

*To the Stockholders of Berkshire Hathaway*

Operating earnings of Berkshire Hathaway during 1972 and 1973 were \$100 million and \$110 million, respectively, compared with \$80 million in 1971. Operating earnings were used to increase the number of shares of common stock outstanding, thereby increasing shareholders' equity. Significant improvement was recorded in 1972 and 1973. The most dramatic gains were in insurance underwriting profit. Due to an unusual combination of factors, the insurance underwriting profit was \$10 million in 1972 and \$11 million in 1973, compared with \$8 million in 1971.



