

**BERKSHIRE HATHAWAY INC.  
NEWS RELEASE**

**FOR IMMEDIATE RELEASE**

**January 5, 2010**

Omaha, NE (BRK.A; BRK.B)—Berkshire Hathaway has voted "no" on Kraft's proposal to authorize the issuance of up to 370 million shares to facilitate the acquisition of Cadbury. Berkshire, taking into account both its own holdings and those of its pension funds, believes that the 138,272,500 Kraft shares it owns – 9.4% of the total outstanding – make it the company's largest shareholder.

The share-issuance proposal, if enacted, will give Kraft a blank check allowing it to change its offer to Cadbury – *in any way it wishes* – from the transaction presented to shareholders in the proxy statement. And we worry very much that, indeed, there *will* be an additional change from the revision announced this morning.

To state the matter simply, a shareholder voting "yes" today is authorizing a huge transaction without knowing its cost or the means of payment.

What we know with certainty, however, is that Kraft stock, at its current price of \$27, is a very expensive "currency" to be used in an acquisition. In 2007, in fact, Kraft spent \$3.6 billion to repurchase shares at about \$33 per share, presumably because the directors and management thought the shares to be worth more.

Does the board now believe those purchases were a mistake and that Kraft's true value is only the current price of \$27 per share – and that it is therefore fine to structure a major acquisition based upon that price? Would the directors use stock as merger currency if the price were, say, \$20 per share? Surely the true business value of what is given is as important as the true business value of what is received when an acquisition is being evaluated. We hope all shareholders will use this yardstick in deciding how to vote.

Our understanding is that Kraft must announce its final offer for Cadbury by January 19th. If we conclude at that point that the offer does not destroy value for Kraft shareholders, we will change our vote to "yes."

At this time, however, we believe no shareholder should vote "yes" when he can't possibly know what he is voting for.

Berkshire Hathaway and its subsidiaries engage in diverse business activities including property and casualty insurance and reinsurance, utilities and energy, finance, manufacturing, retailing and services. Common stock of the company is listed on the New York Stock Exchange, trading symbols BRK.A and BRK.B.

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