at [www.loews.com](http://www.loews.com) and such subsidiaries at [www.cna.com](http://www.cna.com), [www.bwpipelines.com](http://www.bwpipelines.com) and [www.diamondoffshore.com](http://www.diamondoffshore.com), or at the SEC's website at [www.sec.gov](http://www.sec.gov).

- To view the most recent SEC filings of **Loews Corporation**, <http://ir.loews.com/phoenix.zhtml?c=102789&p=irol-sec>
- To view the most recent SEC filings of **CNA Financial Corporation**, <https://investor-relations.cna.com/financial/latest-financials>
- To view the most recent SEC filings of **Boardwalk Pipeline Partners, LP** <https://www.bwpipelines.com/news-and-media/sec-filings/>
- To view the most recent SEC filings of **Diamond Offshore Drilling, Inc.**, <http://investor.diamondoffshore.com/financial-information/sec-filings>

# 2020 Second Quarter – Key Highlights



- \$3.6 billion in cash and investments at the parent company
- Net loss of \$835 million, or \$2.96 per share
  - Net investment loss of \$957 million to write down the carrying value of our interest in Diamond Offshore
  - Significant catastrophe losses at CNA
  - Operating losses at Loews Hotels & Co
  - Partially offset by increased net investment income and net investment gains
- On April 26, 2020, Diamond Offshore and certain of its subsidiaries filed voluntary petitions for relief under Chapter 11 of the U.S. Bankruptcy Code. As a result, Diamond Offshore was deconsolidated from the Loews consolidated financial statements as of that date.
- Repurchased 1.0 million Loews shares at an aggregate cost of \$33 million
- Purchased 0.6 million CNA shares at an aggregate cost of \$19 million
- Dividends from subsidiaries totaled \$90 million
- \$17.2 billion in shareholders' equity / book value per share of \$61.35

<b>Loews Cash &amp; Investments</b> (\$ millions)	<b>June 30, 2020</b>
<b>Portfolio Composition</b> *	
Cash & short term investments	\$ 2,924
Equity securities	445
Limited partnership investments	234
Other	35
<b>Total Cash &amp; Investments</b>	<b>\$ 3,638</b>

\* Net of receivable and payable positions.

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

All balance sheet data included in this presentation is as of the end of each period presented.

# Financial Summary



	June 30			
	QTD		YTD	
	2020	2019	2020	2019
(in millions, except per share data)				
Revenues <sup>1</sup>	\$ 2,310	\$ 3,623	\$ 5,409	\$ 7,380
Net income (loss) <sup>1</sup>	(835)	249	(1,467)	643
Net income (loss) per share	(2.96)	0.82	(5.16)	2.09
Dividends paid per share	0.0625	0.0625	0.1250	0.1250
Weighted average shares	281.5	304.5	284.3	307.4
Cash & investments (Parent company)	\$ 3,638	\$ 3,534		
Total debt (Parent company)	2,300	1,800		
Book value per share	61.35	64.49		
Book value per share excluding AOCI	61.33	64.48		

Balance sheet data included on this page is as of the end of each period presented.

1. The 2020 QTD/YTD periods include an investment loss of \$1.2 billion (\$957 million after tax) to write down the carrying value of our interest in Diamond Offshore as a result of its bankruptcy filing on April 26, 2020.

# Net Income (Loss) by Segment



(\$ millions)	June 30			
	QTD		YTD	
	2020	2019	2020	2019
CNA	\$ 135	\$ 249	\$ 80	\$ 554
Boardwalk	34	53	99	132
Hotels	(72)	12	(97)	25
Corporate <sup>1</sup>	(908)	(13)	(1,073)	21
Diamond <sup>2</sup>	(24)	(52)	(476)	(89)
<b>Net income (loss) attributable to Loews</b>	<b>\$ (835)</b>	<b>\$ 249</b>	<b>\$ (1,467)</b>	<b>\$ 643</b>

1. Includes investment income from the parent company's cash and investments, interest expense, other unallocated corporate expenses, the financial results of Altium Packaging and the net investment loss of \$957 million related to the write down of the carrying value of our interest in Diamond Offshore.
2. Includes financial results through the April 26, 2020 deconsolidation of Diamond Offshore.

# COVID-19 Update

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- **CNA's** catastrophe losses in Q2 2020 included \$182 million (pretax) for COVID-19
  - Underlying business performed well, benefiting from accelerating P&C rate momentum and strong new business writings in the U.S.
- **Boardwalk Pipelines** continues to perform as expected, benefiting from long-term firm service contracts and strong customer credit quality
- **Loews Hotels & Co** has resumed operations in most of its hotels, with operations in only four properties remaining suspended
  - Occupancy rates remain extremely low
  - Resort destinations faring better than hotels in urban centers due to some pick up in drive-in leisure travel; business travel continues to severely lag
  - Continuing to adjust the operating cost structure of its hotels, defer capital costs and reduce management company costs
  - Established employee hardship relief fund for all impacted team members
  - Significant new and enhanced safety and well-being standards and protocols for both team members and guests
- **Altium Packaging** has seen increased demand for household cleaners, water, beverage and pharmaceutical products, partially offset by declines in the food service and automotive end markets
- The **parent company** ended Q2 with a cash & investments balance of \$3.6 billion
  - Donated \$1 million to several different funds that will provide direct support to frontline workers
  - Members of the Office of the President have reduced, by 50%, their salary as of April 1 and their bonus for the entire year

# Financial Trends



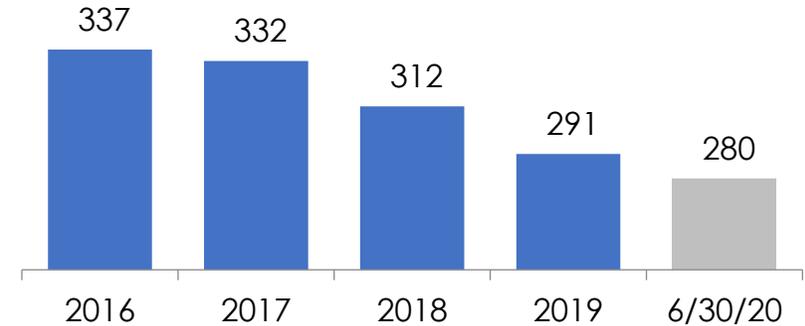
## Parent company cash & investments

(\$ billions as of period-end)



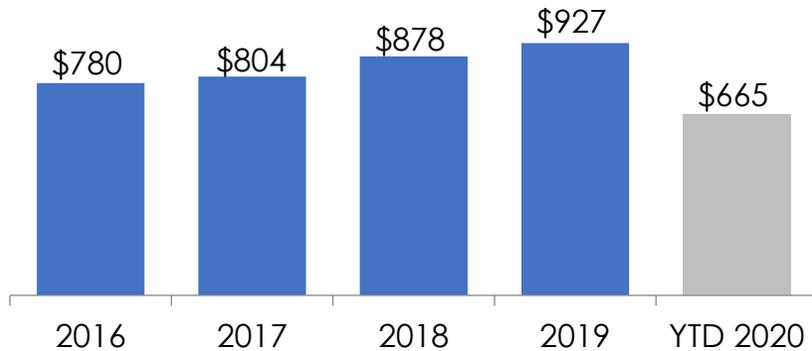
## Shares outstanding

(shares in millions as of period-end)



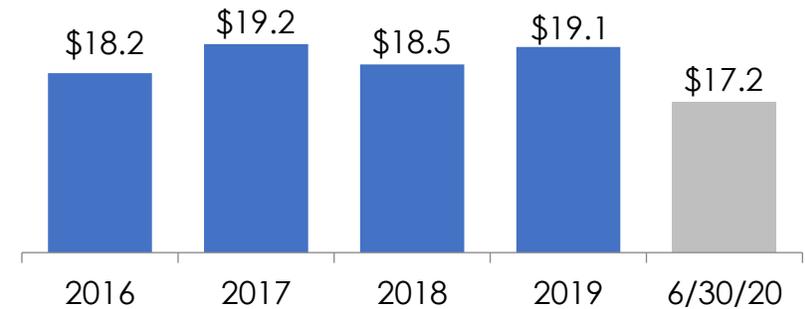
## Dividends from subsidiaries<sup>1</sup>

(\$ millions)



## Shareholders' equity

(\$ billions as of period-end)

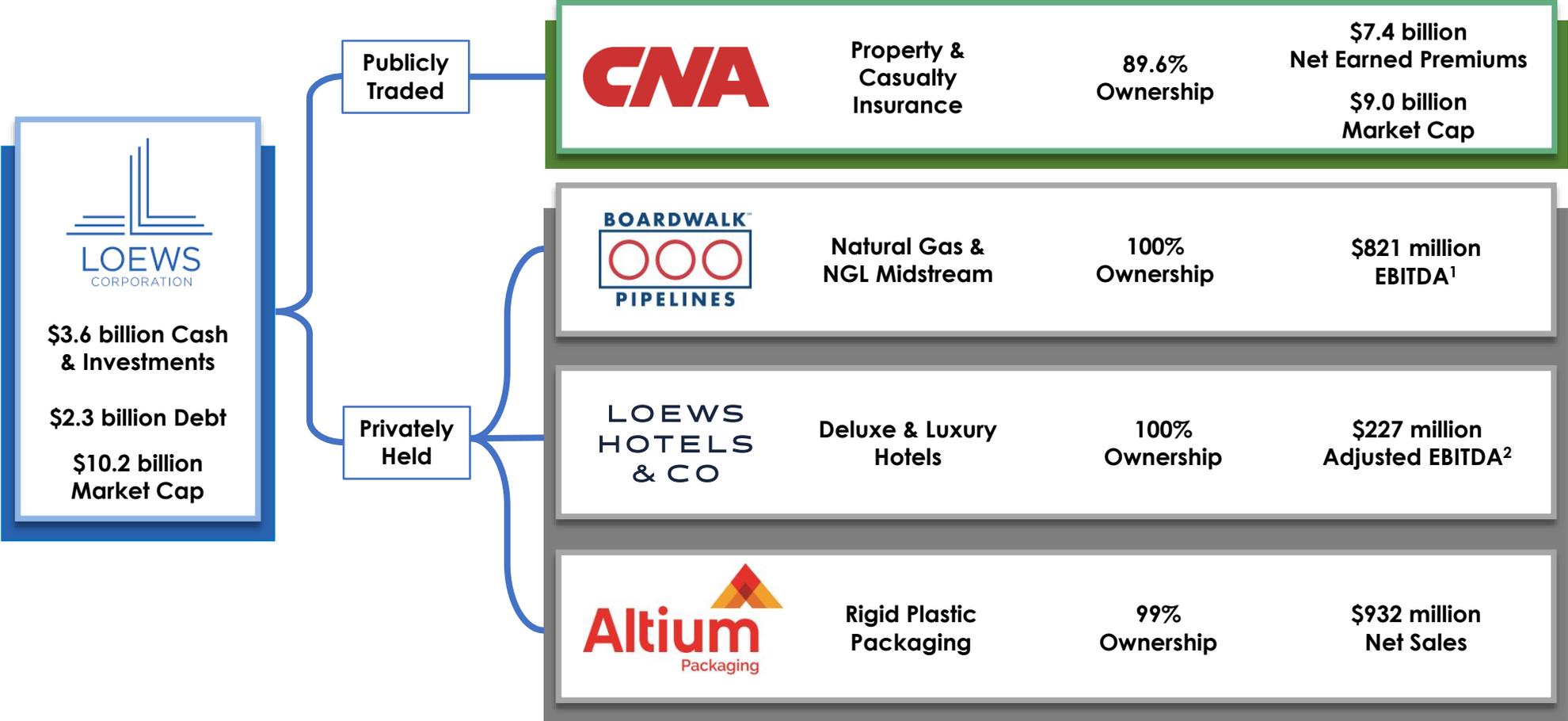


1. Includes dividends received by Loews during each period indicated.

# Corporate Structure



Long-term view, diversified portfolio, one class of stock



Balance sheet and ownership data is as of June 30, 2020. Market cap data is as of July 31, 2020. All other data is for the year ended December 31, 2019.  
 1. See Company Overview Appendix – “Boardwalk EBITDA” for EBITDA to GAAP reconciliation.  
 2. See Company Overview Appendix – “Loews Hotels & Co Adjusted EBITDA” for EBITDA to GAAP reconciliation. Loews Hotels & Co is severely impacted by COVID-19 in 2020.

# CNA Financial – Financial Highlights



Financials <sup>1</sup>				
	June 30			
	QTD		YTD	
	2020	2019	2020	2019
(\$ millions, except per share data)				
Core income <sup>2</sup>	\$ 99	\$ 294	\$ 207	\$ 612
Net investment gains (losses) (after-tax)	52	(16)	(117)	8
Net income	151	278	90	620
Loews accounting adjustments:				
Amounts attributable to noncontrolling interests	(16)	(30)	(9)	(66)
Other <sup>3</sup>	-	1	(1)	-
Net income attributable to Loews	\$ 135	\$ 249	\$ 80	\$ 554
Invested assets	\$ 47,757	\$ 46,747	\$ 47,757	\$ 46,747
Net written premiums	1,930	1,874	3,793	3,680
Combined ratio ex. catastrophes and development	93.4	94.6	93.5	94.8
Combined ratio	112.3	95.7	104.8	96.8
Loss ratio ex. catastrophes and development	59.5	60.8	59.9	60.7
Loss ratio	78.4	61.9	71.2	62.7
Book value per share ex. AOCI	\$ 42.34	\$ 44.08	\$ 42.34	\$ 44.08
Book value per share	42.91	44.52	42.91	44.52
Regular and special dividends per share <sup>4</sup>	0.37	0.35	2.74	2.70

Balance sheet data included on this page is as of the end of each period presented.

1. Unless noted as attributable to Loews, financial results are at the subsidiary level.
2. See CNA's Q2 2020 Earnings Release for a reconciliation of Core income to Net income available at <https://investor-relations.cna.com/financial/latest-financials>
3. Other includes adjustments for income taxes and rounding.
4. Special dividend of \$2.00 per share paid in March of 2020 and 2019.

# Boardwalk Pipelines – Financial Highlights



Financials <sup>1</sup>				
(\$ millions)	June 30			
	QTD		YTD	
	2020	2019	2020	2019
Revenue <sup>2</sup>	\$ 295	\$ 327	\$ 635	\$ 673
EBITDA <sup>2,3</sup>	183	207	404	446
Net income <sup>2</sup>	53	76	144	184
Loews accounting adjustments:				
<i>Other</i> <sup>4</sup>	(19)	(23)	(45)	(52)
Net income attributable to Loews <sup>2</sup>	\$ 34	\$ 53	\$ 99	\$ 132

1. Unless noted as attributable to Loews, financial results are at the subsidiary level.
2. The 2019 QTD/YTD periods include settlement proceeds of \$26 million (\$19 million after tax) related to a customer bankruptcy.
3. See Appendix – “Boardwalk EBITDA” for EBITDA to GAAP reconciliation.
4. Other includes adjustments for purchase accounting, income taxes and rounding.

# Loews Hotels & Co – Financial Highlights



Financials				
(\$ millions)	June 30			
	QTD		YTD	
	2020	2019	2020	2019
Revenue <sup>1</sup>	\$ 34	\$ 186	\$ 176	\$ 366
Pretax income (loss) excluding non-recurring items <sup>2</sup>	(86)	29	(111)	53
Asset impairments	(20)	(7)	(20)	(10)
Pretax income (loss)	(97)	18	(130)	37
Net income (loss)	(72)	12	(97)	25
Adjusted EBITDA <sup>3</sup>	(54)	68	(37)	129
Adjusted mortgage debt, period-end <sup>4</sup>	1,553	1,330	1,553	1,330

Note: Due to the COVID-19 pandemic and efforts to mitigate the spread of the virus, twenty hotels owned and/or operated by Loews Hotels & Co temporarily suspended operations in March of 2020, with two additional hotels suspending operations in April of 2020. Of these twenty-two hotels, one resumed operations in May, twelve in June and five in July, with the operations of the remaining four hotels still temporarily suspended. Only two owned hotels and two managed hotels did not suspend operations. Additionally, two hotels completed construction prior to the pandemic; one delayed opening until June, and the second is expected to open later this year. However, all operational hotels are experiencing very limited occupancy. Although Loews Hotels & Co has enacted significant measures to adjust the operating cost structure of each hotel during these suspensions and subsequent resumption of operations, deferred most capital expenditures and reduced the operating costs of its management company, these measures could not offset the impact of significant lost revenues. Loews Hotels & Co has therefore incurred significant operating losses since the start of the pandemic.

1. QTD/YTD 2020 includes a \$13 million gain on the sale of an owned hotel.
2. Non-recurring items include items such as acquisition transaction and transition costs, new development pre-opening costs, gains or losses on sale and impairments. See Appendix – “Loews Hotels & Co Adjusted EBITDA” for additional disclosure.
3. Adjusted EBITDA is the total amount of EBITDA attributable to Loews Hotels & Co based on its percent ownership of each property (e.g., if Loews Hotels & Co legally owns 50% of a property, 50% of that property's EBITDA is included, except for certain hotels where earnings are distributed on a slightly different basis from legal ownership based on the underlying governing agreements), plus management company EBITDA and excluding non-recurring items. See Appendix – “Loews Hotels & Co Adjusted EBITDA” for EBITDA to GAAP reconciliation.
4. Adjusted mortgage debt is adjusted for Loews Hotels and Co's ownership interest in the asset underlying the borrowing. Balances are inclusive of adjusted mortgage debt related to assets under development of \$121 million and \$151 million at June 30, 2020 and 2019, respectively.

# Loews Hotels & Co – Portfolio



		City, ST	Rooms	Ownership %	Ownership - Ops Commenced / Managed Only
<b>OWNED<sup>1</sup> (11)</b>	Loews Chicago Hotel	Chicago, IL	400	100%	2015
	Loews Chicago O'Hare Hotel	Chicago, IL	556	100%	2014
	Loews Coronado Bay Resort*	San Diego, CA	439	100%	2000
	Loews Kansas City Hotel	Kansas City, MO	800	65%	2020
	Loews Miami Beach Hotel*	Miami Beach, FL	790	100%	1998
	Loews Minneapolis Hotel	Minneapolis, MN	251	100%	2014
	Loews Philadelphia Hotel	Philadelphia, PA	581	100%	2000
	Loews Regency New York Hotel	New York, NY	379	100%	1963
	Loews Vanderbilt Hotel	Nashville, TN	340	100%	1989
	Loews Ventana Canyon Resort*	Tucson, AZ	398	100%	2014 / 1984
Loews Hotel 1000	Seattle, WA	120	100%	2016	
			<b>5,054</b>		
<b>JOINT VENTURE<sup>2</sup> (12)</b>	Hard Rock Hotel, at Universal Orlando*	Orlando, FL	650	50%	2001
	Loews Portofino Bay Hotel, at Universal Orlando*	Orlando, FL	750	50%	1999
	Loews Royal Pacific Resort, at Universal Orlando*	Orlando, FL	1,000	50%	2002
	Loews Sapphire Falls Resort, at Universal Orlando*	Orlando, FL	1,000	50%	2016
	Universal's Aventura Hotel*	Orlando, FL	600	50%	2018
	Universal's Cabana Bay Beach Resort*	Orlando, FL	2,200	50%	2014
	Universal's Endless Summer Resort - Docksides Inn and Suites*	Orlando, FL	1,011	50%	2020
	Universal's Endless Summer Resort - Surfside Inn and Suites*	Orlando, FL	750	50%	2019
	Livel by Loews Arlington, TX*	Arlington, TX	300	50%	2019
	Livel by Loews St. Louis, MO	St. Louis, MO	216	50%	2020
	Loews Hollywood Hotel	Los Angeles, CA	628	50%	2012
	Loews Atlanta Hotel	Atlanta, GA	414	50%	2015 / 2010
			<b>9,519</b>		
<b>MANAGED<sup>3</sup> (5)</b>	Bisha Hotel and Residences	Toronto, ON	96		2017
	Loews Boston Hotel	Boston, MA	225		2013 / 2018
	Loews New Orleans Hotel	New Orleans, LA	285		2003
	Loews Santa Monica Beach Hotel*	Santa Monica, CA	347		1989
	Loews Hotel Vogue	Montreal, QC	142		1995
			<b>1,095</b>		
<b>TOTAL LOEWS HOTELS</b>			<b>15,668</b>		
<b>UNDER DEVELOPMENT<sup>4</sup> (1)</b>	Loews Coral Gables Hotel	Coral Gables, FL	242	20%	Scheduled Opening 2022
	Universal's Endless Summer Resort - Docksides Inn and Suites*	Orlando, FL	1,039	50%	2020
			<b>1,281</b>		
<b>TOTAL INCLUDING UNDER DEVELOPMENT</b>			<b>16,949</b>		

Note: Same store metrics were suspended in Q1 2020 as they were not meaningful due to COVID-19 considerations. Asterisks (\*) represent resort hotels in the portfolio, with the remaining hotels in urban centers.

1. Loews Kansas City Hotel opened in Q2 2020. Initial distributions from the Loews Kansas City Hotel investment are at 91.6% to Loews Hotels & Co and this percent is used for adjusted mortgage debt and adjusted EBITDA.
2. Livel by Loews Arlington, TX opened in Q3 2019 and Live! By Loews St. Louis, MO opened in Q1 2020. In addition to the ownership shown for these two partnerships, Loews Hotels also has preferred interests that receive preferred distributions. Universal's Endless Summer Resort - Docksides Inn and Suites obtained its certificate of occupancy for the first 1,011 rooms in March of 2020, while the remaining phase of 1,039 rooms remains under construction. Both phases are expected to open in 2020.
3. Loews Hotel Vogue was sold in Q2 2020 and is now a managed property.
4. Loews will have a 20% ownership interest in the Loews Coral Gables Hotel upon completion of development. Universal's Endless Summer Resort – Docksides Inn and Suites is included in the joint venture hotel count and discussed above.

List of portfolio properties is as of June 30, 2020.

# Diamond Offshore – Financial Highlights



Financials <sup>1</sup>				
(\$ millions)	June 30			
	QTD		YTD	
	2020	2019	2020	2019
Revenue	\$ 198	\$ 216	\$ 427	\$ 450
Impairment of assets <sup>2</sup>	-	-	(774)	-
Operating loss <sup>3</sup>	(83)	(112)	(930)	(161)
Pretax loss	(149)	(141)	(1,027)	(219)
Net loss	(145)	(114)	(1,007)	(187)
Net loss attributable to Loews <sup>4</sup>	\$ (24)	\$ (52)	\$ (476)	\$ (89)

1. Unless noted as attributable to Loews, financial results are at the subsidiary level.
2. Impairment charges related to the carrying value of four drilling rigs.
3. Operating loss represents loss before interest and taxes, excluding any gains/losses on sales of fixed assets.
4. Includes financial results through the April 26, 2020 deconsolidation of Diamond Offshore.

# Appendix – Key Drivers for the Second Quarter



Net loss of \$835 million, or \$2.96 per share, compared to net income of \$249 million, or \$0.82 per share, in the prior year period, a decrease of \$1,084 million. The table below details key drivers of the change in net loss.

(\$ millions)	June 30		
	QTD		
	2020	2019	Change
<b>CNA</b>			
Catastrophe losses			
COVID-19	\$ (128)	\$ -	\$ (128)
Civil unrest	(43)	-	(43)
Severe weather-related events	(41)	(27)	(14)
P&C net investment income on LPs and common stock	59	30	29
Net investment gains	47	1	46
<b>Hotels</b>			
Net income (loss)	(72)	12	(84)
<b>Corporate</b>			
Net investment loss related to the deconsolidation of			
Diamond Offshore	(957)	-	(957)
Net investment income	86	26	60

# Appendix – Key Drivers for the Year-to-Date Period



Net loss of \$1,467 million, or \$5.16 per share, compared to net income of \$643 million, or \$2.09 per share, in the prior year period, a decrease of \$2,110 million. The table below details key drivers of the change in net loss.

(\$ millions)	June 30		
	YTD		
	2020	2019	Change
<b>CNA</b>			
Catastrophe losses			
COVID-19	\$ (137)	\$ -	\$ (137)
Civil unrest	(43)	-	(43)
Severe weather-related events	(85)	(68)	(17)
P&C net investment income (loss) on LPs and common stock	(29)	98	(127)
Net investment gains (losses)	(105)	22	(127)
<b>Hotels</b>			
Net income (loss)	(97)	25	(122)
<b>Corporate</b>			
Net investment loss related to the deconsolidation of Diamond Offshore	(957)	-	(957)
Net investment income (loss)	(44)	93	(137)
<b>Diamond</b>			
Net loss	(476)	(89)	(387)

# Appendix – Loews Consolidating Condensed Balance Sheet



June 30, 2020	CNA Financial	Boardwalk Pipelines	Loews Hotels & Co	Corporate <sup>1</sup>	Total
(\$ millions)					
<b>Assets:</b>					
Cash and investments	\$ 48,343	\$ 3	\$ 124	\$ 3,684	\$ 52,154
Receivables	8,048	134	12	237	8,431
Property, plant and equipment	264	8,608	1,126	477	10,475
Deferred non-insurance warranty acquisition expenses	2,916	-	-	-	2,916
Other assets	2,484	576	435	968	4,463
<b>Total assets</b>	<b>\$ 62,055</b>	<b>\$ 9,321</b>	<b>\$ 1,697</b>	<b>\$ 5,366</b>	<b>\$ 78,439</b>
<b>Liabilities and Equity:</b>					
Insurance reserves	\$ 39,862	\$ -	\$ -	\$ -	\$ 39,862
Short term debt	-	-	37	10	47
Long term debt	2,680	3,488	699	3,091	9,958
Deferred non-insurance warranty revenue	3,852	-	-	-	3,852
Other liabilities	4,044	1,533	329	401	6,307
<b>Total liabilities</b>	<b>50,438</b>	<b>5,021</b>	<b>1,065</b>	<b>3,502</b>	<b>60,026</b>
Total shareholders' equity	10,408	4,300	632	1,864	17,204
Noncontrolling interests	1,209	-	-	-	1,209
<b>Total equity</b>	<b>11,617</b>	<b>4,300</b>	<b>632</b>	<b>1,864</b>	<b>18,413</b>
<b>Total liabilities and equity</b>	<b>\$ 62,055</b>	<b>\$ 9,321</b>	<b>\$ 1,697</b>	<b>\$ 5,366</b>	<b>\$ 78,439</b>

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

1. Corporate primarily reflects the parent company's cash and investments, corporate long-term debt and Altium Packaging.

# Appendix – Boardwalk EBITDA



	June 30			
	QTD		YTD	
	2020	2019	2020	2019
(\$ millions)				
Pretax income	\$ 53	\$ 76	\$ 144	\$ 184
Depreciation and amortization	89	85	177	171
Interest expense	41	46	83	91
<b>EBITDA</b>	<b>\$ 183</b>	<b>\$ 207</b>	<b>\$ 404</b>	<b>\$ 446</b>

Financial results are at the subsidiary level.

# Appendix – Loews Hotels & Co Adjusted EBITDA



(\$ millions)

Consolidated GAAP pretax income (loss)

Non-recurring items<sup>1</sup>

**Pretax income (loss) excluding non-recurring items**

Depreciation and amortization of owned properties

Interest expense on owned properties

Adjustments for unconsolidated joint ventures' proportionate share of EBITDA<sup>2</sup>

**Adjusted EBITDA**

June 30			
QTD		YTD	
2020	2019	2020	2019
\$ (97)	\$ 18	\$ (130)	\$ 37
11	11	19	16
<b>\$ (86)</b>	<b>\$ 29</b>	<b>\$ (111)</b>	<b>\$ 53</b>
16	15	30	31
8	5	16	10
8	19	28	35
<b>\$ (54)</b>	<b>\$ 68</b>	<b>\$ (37)</b>	<b>\$ 129</b>

Note: Due to the COVID-19 pandemic and efforts to mitigate the spread of the virus, twenty hotels owned and/or operated by Loews Hotels & Co temporarily suspended operations in March of 2020, with two additional hotels suspending operations in April of 2020. Of these twenty-two hotels, one resumed operations in May, twelve in June and five in July, with the operations of the remaining four hotels still temporarily suspended. Only two owned hotels and two managed hotels did not suspend operations. Additionally, two hotels completed construction prior to the pandemic; one delayed opening until June, and the second is expected to open later this year. However, all operational hotels are experiencing very limited occupancy. Although Loews Hotels & Co has enacted significant measures to adjust the operating cost structure of each hotel during these suspensions and subsequent resummptions of operations, deferred most capital expenditures and reduced the operating costs of its management company, these measures could not offset the impact of significant lost revenues. Loews Hotels & Co has therefore incurred significant operating losses since the start of the pandemic.

1. Non-recurring items include items such as acquisition transaction and transition costs, new development pre-opening costs, gains or losses on sale and impairments.
2. Represents the difference between Loews Hotels & Co's GAAP pretax income for its joint venture properties and its pro rata share of those properties' EBITDA based on its percentage ownership (e.g., if Loews Hotels & Co legally owns 50% of a property, 50% of that property's EBITDA is included, except for certain hotels where earnings are distributed on a slightly different basis from legal ownership based on the underlying governing agreements).