

# BERKSHIRE HATHAWAY INC.

## NEWS RELEASE

**FOR IMMEDIATE RELEASE**

**May 7, 2010**

Omaha, NE (BRK.A; BRK.B) –

Berkshire’s operating results for the first quarter of 2010 and 2009 are summarized in the following paragraphs. However, we urge investors and reporters to read our 10-Q, which has been posted at [www.berkshirehathaway.com](http://www.berkshirehathaway.com). *The limited information that follows in this press release is not adequate for making an informed investment judgment.*

Earnings of Berkshire Hathaway Inc. and its consolidated subsidiaries for the first quarter of 2010 and 2009 are summarized below. Earnings are stated on an after-tax basis. (Dollar amounts are in millions, except for per share amounts).

	<u>First Quarter</u>	
	<u>2010</u>	<u>2009</u>
Operating earnings.....	<u>\$2,222</u>	<u>\$1,705</u>
Investment and derivative gains (losses) –		
Sales of investments.....	165	(241)
Holding gain * .....	979	—
Other-than-temporary impairments of investments (writedowns) .....	—	(2,012)
Derivatives .....	<u>267</u>	<u>(986)</u>
	<u>1,411</u>	<u>(3,239)</u>
Net earnings (loss) attributable to Berkshire shareholders .....	<u>\$3,633</u>	<u>\$(1,534)</u>

\* *Represents the excess of the fair value of 76.8 million shares of Burlington Northern Santa Fe (“BNSF”) we owned on February 12, 2010, (the date of our acquisition of the remaining 264.5 million outstanding BNSF shares), and our then carrying value under the equity method.*

Net earnings (loss) per Class A equivalent share attributable to		
Berkshire shareholders.....	\$2,272	\$ (990)
Investment and derivative gains (losses) per Class A equivalent share .....	<u>882</u>	<u>(2,090)</u>
Operating earnings per Class A equivalent share .....	<u>\$1,390</u>	<u>\$1,100</u>
Average Class A equivalent shares outstanding.....	1,599,167	1,549,483

Note: Per share amounts for the Class B shares are 1/1,500<sup>th</sup> of those shown for the Class A.

An analysis of Berkshire’s operating earnings follows (dollar amounts are in millions).

	<u>First Quarter</u>	
	<u>2010</u>	<u>2009</u>
Insurance-underwriting .....	\$ 226	\$ 202
Insurance-investment income .....	988	1,069
Non-insurance businesses .....	1,051	529
Other .....	<u>(43)</u>	<u>(95)</u>
Operating earnings .....	<u>\$2,222</u>	<u>\$1,705</u>

In the table at the top of the page (which, as noted, reports after-tax results), we give investment and derivative gains (losses) lines of their own *because the amounts of these in any given quarter or year is usually meaningless.*

During the first quarter of 2010, our book value increased by 5.8% to \$89,374 per Class A equivalent share. Insurance float (the net liabilities we assume under insurance contracts) at March 31, 2010 was \$63.5 billion and includes float related to our life annuity business that was previously part of our finance and financial products segment. Adjusting for the change related to the life annuity business, float was relatively unchanged as compared to float at yearend.

### **Use of Non-GAAP Financial Measures**

This press release includes certain non-GAAP financial measures. The reconciliations of such measures to the most comparable GAAP figures in accordance with Regulation G are included herein.

Berkshire presents its results in the way it believes will be most meaningful and useful, as well as most transparent, to the investing public and others who use Berkshire's financial information. That presentation includes the use of certain non-GAAP financial measures. In addition to the GAAP presentations of net earnings, Berkshire shows operating earnings defined as net earnings exclusive of investment and derivative gains/losses.

Although the investment of insurance and reinsurance premiums to generate investment income and investment gains or losses is an integral part of Berkshire's operations, the generation of investment gains or losses is independent of the insurance underwriting process. Moreover, under applicable GAAP accounting requirements, losses can be created as the result of other-than-temporary declines in value without actual realization or when certain types of investments are marked-to-market through earnings. In sum, investment and derivative gains/losses for any particular period are not indicative of quarterly business performance.

### **About Berkshire**

Berkshire Hathaway and its subsidiaries engage in diverse business activities including property and casualty insurance and reinsurance, utilities and energy, freight rail transportation, 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.

### **Cautionary Statement**

Certain statements contained in this press release are "forward looking" statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are not guaranties of future performance and actual results may differ materially from those forecasted.

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