

BERKSHIRE HATHAWAY INC.

NEWS RELEASE

FOR IMMEDIATE RELEASE

November 2, 2019

Omaha, NE (BRK.A; BRK.B) –

Berkshire’s operating results for the third quarter and first nine months of 2019 and 2018 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. *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 third quarter and first nine months of 2019 and 2018 are summarized below. Earnings are stated on an after-tax basis. (Dollar amounts are in millions, except for per share amounts).

	<u>Third Quarter</u>		<u>First Nine Months</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Net earnings attributable to Berkshire shareholders.....	\$ <u>16,524</u>	\$ <u>18,540</u>	\$ <u>52,258</u>	\$ <u>29,413</u>
Net earnings includes:				
Investment and derivative gains/losses –				
Investments	8,481	11,552	31,745	10,113
Derivatives	<u>185</u>	<u>108</u>	<u>961</u>	<u>239</u>
	8,666	11,660	32,706	10,352
Operating earnings.....	<u>7,858</u>	<u>6,880</u>	<u>19,552</u>	<u>19,061</u>
Net earnings attributable to Berkshire shareholders.....	\$ <u>16,524</u>	\$ <u>18,540</u>	\$ <u>52,258</u>	\$ <u>29,413</u>
Net earnings per average equivalent Class A Share	\$ 10,119	\$ 11,280	\$ 31,944	\$ 17,885
Net earnings per average equivalent Class B Share	\$ 6.75	\$ 7.52	\$ 21.30	\$ 11.92
Average equivalent Class A shares outstanding	1,633,002	1,643,556	1,635,903	1,644,519
Average equivalent Class B shares outstanding	2,449,502,430	2,465,333,662	2,453,854,768	2,466,777,764

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

Due to a change in Generally Accepted Accounting Principles (“GAAP”) in 2018, we are required to include the changes in unrealized gains/losses of our equity security investments as a component of investment gains/losses in our earnings statements. In the table above, investment gains/losses in 2019 include gains of approximately \$8.0 billion in the third quarter and approximately \$30.1 billion in the first nine months and in 2018 include gains of approximately \$10.2 billion in the third quarter and approximately \$7.5 billion in the first nine months due to *changes* during the third quarter and during the first nine months in the *unrealized* gains that existed in our equity security investment holdings. Investment gains/losses also include after-tax *realized* gains on sales of investments of approximately \$513 million and \$995 million during the third quarters of 2019 and 2018, respectively, and gains of approximately \$1.6 billion and \$2.3 billion during the first nine months of 2019 and 2018, respectively.

The amount of investment gains/losses in any given quarter is usually meaningless and delivers figures for net earnings per share that can be extremely misleading to investors who have little or no knowledge of accounting rules.

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

	<u>Third Quarter</u>		<u>First Nine Months</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Insurance-underwriting.....	\$ 440	\$ 441	\$ 1,182	\$ 1,791
Insurance-investment income	1,484	1,239	4,087	3,393
Railroad, utilities and energy.....	2,644	2,484	6,447	6,104
Other businesses	2,455	2,411	7,142	7,024
Other	<u>835</u>	<u>305</u>	<u>694</u>	<u>749</u>
Operating earnings.....	\$ <u>7,858</u>	\$ <u>6,880</u>	\$ <u>19,552</u>	\$ <u>19,061</u>

At September 30, 2019, insurance float (the net liabilities we assume under insurance contracts) was approximately \$127 billion, an increase of \$4 billion since yearend 2018.

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, as previously described, under applicable GAAP accounting requirements, we are now required to include the changes in unrealized gains/losses of our equity security investments as a component of investment gains/losses in our periodic earnings statements. In sum, investment 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 insurance and reinsurance, utilities and energy, freight rail transportation, 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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Contact
Marc D. Hamburg
402-346-1400