UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE
SECURITIES EXCHANGE ACT OF 1934

FOR THE FISCAL YEAR ENDED December 31, 2001

COMMISSION FILE NUMBER 001-14905

BERKSHIRE HATHAWAY INC.
(Exact name of Registrant as specified in its charter)

Delaware	47-0813844
State or other jurisdiction of incorporation or organization	(I.R.S. Employer Identification number)
1440 Kiewit Plaza, Omaha, Nebraska	68131
(Address of principal executive office)	(Zip Code)

Registrant's telephone number, including area code (402) 346-1400

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Class A Common Stock, $5.00 Par Value	New York Stock Exchange
Class B Common Stock, $0.1667 Par Value	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: NONE

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months, and (2) has been subject to the filing requirements for the past 90 days. Yes {X} No { }

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. { }

State the aggregate market value of the voting stock held by non-affiliates of the Registrant - $73,693,613,000*

Indicate number of shares outstanding of each of the Registrant's classes of common stock:

March 18, 2002 -- Class A Common Stock, $5 par value...........1,323,356 shares
March 18, 2002 -- Class B Common Stock, $0.1667 par value.......6,301,548 shares

DOCUMENTS INCORPORATED BY REFERENCE

Document	Incorporated In
Proxy Statement for Registrant's Annual Meeting to be held May 4, 2002	Part III

* This aggregate value is computed at the last sale price of the common stock on March 18, 2002. It does not include the value of Class A Common Stock (537,037 shares) and Class B Common Stock (437 shares) held by Directors and Executive Officers of the Registrant and members of their immediate families, some of whom may not constitute "affiliates" for purpose of the Securities Exchange Act of 1934.

Part I

ITEM 1. BUSINESS

Berkshire Hathaway Inc. ("Berkshire", "Company" or "Registrant") is a holding company owning subsidiaries engaged in a number of diverse business activities. The most important of these are insurance businesses conducted on both a primary basis and a reinsurance basis. Berkshire also owns and operates a number of other businesses engaged in a variety of activities, as identified herein.

Operating decisions for the various Berkshire businesses are made by managers of the business units. Investment decisions and all other capital allocation decisions are made for Berkshire and its subsidiaries by Warren E. Buffett, in consultation with Charles T. Munger. Mr. Buffett is Chairman and Mr. Munger is Vice Chairman of Berkshire's Board of Directors.

INSURANCE AND REINSURANCE BUSINESSES

Berkshire's insurance and reinsurance business activities are conducted through 36 domestic and 16 foreign-based insurance companies. Berkshire's insurance businesses provide insurance and reinsurance of property and casualty risks primarily in the United States. In addition, as a result of the General Re acquisition in December 1998, Berkshire's insurance businesses also include worldwide life, accident and health reinsurers, as well as internationally-based property and casualty reinsurers.

In primary (or direct) insurance activities, the insurer assumes the risk of loss from persons or organizations that are directly subject to the risks. Such risks may relate to property, casualty (or liability), life, accident, health, financial or other perils that may arise from an insurable event. In reinsurance activities, the reinsurer assumes defined portions of similar or dissimilar risks that other primary insurers or reinsurers have assumed in their own insuring activities.

Reinsurance contracts are normally classified as treaty or facultative contracts. Treaty reinsurance refers to automatic reinsurance coverage for all or a portion of a specified class of risks ceded by the primary insurer, while facultative reinsurance involves coverage of specific individual risks. Coverage of risks assumed under reinsurance contracts may be classified as quota-share or excess. Under quota-share (proportional or pro-rata) reinsurance, the reinsurer shares proportionally in the original premiums, losses, and expenses of the primary insurer or reinsurer. Excess (or non-proportional) reinsurance provides for the indemnification of the primary insurer or reinsurer for all or a portion of the loss in excess of an agreed upon amount or "retention". Both quota-share and excess reinsurance may provide for aggregate limits of indemnification.

Except for regulatory considerations, there are virtually no barriers to entry into the insurance and reinsurance industry. Competitors may be domestic or foreign, as well as licensed or unlicensed. The number of competitors within the industry is not known. Insurers and reinsurers compete on the basis of reliability, financial strength and stability, ratings, underwriting consistency, service, business ethics, price, performance, capacity, policy terms and coverage conditions.

Insurers and reinsurers based in the United States are subject to regulation by their states of domicile and by those states in which they are licensed. The primary focus of regulation is to assure that insurers are financially solvent and that policyholder interests are otherwise protected. States establish minimum capital levels for insurance companies and establish guidelines for permissible business and investment activities. States have the authority to suspend or revoke a company's authority to do business, as conditions warrant. States regulate the payment of dividends by insurance companies to their shareholders. Dividends of extraordinary amounts are subject to prior regulatory approval.

Insurers may market, sell and service insurance policies in the states that they are licensed. These insurers are referred to as admitted insurers. Admitted insurers are, among other things, generally required to obtain regulatory approval of policy forms issued and premium rates charged. Non-admitted insurance markets have developed to provide insurance that is otherwise unavailable from the admitted insurance markets for a state. Non-admitted insurance, often referred to as "excess and surplus" lines, is procured by state-licensed surplus lines brokers who place risks with insurers not licensed in that state. Non-admitted insurance is subject to considerably less regulation with respect to policy rates and forms. Reinsurers are normally not required to obtain approval of premium rates and policy forms.

INSURANCE AND REINSURANCE BUSINESSES (CONTINUED)

The insurance regulators of every state participate in the National Association of Insurance Commissioners ("NAIC"). The NAIC adopts forms, instructions and accounting procedures for use by U.S. insurers and reinsurers in preparing and filing annual statutory financial statements. However, an insurer's state of domicile has ultimate authority over accounting practices.

Effective January 1, 2001, several new Statutory Accounting Principles ("SAP") were adopted in connection with the NAIC codification project, which was intended to bring greater uniformity in accounting practices throughout the United States. While the codification is not expected to have a significant effect on Berkshire's insurance businesses, the amount of reported regulatory capital, also known as statutory surplus, declined due to the new requirement under SAP to record deferred income taxes, including tax liabilities on unrealized appreciation of investments. Previously, such liabilities were not recognized under SAP. As a result of the adoption of the new statutory accounting principles discussed above, the aggregate statutory surplus declined by about $8.0 billion to about $33.5 billion as of January 1, 2001.

Berkshire's insurance companies maintain capital strength at unparalleled levels, significantly higher than normal in the industry. This strength differentiates Berkshire's insurance companies from their competitors. Collectively, the aggregate statutory surplus of Berkshire's U.S. based insurers was approximately $27.2 billion at December 31, 2001. During 2001, aggregate statutory surplus declined as a result of a decline in the after-tax unrealized appreciation of major equity investments as well as dividend payments and poor operating results. All of Berkshire's major insurance subsidiaries are rated AAA by Standard & Poor's Corporation, the highest Financial Strength Rating assigned by Standard & Poor's, and are rated A++ (superior) by A.M. Best with respect to their financial condition and operating performance.

In addition to its activities relating to the annual statement and SAP, the NAIC develops or adopts model laws, regulations and programs for use by its members. Such matters deal with regulatory oversight of solvency, compliance with financial regulation standards, and risk-based capital reporting requirements.

The insurance industry and Berkshire's reinsurers experienced severe losses from the September 11, 2001 terrorist attack. Since then, insurance industry and government leaders have been working to identify alternatives to mitigate the insurance industry's concerns regarding the ability of the insurance industry to cover losses from terrorism catastrophes. Beyond limited assumptions of certain aviation exposures, the U.S. government has not yet assumed any of this risk. Because of the magnitude and unpredictability of the catastrophic terrorism exposure, many insurers and reinsurers are responding primarily by restricting coverages where allowed and secondarily by raising premium rates. Various proposals are presently under consideration under which the Federal government would assume significant losses arising from future terrorist attacks thereby limiting this exposure to insurers and reinsurers. It is currently unknown if or when any such proposals will be enacted.

In general, regulation of the reinsurance industry outside of the United States is subject to the differing laws and regulations of each country in which the reinsurer has operations or writes premiums. Some jurisdictions, such as the United Kingdom, impose complex regulatory requirements on reinsurance businesses, while other jurisdictions, such as Germany, impose fewer requirements. Local reinsurance business conducted by General Re's subsidiaries in some countries requires licenses issued by governmental authorities. These licenses may be subject to modification, suspension or revocation dependent on such factors as amount and types of reserves and minimum capital and solvency tests. The violation of regulatory requirements may result in fines, censures and/or criminal sanctions in various jurisdictions.

Berkshire's insurance and reinsurance operations are not significantly affected by seasonal variances. However, periodic underwriting results from Berkshire's property/casualty insurance and reinsurance operations can be volatile. Underwriting results can be significantly affected by the timing and magnitude of catastrophe losses incurred, especially with respect to reinsurance assumed business.

Insurance underwriting operations are comprised of the following sub-groups: (1) GEICO and its subsidiaries, (2) General Re and its subsidiaries, (3) Berkshire Hathaway Reinsurance Group, and (4) Berkshire Hathaway Primary Insurance Group. Additional information related to each of these four underwriting units follows.

INSURANCE AND REINSURANCE BUSINESSES (CONTINUED)

GEICO -- Berkshire acquired GEICO in January 1996. GEICO is headquartered in Chevy Chase, Maryland and its principal insurance subsidiaries include: Government Employees Insurance Company, GEICO General Insurance Company, GEICO Indemnity Company, and GEICO Casualty Company. Over the past five years, these companies have offered primarily private passenger automobile insurance to individuals in 48 states and the District of Columbia.

GEICO, through its subsidiaries, is a multiple-line property and casualty insurer engaged primarily in writing private passenger automobile insurance. The subsidiaries market their policies primarily through direct response methods, in which applications for insurance are submitted directly to the companies by telephone, through the mail, or via the Internet.

For several years through 2000, premium volume grew as a result of significantly higher advertising expenditures and competitive premium rates. From 1995 through 2000, voluntary automobile policies-in-force grew by approximately 100%. To facilitate servicing in-force policy growth, GEICO opened sales and claims service centers in several new locations during 1998 and 1999. In response to underwriting losses in 2000, GEICO increased premium rates and tightened underwriting standards. In addition, GEICO reduced advertising expenditures in 2001 as such expenditures were not effectively producing in-force policy growth. Consequently, new business sales declined significantly and policies-in-force declined slightly in 2001. GEICO is currently the sixth largest auto insurer, in terms of premium volume, in the United States.

Seasonal variations in GEICO's insurance business are not significant. However, extraordinary weather conditions or other factors may have a significant effect upon the frequency or severity of automobile claims.

GEICO competes for private passenger auto insurance customers with other companies that sell directly to the customer, as well as with companies that use a traditional agency sales force. Private passenger automobile insurance business is highly competitive in the areas of price and service. Some insurance companies exacerbate price competition by selling their products for a period of time at less than adequate rates, because they underestimate ultimate claim costs and/or overestimate the amount of investment income expected to be earned from the cash flow generated as a result of premiums being received before claims are paid. GEICO will not knowingly follow that strategy.

Private passenger auto insurance is stringently regulated by state insurance departments. As a result, it is difficult for insurance companies to differentiate their products to consumers. Competition for preferred-risk private passenger automobile insurance, which is substantial, tends to focus on price and level of customer service provided, whereas price tends to be the primary focus for other risks. GEICO places great emphasis on customer satisfaction. GEICO's cost efficient direct response marketing methods and emphasis on customer satisfaction enable it to offer competitive rates and value to customers.

Management believes that the name and reputation of GEICO is a material asset and protects its name and other service marks through appropriate registrations.

GENERAL RE -- Berkshire acquired General Re on December 21, 1998. General Re was established in 1980 to serve as the holding company of General Reinsurance Corporation ("GRC", incorporated in 1921) and its affiliates. General Re affiliates include Kolnische Ruckversicherungs Gesellschaft AG ("Cologne Re"), a major international reinsurer based in Germany. General Re, directly and indirectly through a joint venture arrangement, held an 88% economic interest in Cologne Re as of December 31, 2001.

General Re subsidiaries currently conduct global reinsurance businesses in 76 cities throughout the world and provide reinsurance coverage in 136 countries. General Re operates three principal reinsurance businesses: North American property/casualty reinsurance, international property/casualty reinsurance, and global life/health reinsurance. General Re's reinsurance operations are primarily based in Stamford, Connecticut and Cologne, Germany. General Re is one of the four largest reinsurers in the world based on net premiums written and capital.

NORTH AMERICAN PROPERTY/CASUALTY REINSURANCE

General Re's North American property/casualty business is primarily treaty and facultative reinsurance that is marketed directly to clients located throughout the United States and Canada without involving a broker or intermediary. The North American property/casualty businesses underwrite predominantly excess coverages. The operations are headquartered in Stamford, Connecticut, and are also conducted through 19 branch offices. The businesses are domiciled in Delaware and licensed in the District of Columbia and all states but Hawaii, where they are accredited reinsurers.

Casualty reinsurance represented approximately 56% of North American property/casualty net premiums written in 2001 and property reinsurance represented approximately 33%. North American property/casualty business also includes a few smaller specialty insurers. These businesses, domiciled in Connecticut, North Dakota and Ohio, underwrite primarily liability and workers' compensation coverages on an excess and surplus basis. Also, they underwrite excess insurance for self-insured programs. These businesses together represented approximately 11% of General Re's North American property/casualty net premiums written in 2001.

INTERNATIONAL PROPERTY/CASUALTY REINSURANCE

In total, General Re operates its international property/casualty reinsurance business in 29 countries and provides reinsurance coverage in 136 countries throughout the world. In 2001, the international property/casualty operations principally wrote reinsurance in the form of treaties with lesser amounts written on a facultative basis. Approximately 66% of international property/casualty reinsurance business is written through Cologne Re. In addition, international reinsurance business is written through a number of wholly-owned subsidiaries of General Re. At the end of 1998, General Re acquired D.P. Mann Holdings Limited, which was subsequently renamed Faraday Holdings Limited ("Faraday"). Faraday owns both the managing agent of Syndicate 435 at Lloyd's of London and DP Mann Corporate Name Limited, which provides capacity and participates in the results of Syndicate 435. Through Faraday, General Re's participation in Syndicate 435 was 61% in 2001 and will increase to 97% in 2002.

In 2001, approximately 74% of international premiums written related to quota-share coverages and 26% were excess coverages. Property premiums written were approximately 57% of total international property/casualty premiums and casualty premiums were approximately 43%. Approximately 76% of international property/casualty written premiums are attributed to Germany and Western Europe.

GLOBAL LIFE/HEALTH REINSURANCE

This business includes the North American and international life/health operations of Cologne Re. In 2001, approximately 59% of life/health net premiums were written in the United States, 26% were written in Western Europe, and the remaining 15% were written throughout the rest of the world. The life/health operations provide individual life, group life, group health, long-term care, individual health and finite risk reinsurance. Most of the life reinsurance business is written on a proportional treaty basis, with smaller amounts written on a facultative basis, while health business is predominantly written on an excess treaty basis. The life/health business is marketed primarily on a direct basis with the exception of group health, which is marketed primarily through brokers.

BERKSHIRE HATHAWAY REINSURANCE GROUP -- The Berkshire Hathaway Reinsurance Group ("BHRG") operates from offices located in Stamford, Connecticut. BHRG provides principally excess and, to a lesser degree, quota-share reinsurance to other property and casualty insurers and reinsurers. BHRG's clients and risks assumed are located throughout the world, but are primarily located within the United States. Minimal organizational, but huge financial resources are currently devoted to this business.

For many years, the BHRG has written a considerable number of catastrophe excess contracts. A catastrophe excess policy provides protection to the counterparty from the accumulation of primarily property losses arising from a single loss event or series of events. These policies may provide significant amounts of indemnification per contract and a single loss event may produce losses under a number of contracts.

BHRG does not generally cede any of the risks assumed under catastrophe excess reinsurance contracts, due to perceived uncertainties in recovering amounts from other reinsurers that are financially weaker. As a result, the catastrophe excess reinsurance business can produce extreme volatility in periodic underwriting results. Accounting consequences, however, do not influence decisions of Berkshire's management with respect to this or any other business. This factor along with the extraordinary financial strength of the group, are believed to be the primary reasons why the BHRG has become a major provider of such coverages.

In recent years, the amount of capital (i.e. capacity) devoted to the catastrophe excess reinsurance business by the industry has increased as a result of additional capital raised by newly-formed entities and the introduction in the financial markets of new types of catastrophe risk management products. The effect of such increased insuring capacity has been a reduction in opportunities to write this business at acceptable prices. However, the occasional acceptance of catastrophe excess reinsurance contracts can produce considerable premiums.

BHRG's non-catastrophe reinsurance business derives primarily from a relatively small number of excess policies written for major insurers and reinsurers. BHRG has entered into several retroactive reinsurance contracts over the past three years. Retroactive reinsurance was over 60% of total premium volume in 2001. Coverage under such contracts is usually provided on an excess basis and amounts of indemnification are subject to an aggregate limit, which is usually substantial. Retroactive reinsurance contracts afford protection to ceding companies against the adverse development of claims arising under policies issued in prior years. Significant amounts of environmental and latent injury claims may arise under the contracts.

In BHRG's non-catastrophe reinsurance business, the concept of time-value-of-money is often an important element in establishing prices and contract terms, since the payment of losses under the insurance contracts are often expected to occur over lengthy periods of time. Losses payable under the contracts are normally expected to exceed premiums and therefore, produce underwriting losses. This business is accepted, in part, because of the large amounts of policyholder funds ("float") generated for investment, the economic benefit of which will occur through investment income in future periods.

BERKSHIRE HATHAWAY PRIMARY INSURANCE GROUP -- The Berkshire Hathaway Primary Insurance Group is a collection of smaller primary insurance operations that provide a wide variety of insurance coverages to insureds principally in the U.S. National Indemnity Company and certain affiliates underwrite motor vehicle and general liability insurance to commercial enterprises. This business is written nationwide primarily through insurance agents and brokers and is based in Omaha, Nebraska. National Indemnity and certain other affiliates also solicit and underwrite various unusual or especially large property and casualty risks.

Other insurance operations include several companies referred to as the "Homestate Companies", based in Colorado and Nebraska and with branch offices in several other states, which market various commercial coverages for standard risks to insureds in their state of domicile and an increasing number of other states. Also included is Central States Indemnity Company of Omaha located in Omaha, Nebraska, which provides credit and income protection insurance marketed primarily through credit card issuers and utility providers nationwide and Kansas Bankers Surety Company, based in Kansas, an insurer of primarily crime, fidelity, errors and omissions, officers and directors liability and related insurance coverages directed toward small and medium-sized banks throughout the Midwest United States.

In 2000, Berkshire acquired U.S. Investment Corporation ("USIC"). USIC, through its three subsidiaries, is a specialty insurer that underwrites commercial, professional and personal lines of insurance on an admitted and excess and surplus basis. Policies are marketed in all 50 states and the District of Columbia. USIC companies currently underwrite and market over 50 distinct specialty insurance products.

PROPERTY AND CASUALTY LOSS RESERVES

Berkshire's property and casualty insurance companies establish reserves for the estimated unpaid losses and loss expenses with respect to claims occurring on or before the balance sheet date. Such estimates include provisions for reported claims, or case estimates, provisions for incurred-but-not-reported ("IBNR") claims and legal and administrative costs to settle claims.

PROPERTY AND CASUALTY LOSS RESERVES (CONTINUED)

The estimates of unpaid losses and amounts recoverable under reinsurance are continually reviewed using a variety of statistical and analytical techniques. Reserve estimates are based upon past claims experience, currently known factors and trends and estimates of future claim trends. Implicit in the factors considered in establishing ultimate claim amounts are the effects of including social, legal and economic inflation. Irrespective of the techniques used, estimation error is inherent in the process of establishing unpaid loss reserves as of any given date. Uncertainties in projecting ultimate claim amounts are enhanced by the time lag between when a claim actually occurs and when it becomes reported and settled. This time lag is referred to as the "claim-tail".

The claim-tail for most property coverages is expected to be relatively short. The claim-tail for liability coverages, such as product liability and workers' compensation, can be especially long as claims are often reported years after the occurrence. The claim-tail for reinsurers is further extended because claims are first reported through one or more intermediary primary insurers or reinsurers. Liabilities assumed under retroactive reinsurance contracts are often expected to have an especially long-tail, as a significant portion of the claims are expected to derive from asbestos, environmental and other latent injury perils. These policies contain aggregate limits of indemnification, so the risks to additional claims under the contracts are limited.

Berkshire attempts to be fairly conservative in establishing claim reserves. However, for the reasons previously discussed, the amounts of the reserves established as of a given balance sheet date and the subsequent actual losses and loss expenses paid will likely differ, perhaps by a material amount. There is no guaranty that the recorded reserves will prove to be adequate. Changes in unpaid loss estimates arising from the review process are charged or credited, as applicable, to earnings in the period of the change.

Through 1998, Berkshire's insurers ceded relatively minor amounts of risk to other reinsurers. As a result of Berkshire's acquisition of General Re at the end of 1998, larger amounts of risk were ceded to other reinsurers.

Berkshire discounts structured settlement reinsurance liabilities at market rates prevailing at the contract date and General Re discounts certain North American workers' compensation loss reserves at an interest rate of 4.5 percent per annum. These claims are characterized by periodic indemnity payments, including lost wages and medical/rehabilitation expenses, which are generally fixed or determinable, both in amount and duration. The amortization of the discount is included in periodic operating results principally as part of the development of prior years' liabilities.

In addition, incurred losses from property and casualty reinsurance include amortization of deferred charges established on retroactive reinsurance contracts. At inception of these contracts, unpaid losses are recorded at the estimated ultimate payment amount. However, a deferred charge asset is also recorded at the inception of the contract. The liabilities, net of deferred charges established, are recorded as losses incurred. The deferred charges are subsequently amortized over the expected claim payment period, with such charges recorded as losses incurred.

The table below presents the development of Berkshire's consolidated net unpaid losses for property/casualty contracts from 1991 through 2001. Data in the table related to acquired businesses is included from the acquisition date forward. Most significantly, GEICO (acquired January 2,1996) is included as of December 31,1995 and General Re (acquired December 21,1998) is included as of December 31,1998.

The first section of the table reconciles the estimated liability for unpaid claims and claim expenses recorded at the balance sheet date for each of the indicated years. The net liability represents the estimated amount of claims and claim expenses, including IBNR, outstanding as of the balance sheet date, reduced by estimates of amounts recoverable under ceded reinsurance, deferred charges on retroactive reinsurance contracts, and reserve discounts.

The next section of the table shows the re-estimated amount of the previously recorded net liability based on experience as of the end of each succeeding year. The estimate is increased or decreased as losses are paid and more information becomes known about the frequency and severity of unpaid claims. The line labeled "cumulative deficiency (redundancy)" represents the aggregate change in the initial estimates from the original balance sheet date through December 31, 2001. These amounts have been reported in earnings over time as a component of losses incurred. The redundancies or deficiencies shown in each column should be viewed independently of the other columns, because such adjustments made in earlier years may also be included as a component of the adjustments in the more recent years. To avoid misstating the cumulative redundancies or deficiencies, liabilities assumed under retroactive reinsurance contracts are treated as occurrences in the year the transaction was entered into, as opposed to when the underlying losses actually occurred, which is, by definition, generally prior to the contract date. Due to the magnitude of the deferred charge amortization and reserve discounts on the re-estimated net liability and cumulative deficiency/redundancy amounts, the cumulative effect of such charges included in the net amounts is also provided.

The bottom part of the table shows the cumulative amount of net losses and loss expenses paid with respect to recorded net liabilities as of the end of each succeeding year. While the information in the table provides a historical perspective on the adequacy of unpaid losses and loss expenses established in previous years, readers are cautioned against extrapolating redundancies or deficiencies of the past on current unpaid loss balances. Berkshire management believes that the reserves established as of the end of 2001 are adequate. However, due to the inherent uncertainties in the reserving process, it cannot be assured that such balances will ultimately prove to be adequate. Dollar amounts are in millions.

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
Unpaid losses before discounts/ deferred charges end of year	$3,547	$3,770	$3,767	$4,037	$6,503	$6,866	$7,435	$25,252	$29,020	$35,236	$43,243
Ceded reserves	(123)	(173)	(132)	(133)	(255)	(248)	(274)	(2,167)	(2,331)	(2,997)	(2,957)
Net unpaid losses before discounts/deferred charges end of year	3,424	3,597	3,635	3,904	6,248	6,618	7,161	23,085	26,689	32,239	40,286
Reserve discounts/deferred charges at year end	(1,097)	(1,033)	(1,077)	(1,048)	(982)	(929)	(1,064)	(2,800)	(3,735)	(4,807)	(5,759)
Net unpaid losses net of discounts/deferred charges end of year	2,327	2,564	2,558	2,856	5,266	5,689	6,097	20,285	22,954	27,432	34,527
Liability re estimated:											
1 year later	2,356	2,575	2,618	2,912	5,176	5,558	5,902	19,889	22,459	28,736	
2 year later	2,294	2,597	2,658	2,976	5,158	5,471	5,786	18,374	23,062		
3 year later	2,326	2,640	2,702	2,976	5,133	5,361	5,647	18,720			
4 year later	2,350	2,688	2,720	2,997	5,086	5,256	5,568				
5 year later	2,391	2,724	2,744	2,977	5,012	5,203					
6 year later	2,410	2,747	2,708	2,955	4,965						
7 year later	2,431	2,708	2,710	2,945							
8 year later	2,415	2,711	2,700								
9 year later	2,412	2,698									
10 year later	2,433										
Cumulative deficiency (redundancy)	106	134	142	89	(301)	(486)	(529)	(1,565)	108	1,304	
Cumulative foreign exchange effect								920	581	(139)	
Net deficiency (redundancy)(1)	$ 106	$ 134	$ 142	$ 89	$(301)	$(486)	$(529)	$(645)	$ 689	$1,165	
Cumulative payments:											
1 year later	$ 423	$ 410	$ 216	$ 246	$1,194	$1,410	$1,834	$4,532	$5,890	$5,366	
2 year later	619	555	388	499	1,966	2,427	2,509	7,684	8,367		
3 year later	690	691	586	862	2,808	2,963	3,441	9,486			
4 year later	788	876	901	1,419	3,229	3,508	3,632				
5 year later	863	1,171	1,240	1,591	3,474	3,614					
6 year later	1,122	1,314	1,365	1,785	3,534						
7 year later	1,247	1,422	1,549	1,831							
8 year later	1,330	1,604	1,589								
9 year later	1,503	1,638									
10 year later	1,535										
(1)Net deficiency (redundancy) above	$ 106	$ 134	$ 142	$ 89	$(301)	$(486)	$(529)	$ (645)	$689	$1,165	
Deficiency from deferred charge amortization and discount accretion	518	506	483	440	371	302	283	553	491	312	
(Redundancy) deficiency before deferred charge amortization and discount accretion	$(412)	$(372)	$(341)	$(351)	$(672)	$(788)	$(812)	$(1,198)	$198	$ 853	

Beginning in 1998, unpaid losses include amounts related to the international property and casualty business of General and Cologne

Re. The amount of re-estimated liabilities in the table above related to these operations reflect the exchange rates as of the end of the re-estimation period. The cumulative foreign exchange effect represents the cumulative effect of changes in foreign exchange rates from the original balance sheet date to the end of the re-estimation period.

INVESTMENTS -- The levels of reinsurance assumed business in recent years, plus the acquisitions of GEICO and General Re, have produced an exceptional increase in the amount of "float" held by Berkshire's insurance businesses. "Float" is an approximation of the amount of net policyholder funds available for investment. That term denotes the sum of unpaid losses and loss adjustment expenses, unearned premiums and other policyholder liabilities, less the aggregate amount of premium balances receivable, losses recoverable from reinsurance ceded, deferred policy acquisition costs, deferred charges - reinsurance assumed, and related prepaid income taxes. The amount of float has grown from about $3.8 billion at the end of 1995 to about $35.5 billion at the end of 2001. Float increased by about $2.6 billion upon Berkshire's acquisition of GEICO in 1996 and another $14.9 billion upon Berkshire's acquisition of General Re in 1998. The increases in the amounts of float plus the substantial amounts of shareholder capital devoted to insurance and reinsurance activities have generated meaningful increases in the levels of investments and investment income. However, the cost of float represented by the pre-tax underwriting loss as a percentage of average float, increased from 6% in 2000 to 12.8% in 2001.

Investment portfolios of insurance subsidiaries include equity ownership percentages of other publicly traded companies. Investments with a market value in excess of $1 billion at the end of 2001 include approximately 11% of the outstanding capital stock of American Express Company, approximately 8% of the capital stock of The Coca-Cola Company, approximately 9% of the capital stock of The Gillette Company, and approximately 3% of the capital stock of Wells Fargo and Company. Much information about these publicly-owned companies is available, including information released from time to time by the companies themselves.

NON-INSURANCE BUSINESSES OF BERKSHIRE

The descriptions of the Registrant's numerous and diverse non-insurance businesses are described below.

BUILDING PRODUCTS -- On August 1, 2000, Berkshire entered the building products business with the acquisition of Acme Building Brands ("Acme"). Acme, headquartered in Fort Worth, Texas, manufactures and distributes clay bricks (Acme Brick), concrete block (Featherlite) and cut limestone (Texas Quarries). In addition, Acme distributes a number of other building products of other manufacturers, including glass block, brick, floor and wall tile and other masonry products. Acme also sells ceramic floor and wall tile, as well as marble, granite and other stones through its subsidiary, American Tile. Products are sold primarily in the Central and Southwest United States through company operated sales offices. Acme distributes products primarily to homebuilders and masonry and general contractors.

Acme operates 24 brick manufacturing facilities located in eight states and operates 11 tile distribution and eight concrete block facilities. The demand for Acme's products is seasonal, with higher sales in the warmer weather months, and is subject to the level of construction, which can be cyclical. Acme also owns and leases properties and mineral rights that supply raw materials used in many of its manufactured products.

Berkshire acquired Benjamin Moore & Co. ("Benjamin Moore") in December of 2000. Benjamin Moore, headquartered in Montvale, New Jersey, is a leading formulator, manufacturer and retailer of a broad range of primarily architectural coatings, available principally in the United States and Canada. Products include water-thinnable and solvent-thinnable general purpose coatings (paints, stains and clear finishes) for use by the general public, contractors and industrial and commercial users. Products are marketed under various registered brand names, including Regal, Super Spec, Super Hide and MoorGard.

Benjamin Moore relies primarily on an independent dealer network for the distribution of its products. The network consists of over 3,200 retailers with over 4,200 storefronts in the U.S. and Canada. Benjamin Moore also owns and manages several multiple-outlet dealerships and stand-alone stores in various parts of the U.S. serving primarily contractors and general consumers. At December 31, 2001, there were 97 Benjamin Moore-owned stores positioned in the market as independent dealers that offer a broad array of products including Benjamin Moore brands and other competitor coatings, wallcoverings, window treatments and sundries.

The coatings industry is highly competitive and has historically been subject to intense price competition. It is estimated that there are approximately 500 coatings manufacturers in the United States, many of which are small companies, which compete regionally and locally. The top three companies in the industry, which includes Benjamin Moore positioned third, comprise about 50% of the total market.

NON-INSURANCE BUSINESSES OF BERKSHIRE (CONTINUED)

BUILDING PRODUCTS (CONTINUED)

Berkshire acquired Johns Manville ("JM") on February 27, 2001. JM is a leading manufacturer of fiber glass wool insulation products for walls, attics and floors in homes and commercial buildings, as well as pipe, duct and equipment insulation products. JM is also the leading full-line supplier of roofing systems and components for low-slope commercial and industrial roofs in North America. In addition, JM manufactures nonwoven mats, fabrics and fibers used as reinforcements in building and industrial applications, and high efficiency air filtration media. Fiber glass is the basic material in a majority of JM's products, although JM also manufactures a significant portion of its products with other materials to satisfy the broader needs of its customers. JM is headquartered in Denver, Colorado, and operates 52 manufacturing facilities in North America, Europe and China.

JM has been serving the building products industry for over 150 years. JM sells its products through a wide variety of channels including contractors, distributors, retailers, manufacturers and fabricators. JM's results of operations are affected by the levels of new and repair/remodel commercial and residential construction and are moderately seasonal due to increases in construction activity that typically occur in the second and third quarters of the calendar year.

JM has leading market positions in each of its businesses and typically competes with a few large national competitors and several smaller, regional competitors. JM's products compete primarily on the basis of value, product differentiation and customization and breadth of product line.

Berkshire acquired a 90% equity interest in MiTek Inc. ("MiTek") on July 31, 2001. MiTek is headquartered in Chesterfield, Missouri, and is the world's leading supplier of connector products, engineering software and services, and manufacturing machinery to the truss fabrication segment of the building components industry. Primary customers are truss fabricators who manufacture pre-fabricated roof and floor trusses and wall panels for the residential building market. MiTek also participates in the light commercial and institutional construction industry with timber truss applications and all-steel framing products marketed under the Ultra-Span name.

MiTek operates 16 manufacturing facilities located in 11 countries and 29 sales offices located in 19 countries. Products are sold to customers in approximately 80 countries and MiTek has the largest market share in each country in which it operates. MiTek's business is subject to seasonal and cyclical changes in the overall housing industry.

FINANCE AND FINANCIAL PRODUCTS -- Berkshire's non-insurance businesses include a group of finance and financial products businesses. Included in these business activities is Gen Re Securities Holdings Limited and affiliates ("GRS"). GRS is a dealer in derivative products offering a full line of interest rate, currency, and equity swap and option products, as well as structured finance products. In January 2002, a decision was made to commence a long-term run-off of GRS. The run-off is expected to occur over a period of several years, during which, GRS will limit its new business to certain risk management transactions and will unwind its existing asset and liability positions in an orderly manner.

Berkshire's other finance businesses include BH Finance LLC (investing on a leveraged basis in financial instruments pursuant to proprietary trading strategies), Berkshire Hathaway Credit Corp (commercial real estate financing), Berkshire Hathaway Life Insurance (sales of annuity contracts), Scott Fetzer Financial Group, Inc. (consumer receivable financing in connection with sales of Kirby products) and XTRA Corporation ("XTRA") (transportation equipment lessor).

Berkshire acquired XTRA on September 20, 2001. XTRA, headquartered in Westport, Connecticut, is a leading global transportation equipment lessor with operations in the North American over-the-road, domestic intermodal and marine container markets. XTRA manages a diverse fleet of approximately 250,000 units, constituting a net investment of approximately $1.3 billion. The fleet includes over-the-road trailers, intermodal chassis and piggyback trailers, and domestic and marine containers.

Transportation equipment customers lease equipment to cover cyclical, seasonal and geographic needs and as a substitute for purchasing. In addition, capital and capacity constrained transportation providers often use leasing to maximize their asset utilization and reduce capital expenditures. By maintaining a large and diversified fleet, XTRA is able to provide customers with a broad selection of equipment and quick response times.

NON-INSURANCE BUSINESSES OF BERKSHIRE (CONTINUED)

FLIGHT SERVICES -- In 1996, Berkshire acquired FlightSafety International Inc. ("FSI"). FSI's corporate headquarters is located at LaGuardia Airport in Flushing, New York.

FSI engages primarily in the business of providing high technology training to operators of aircraft and ships. FSI's training activities include: advanced pilot training in the operation of aircraft and air traffic control procedures; aircrew training for military and other government personnel; aircraft maintenance technician training; ab-initio (primary) pilot training to qualify individuals for private and commercial pilots' licenses; and ship handling and related training services. FSI also develops classroom instructional systems and materials for use in its training business and for sale to others.

A significant part of FSI's training programs derives from the use of simulators, which incorporate computer-based technology to replicate the operation of particular aircraft or ocean-going vessels. Simulators reproduce, with a high degree of accuracy, certain sights, movements, and aircraft or vessel control responses experienced by the operator of the aircraft or ship. FSI utilizes approximately 312 training devices, including 264 civil aviation simulators. FSI's training businesses are conducted primarily in the United States, with facilities located in 21 states. FSI also operates training facilities in Australia, Canada, France and the United Kingdom. During 1997, FSI and The Boeing Company, a leading airplane manufacturer, established a joint venture to provide pilot and aircrew training for airline customers around the world.

FSI also designs and manufactures full motion flight simulators, visual displays, and other training equipment for use in its training business and for sale to others. Manufacturing facilities are located in Oklahoma and Missouri.

Berkshire acquired Executive Jet, Inc. ("EJ"), in 1998. EJ is the world's leading provider of fractional ownership programs for general aviation aircraft. The fractional ownership of aircraft concept permits customers to acquire a specific percentage of a certain aircraft type and allows them to utilize the aircraft for a specified number of flight hours per annum. In addition, EJ provides management, ground support and flight operation services to customers after the sale. EJ's revenues derive from both the sale of fractional interests as well as management and usage fees charged to clients in connection with flight operations.

The fractional ownership concept is designed to meet the needs of customers who cannot justify the purchase of an entire aircraft based upon expected usage. In addition, fractional ownership programs are available for corporate flight departments seeking to outsource their general aviation needs or looking for additional capacity for peak periods and for others that previously chartered aircraft. EJ places great emphasis on customer service. Its programs are designed to offer customers guaranteed availability of aircraft, lower and predictable operating costs and liquidity.

In 1986, EJ created the fractional ownership of aircraft concept and introduced its NetJets(R) program in the U.S. with one aircraft type. In 2001 the NetJets(R) program operated eleven aircraft types, including the Boeing Business Jet. Four additional aircraft types are scheduled for introduction in 2002. In late 1996, EJ expanded its fractional ownership programs to Europe via a joint venture arrangement, which is now 100% owned by EJ.

EJ is currently believed to be the world's largest purchaser of general aviation aircraft. The company maintained 337 aircraft in its fleet as of December 31, 2001. EJ management believes that the market for fractional ownership of aircraft programs is large and growing and will contribute to EJ's continued growth over the foreseeable future. EJ's executive offices are located in New Jersey, while most of its logistical and flight operations are based at Port Columbus International Airport in Columbus, Ohio. EJ's European operations are based in Lisbon, Portugal.

NON-INSURANCE BUSINESSES OF BERKSHIRE (CONTINUED)

RETAIL BUSINESSES -- Berkshire's retail businesses consist of several independently managed home furnishings and jewelry retail operations. Information regarding each of these operations follows.

The retail furniture businesses are the Nebraska Furniture Mart ("NFM"), R.C. Willey Home Furnishings ("R.C. Willey"), Star Furniture Company ("Star"), and Jordan's Furniture, Inc. ("Jordan's"). NFM is 80% owned by Berkshire, whereas R.C. Willey, Star and Jordan's are 100% owned by Berkshire. Berkshire has owned its interest in NFM since 1983, acquired R.C. Willey in 1995, Star in 1997 and Jordan's was acquired in 1999.

NFM, R.C. Willey, Star and Jordan's each offer a wide selection of furniture and accessories. In addition, NFM and R.C. Willey sell a full line of major household appliances, electronics, computers and other home furnishings. NFM, R.C. Willey, Star and Jordan's also offer customer financing to complement their retail operations. An important feature of each of these businesses is their ability to control costs and to produce high business volume from offerings of significant value to its customers.

NFM operates its business from a very large - approximately 525,000 square feet - retail complex and sizable warehouse and administrative facilities in Omaha, Nebraska. In 2001, construction began on a new warehouse in Omaha. The project will be completed in phases during 2002 and 2003. NFM's customers are drawn from a radius around Omaha of approximately 300 miles and it is the largest furniture retailer in the area. In 2000, NFM acquired Homemakers Furniture located in Des Moines, Iowa. Homemakers has two facilities that include approximately 235,000 square feet of retail space. NFM began the development of a new store near Kansas City, Missouri in 2001. The store will anchor a new retail and entertainment district and is expected to open in 2003.

R.C. Willey, founded in 1932 and based in Salt Lake City, is the dominant home furnishings retailer in Utah. R.C. Willey operates eight full retail stores, a distribution center and three clearance facilities. These facilities -- which include more than 928,000 square feet of retail space -- are strategically located throughout northern Utah, Meridian, Idaho, and Henderson, Nevada. R.C. Willey serves customers in four Western states. The Idaho store opened in August 1999 and the Nevada store opened in September 2001.

Star's retail, office and warehouse facilities, include about 540,000 square feet of retail space in nine locations. Six retail locations are in Houston, Texas where Star is a major furniture retailer in that market. Jordan's operates a furniture retail business from three locations, which total approximately 300,000 square feet of retail space, in Massachusetts and one in New Hampshire. Jordan's is believed to be the largest furniture retailer, as measured by sales, in the Massachusetts and New Hampshire areas. Jordan's is well known in its markets for its unique store arrangements and advertising campaigns.

Since 1989, Berkshire has owned an interest (currently 88%) in Borsheim's Jewelry Company ("Borsheim's"). From its single store located in Omaha, Nebraska, Borsheim's is a high volume retailer of fine jewelry, watches, crystal, china, stemware, flatware, gifts and collectibles. In 1995, Berkshire acquired Helzberg's Diamond Shops, Inc. ("Helzberg's"). Helzberg's, based in North Kansas City, Missouri, operates a chain of 234 retail jewelry stores in 34 states. Most of Helzberg's stores are located in malls or power strip centers, and operate under the name Helzberg Diamonds. In 2000, Berkshire acquired The Ben Bridge Corporation ("Ben Bridge Jeweler"). Ben Bridge Jeweler, based in Seattle, Washington, operates a chain of 66 upscale retail jewelry stores in 11 states, primarily in the Western United States, and including Hawaii and Alaska. Ben Bridge Jeweler stores are located primarily in major shopping malls.

SCOTT FETZER COMPANIES -- The Scott Fetzer Companies are a diversified group of 21 businesses that manufacture and distribute a wide variety of products for residential, industrial and institutional use. The two most significant of these businesses are Kirby home cleaning systems and Campbell Hausfeld.

Kirby's home cleaning systems are sold to approximately 740 independent authorized factory distributors in the United States and foreign countries. Sales are made through in-the-home demonstrations by independent salespeople. The distributors independently establish the prices at which they offer Kirby products. Kirby and its distributors believe they offer a premium product, and it is believed that prices are generally higher than most of its major competitors. Additionally, a wholly-owned subsidiary purchases consumer finance contracts from about 640 Kirby authorized factory distributors in the United States.

Campbell Hausfeld manufactures a variety of products including air compressors, air tools, painting systems, pressure washers and welders, which are marketed primarily to retailers and industrial products distributors. Scott Fetzer management believes that Campbell Hausfeld offers products that are a superior value to the consumer in comparison to its competitors.

SHAW INDUSTRIES -- Berkshire acquired Shaw Industries, Inc. ("Shaw") on January 8, 2001. Shaw, headquartered in Dalton, Georgia, is the world's largest carpet manufacturer based on both revenue and volume of production. Shaw designs and manufactures approximately 1,800 styles of tufted and woven carpet for residential and commercial use under about 20 brand and trade names and under certain private labels. Shaw's manufacturing operations are fully integrated from the processing of yarns through the finishing of carpet. Shaw's carpet is sold in a broad range of prices, patterns, colors and textures.

Shaw sells its wholesale products to over 53,000 retailers, distributors and commercial users throughout the United States, Canada and Mexico; through its own residential and commercial contract distribution channels to various residential and commercial end-users in the United States; and to a lesser degree, exports to additional overseas markets. Shaw also provides installation services and sells laminate flooring, ceramic tile and hardwood flooring.

Substantially all carpet manufactured by Shaw is tufted carpet made from nylon, polypropylene, polyester and wool. In the tufting process, yarn is inserted by multiple needles into a synthetic backing, forming loops which may be cut or left uncut, depending on the desired texture or construction. During 2001, Shaw processed approximately 97% of its requirements for carpet yarn in its own yarn processing facilities.

Shaw's wholesale products are marketed domestically by approximately 1,400 salaried and commissioned sales personnel directly to retailers and distributors and to large national accounts. Shaw's eight regional warehouse facilities and 16 redistribution centers, along with centralized management information systems, enable it to provide prompt delivery of its products to both its retail customers and wholesale distributors.

The floor covering industry is highly competitive with more than 200 companies engaged in the manufacture and sale of carpet in the United States and numerous manufacturers engaged in hard surface floor covering production and sales. According to industry estimates, carpet accounts for approximately 70% of the total United States production of all flooring types. The principal methods of competition within the floor covering industry are quality, style, price and service.

OTHER NON-INSURANCE BUSINESSES -- Berkshire's other non-insurance businesses consist of a wide array of businesses that engage in a variety of business activities. Additional information related to these businesses is as follows.

The BUFFALO NEWS publishes a Sunday edition and nine editions each weekday from its headquarters in Buffalo, New York.

SEE'S CANDIES produces boxed chocolates and other confectionery products with an emphasis on quality in two large kitchens in California.

INTERNATIONAL DAIRY QUEEN services a system of over 6,000 stores operating under the names Dairy Queen, Orange Julius and Karmelkorn that offer various dairy desserts, beverages, prepared foods, blended fruit drinks, popcorn and other snack foods.

Berkshire owns several shoe businesses including H.H. BROWN SHOE COMPANY, LOWELL SHOE COMPANY, DEXTER SHOE COMPANY, and JUSTIN BRANDS. Collectively, these businesses purchase or manufacture and distribute work shoes, western-style boots, men's and women's athletic footwear as well as other functional footwear products under a number of brand names.

CORT BUSINESS SERVICES CORPORATION was acquired in 2000 by an 80.1% owned subsidiary of Berkshire and is the leading national provider of rental furniture, accessories and related services in the growing and fragmented "rent-to-rent" segment of the furniture rental industry.

In March 2000, Berkshire acquired securities possessing 9.7% of the voting interest and 76% of the economic interest on a fully-diluted basis in MIDAMERICAN ENERGY HOLDINGS COMPANY ("MidAmerican"). Subsequent to year end 2001, Berkshire acquired additional securities in MidAmerican which increased its economic interest to approximately 80% on a fully-diluted basis. Additional information concerning this investment and MidAmerican's business activities is provided in Note 3 to the Registrant's Consolidated Financial Statements.

MidAmerican is a global energy company that generates, distributes and supplies energy to utilities, government entities, retail customers and other customers located throughout the world. MidAmerican's businesses include MidAmerican Energy Company ("MidAmerican Energy"), a regulated public utility principally engaged in the business of generating, transmitting, distributing and selling electric energy and in distributing, selling and transporting natural gas at the retail level in Iowa, Illinois, South Dakota and Nebraska. In addition to retail sales, MidAmerican Energy delivers electric energy to other utilities, marketers and municipalities, who distribute it to end-use customers.

Through its various subsidiaries, MidAmerican also distributes electricity and engages in other auxiliary businesses in the United Kingdom, operates geothermal power plants in the Philippines islands, and has interests in other power generating facilities in the United States. MidAmerican also owns a large residential real estate brokerage firm that operates in various states in the Midwest, Southwest and Southeast United States.

Berkshire Hathaway Inc., its subsidiaries and affiliates, employed approximately 110,000 persons on a full-time equivalent basis at December 31, 2001.

PENDING BUSINESS ACQUISITIONS

During the second half of 2001, Berkshire initiated two additional business acquisitions that had not closed as of December 31, 2001. Information concerning these transactions is provided below.

Effective February 8, 2002, Berkshire acquired for cash all of the outstanding shares of ALBECCA INC. ("Albecca"). Albecca is headquartered in Norcross, Georgia, and primarily does business under the Larson-Juhl name. Albecca designs, manufactures and distributes a complete line of high quality, branded custom framing products, including wood and metal moulding, matboard, foamboard, glass, equipment and other framing supplies.

On November 1, 2001, Berkshire announced that it had entered into an agreement with FRUIT OF THE LOOM, LTD. and Fruit of the Loom, Inc. (together the "FOL entities") to acquire the FOL entities' basic apparel business. The FOL entities are currently operating as debtors-in-possession pursuant to its Chapter 11 bankruptcy filing currently pending before the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court"). On January 2, 2002, the Bankruptcy Court issued an order determining Berkshire as the successful bidder for the FOL entities' basic apparel business. If the FOL reorganization plan is confirmed (such confirmation is currently scheduled for April 19, 2002), the closing will occur in the second quarter of 2002.

The FOL basic apparel business is a leading vertically integrated basic apparel company selling products principally under the Fruit of the Loom and BVD brand names. It is the market leader in men's and boys' underwear, and is one of the largest producers of activewear for the screenprint T-shirt and fleece market, women's and girls' underwear, casualwear, and childrenswear. As a vertically integrated manufacturer, the FOL basic apparel business performs most of its own yarn spinning, knitting, cloth finishing, and cutting operations. For the North American market, capital-intensive spinning, knitting and cutting operations are located in highly automated facilities in the United States, while labor-intensive sewing and finishing operations are performed by affiliated companies and are located in lower labor cost facilities in Central America, Mexico and the Caribbean. For the European market, capital-intensive manufacturing operations are done in Ireland and Northern Ireland; sewing is principally performed in Morocco. Products are sold primarily in North America through major discount chains and mass merchandisers. Competition in the underwear and activewear markets is generally based upon quality, price and delivery.

ADDITIONAL INFORMATION WITH RESPECT TO BERKSHIRE'S BUSINESSES

The amounts of revenue, operating profit and identifiable assets attributable to the aforementioned business segments are included in Note 19 to Registrant's Consolidated Financial Statements contained in Item 8, Financial Statements and Supplementary Data. Additional information regarding Registrant's investments in fixed maturity and marketable equity securities is included in Notes 4 and 5 to Registrant's Consolidated Financial Statements.

ITEM 2. PROPERTIES

The physical properties used by the Registrant and its significant business segments are summarized below:

Business	Location	Type of Property	Owned/ Leased	Approx. Square Footage
Berkshire	Omaha, NE	Corporate Offices	Leased	5,000
GEICO	Chevy Chase, MD, New York, Georgia, Texas, California, Florida & Virginia	Offices	Owned	2,800,000
	Various locations throughout the U.S.	Offices and drive-in claims facilities	Leased	250,000
General Re	Cologne, Germany and various non-U.S. locations	Offices	Owned	148,000
	Stamford, CT, various U.S. and non-U.S. locations	Offices	Leased	1,474,000
Berkshire Hathaway Reinsurance Group	Stamford, CT and 9 other locations in the U.S. and U.K.	Offices	Leased	75,000
Berkshire Hathaway Primary Insurance Group	Omaha, NE	Offices	Owned	81,000
	Omaha, NE & Wayne, PA and 12 other locations throughout the U.S. & U.K.	Offices	Leased	185,000
Building products	250 locations in 29 U.S. states, Canada, Mexico, Europe, Asia & Africa	Mfg. plants/Offices	Owned	16,888,000
		Mfg. plants/Offices	Leased	1,242,000
		Warehouses	Owned	3,648,000
		Warehouses	Leased	1,270,000
	97 locations in 13 U.S. states	Retail Stores	Leased	526,000
Finance and financial products	16 locations in 10 U.S. states, the U.K. and Mexico	Offices	Leased	189,000
	84 locations throughout the U.S., Canada & Mexico	Equipment storage lots	Owned	411 acres
			Leased	293 acres
Flight services	90 locations in 27 U.S. states, Canada, France, Monaco, Switzerland, Portugal and the U.K.	Offices/Training Facilities/Hangars	Owned	1,958,000
			Leased	611,000
	Oklahoma and Missouri	Mfg. plant	Owned	153,000
		Mfg. plant	Leased	135,000
Retail businesses				
Furniture	Omaha, NE, Salt Lake City, UT, Houston, TX, Avon, MA & 4 other U.S. states (28 stores)	Retail Stores	Owned	1,919,000
		Retail Stores	Leased	617,000
		Offices/Warehouses	Owned	2,239,000
		Offices/Warehouses	Leased	892,000
	Iowa	Mfg. plant	Owned	260,000
Jewelry	Omaha, NE, Kansas City, MO, Seattle, WA and 33 other	Retail Stores	Leased	710,000
		Offices	Owned	99,000

	U.S. states (301 stores)			
Scott Fetzer Companies	Cleveland, OH, & other locations in 13 U.S. states (45 locations)	Mfg. plants/ Warehouses/ Offices	Owned	2,316,000
		Warehouses/Offices	Leased	805,000
	Canada, England, Taiwan & Mexico	Warehouses/Offices	Leased	96,000

Business	Location	Type of Property	Owned/ Leased	Approx. Square Footage
Shaw Industries	143 locations in 28 U.S. states	Mfg. plants/Offices	Owned	15,489,000
		Mfg. plants/Offices	Leased	1,705,000
		Warehouses	Owned	6,105,000
		Warehouses	Leased	2,684,000
All other businesses	Various locations primarily in the U.S.	Mfg. plants/Offices/ Warehouses	Owned	3,957,000
		Mfg. plants/Offices/ Warehouses	Leased	4,343,000
	Approximately 387 locations primarily in the U.S.	Restaurants/Stores	Owned	390,000
		Restaurants/Stores	Leased	934,000

ITEM 3. LEGAL PROCEEDINGS

Litigation pending against the Company and its subsidiaries is not considered material or is ordinary routine litigation incidental to the business.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None

EXECUTIVE OFFICERS OF THE REGISTRANT

Following is a list of the Registrant's executive officers:

Name	Age	Position with Registrant	Since
Warren E. Buffett	71	Chairman of the Board	1970
Marc D. Hamburg	52	Vice President	1992
Charles T. Munger	78	Vice Chairman of the Board	1978

Each executive officer serves, in accordance with the by-laws of the Registrant, until the first meeting of the Board of Directors following the next annual meeting of shareholders and until his respective successor is chosen and qualified or until he sooner dies, resigns, is removed or becomes disqualified. Mr. Buffett and Mr. Munger also serve as directors of the Registrant.

Part II

ITEM 5. MARKET FOR REGISTRANT'S COMMON STOCK AND RELATED SECURITY HOLDER MATTERS

MARKET INFORMATION

Berkshire's Class A and Class B Common Stock are listed for trading on the New York Stock Exchange, trading symbol: BRK.A and BRK.B. The following table sets forth the high and low sales prices per share, as reported on the New York Stock Exchange Composite List during the periods indicated:

	2001				2000			
	Class A		Class B		Class A		Class B	
	High	Low	High	Low	High	Low	High	Low
First Quarter........	$74,600	$63,000	$2,475	$2,085	$58,000	$40,800	$1,888	$1,351
Second Quarter.......	69,800	62,800	2,330	2,075	60,800	51,800	1,975	1,660
Third Quarter........	70,900	59,000	2,367	1,977	64,400	51,600	2,086	1,706
Fourth Quarter.......	75,600	66,600	2,525	2,210	71,300	53,500	2,375	1,761

SHAREHOLDERS

Berkshire had approximately 8,500 record holders of its Class A Common Stock and 14,000 record holders of its Class B Common Stock at March 6, 2002. Record owners included nominees holding at least 400,000 shares of Class A Common Stock and 5,500,000 shares of Class B Common Stock on behalf of beneficial-but-not-of-record owners.

DIVIDENDS

Berkshire has not declared a cash dividend since 1967.

ITEM 6. SELECTED FINANCIAL DATA

SELECTED FINANCIAL DATA FOR THE PAST FIVE YEARS

(dollars in millions, except per share data)

	2001	2000	1999	1998	1997
REVENUES:					
Insurance premiums earned	$ 17,905	$ 19,343	$ 14,306	$ 5,481	$ 4,761
Sales and service revenues	14,902	7,361	5,918	4,675	3,615
Interest, dividend and other investment income	2,930	2,791	2,314	1,049	916
Income from finance and financial products businesses	568	556	125	212	32
Realized investment gain (1)	1,363	3,955	1,365	2,415	1,106
Total revenues	$ 37,668	$ 34,006	$ 24,028	$ 13,832	$ 10,430
EARNINGS:					
Before realized investment gain	$ (47)(4)	$ 936	$ 671	$ 1,277	$ 1,197
Realized investment gain (1)	842	2,392	886	1,553	704
Net earnings	$ 795	$ 3,328	$ 1,557	$ 2,830	$ 1,901
EARNINGS PER SHARE:					
Before realized investment gain	$ (30)(4)	$ 614	$ 442	$ 1,021	$ 971
Realized investment gain (1)	551	1,571	583	1,241	571
Net earnings	$ 521	$ 2,185	$ 1,025	$ 2,262	$ 1,542
YEAR-END DATA (2):					
Total assets	$ 162,752	$ 135,792	$ 131,416	$ 122,237	$ 56,111
Borrowings under investment agreements and other debt (3)	3,485	2,663	2,465	2,385	2,267
Shareholders' equity	57,950	61,724	57,761	57,403	31,455
Class A equivalent common shares outstanding, in thousands	1,528	1,526	1,521	1,519	1,234
Shareholders' equity per outstanding Class A equivalent share	$ 37,920	$ 40,442	$ 37,987	$ 37,801	$ 25,488

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(1) The amount of realized investment gain/loss for any given period has no predictive value, and variations in amount from period to period have no practical analytical value, particularly in view of the unrealized appreciation now existing in Berkshire's consolidated investment portfolio.

(2) Year-end data for 1998 includes General Re Corporation acquired by Berkshire on December 21, 1998.

(3) Excludes borrowings of finance businesses.

(4) Includes pre-tax underwriting loss of $2.4 billion in connection with the September 11, 2001 terrorist attack. Such loss reduced net earnings by approximately $1.5 billion and earnings per share by $982.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

RESULTS OF OPERATIONS

Net earnings for each of the past three years are disaggregated in the table that follows. Amounts are after deducting minority interests and taxes.

	-- (dollars in millions)-- 2001	2000	1999
Insurance -- underwriting	$(2,662)	$(1,041)	$ (897)
Insurance -- investment income	1,968	1,946	1,769
Non-insurance businesses	1,305	891	513
Interest expense	(60)	(61)	(70)
Goodwill amortization and other purchase-accounting adjustments	(603)	(818)	(648)
Other	5	19	4
Earnings before realized investment gain	(47)	936	671
Realized investment gain	842	2,392	886
Net earnings	$ 795	$ 3,328	$ 1,557

The business segment data (Note 19 to Consolidated Financial Statements) should be read in conjunction with this discussion.

INSURANCE -- UNDERWRITING

A summary follows of underwriting results from Berkshire's insurance businesses for the past three years.

	-- (dollars in millions)-- 2001	2000	1999
Underwriting gain (loss) attributable to:			
GEICO	$ 221	$ (224)	$ 24
General Re	(3,671)	(1,254)	(1,184)
Berkshire Hathaway Reinsurance Group	(647)	(162)	(251)
Berkshire Hathaway Primary Insurance Group	30	25	17
Underwriting loss-- pre-tax	(4,067)	(1,615)	(1,394)
Income taxes and minority interest	(1,405)	(574)	(497)
Net underwriting loss	$(2,662)	$(1,041)	$ (897)

Berkshire engages in both primary insurance and reinsurance of property and casualty risks. Through General Re, Berkshire also reinsures life and health risks. In primary insurance activities, Berkshire subsidiaries assume defined portions of the risks of loss from persons or organizations that are directly subject to the risks. In reinsurance activities, Berkshire subsidiaries assume defined portions of similar or dissimilar risks that other insurers or reinsurers have subjected themselves to in their own insuring activities. Berkshire's principal insurance businesses are: (1) GEICO, the sixth largest auto insurer in the United States, (2) General Re, one of the four largest reinsurers in the world, (3) Berkshire Hathaway Reinsurance Group ("BHRG") and (4) Berkshire Hathaway Primary Insurance Group. Berkshire's management views insurance businesses as possessing two distinctive operations -- underwriting and investment. Accordingly, Berkshire evaluates performance of underwriting operations without any allocation of investment income.

Berkshire's reinsurance businesses recorded significant underwriting losses as a result of the September 11, 2001 terrorist attack. In the aggregate, Berkshire's reinsurance businesses recorded pre-tax underwriting losses of about $2.4 billion related to the terrorist attack. The losses recorded are based upon estimates and, therefore, are subject to considerable estimation error. Over time, claims will be paid and additional information will be revealed that will result in re-estimation of the ultimate amount of losses incurred. Changes in reserve estimates are included in earnings as a component of losses and loss expenses incurred in the period of the change. Additional information related to these losses is included in the discussion that follows.

INSURANCE-- UNDERWRITING (Continued)

A significant marketing strategy followed by all these businesses is the maintenance of extraordinary capital strength. Statutory surplus as regards policyholders of Berkshire's insurance businesses totaled approximately $27.2 billion at December 31, 2001. This superior capital strength creates opportunities, especially with respect to reinsurance activities, to negotiate and enter into contracts of insurance specially designed to meet unique needs of sophisticated insurance and reinsurance buyers. Additional information regarding Berkshire's insurance and reinsurance operations follows.

GEICO

GEICO provides primarily private passenger automobile coverages to insureds in 48 states and the District of Columbia. GEICO policies are marketed mainly by direct response methods in which customers apply for coverage directly to the company over the telephone, through the mail or via the Internet. This is a significant element in GEICO's strategy to be a low cost insurer and, yet, provide high value to policyholders.

GEICO's underwriting results for the past three years are summarized below.

	-- (dollars in millions)--					
	2001		2000		1999	
	Amount	%	Amount	%	Amount	%
Premiums written	$ 6,176		$ 5,778		$ 4,953	
Premiums earned	$ 6,060	100.0	$ 5,610	100.0	$ 4,757	100.0
Losses and loss expenses	4,842	79.9	4,809	85.7	3,815	80.2
Underwriting expenses	997	16.5	1,025	18.3	918	19.3
Total losses and expenses	5,839	96.4	5,834	104.0	4,733	99.5
Underwriting gain (loss)-- pre-tax	$ 221		$ (224)		$ 24	

Premiums earned by GEICO in 2001 totaled $6,060 million, an 8.0% increase over 2000. Premiums earned in 2000 exceeded premiums earned in 1999 by 17.9%. The growth in premiums earned during 2001 reflects increased rates, partially offset by a slight reduction in policies-in-force. In response to the underwriting losses of 2000, GEICO implemented rate increases in many states and tightened underwriting resulting in the much improved underwriting results in 2001.

Voluntary auto policies-in-force at December 31, 2001 declined 0.8% from December 31, 2000. In comparison, voluntary policies-in-force increased 8.5% during 2000 and 21.5% during 1999. During 2001, policies-in-force increased 1.6% in the preferred risk auto market and decreased 10.1% in the standard and nonstandard auto lines. Voluntary auto new business sales in 2001 decreased 30.2% from 2000 due to decreased advertising and a lower closure ratio.

Losses and loss adjustment expenses incurred increased 0.7% to $4,842 million in 2001. The loss ratio for property and casualty insurance, which measures the portion of premiums earned that is paid or reserved for losses and related claims handling expenses, was 79.9% in 2001 compared to 85.7% in 2000. The lower ratio reflects the effect of premium rate increases and tightened underwriting standards. Additionally, the rate of increase in claim severity (the cost per claim) slowed in 2001 and the frequency of accidents decreased in many coverages compared to the prior year. The mild winter weather conditions during the fourth quarter of 2001 also contributed to the relatively low loss ratio. Catastrophe losses added slightly less than 1 point to the loss ratio in each of the past three years.

GEICO's insurance subsidiaries are defendants in a number of class action lawsuits related to the use of replacement repair parts not produced by the original auto manufacturer, the calculation of "total loss" value and whether to pay diminished value as part of the settlement of certain claims. Management intends to vigorously defend GEICO's position on these claim settlement procedures. However, these lawsuits are in various stages of development and the ultimate outcome cannot be reasonably determined.

Underwriting expenses incurred in 2001 decreased $28 million (2.7%) from 2000, following an increase of $107 million (11.7%) in 2000 over 1999. Advertising expense declined significantly in 2001 from 2000 following a large increase in 2000 over 1999. Although advertising expense declined in 2001, the unit cost of acquiring new business continued to increase in 2001 as fewer new policies were written in relation to quotes. Other underwriting expenses for 2001 also reflect lower profit sharing expense in 2001.

Throughout 2001, GEICO focused on improving underwriting profitability, but did so at the expense of growth. Entering 2002, rates are believed to be adequate in nearly all states and GEICO is in a better position to grow as many competitors are expected to take rate increases.

General Re

General Re conducts a global reinsurance business, which provides reinsurance coverage in the United States and 135 other countries around the world. General Re's principal reinsurance operations are: (1) North American property/casualty, (2) international property/casualty, and (3) global life/health. The international property/casualty operations are conducted primarily through Germany-based Cologne Re and its subsidiaries. At December 31, 2001, General Re had an 88% economic ownership interest in Cologne Re.

General Re's consolidated underwriting results for the past three years are summarized below. Dollar amounts are in millions.

	2001	2000(1)	1999
	Amount	Amount	Amount
Premiums earned	$ 8,353	$ 8,696	$ 6,905
Underwriting loss -- pre-tax	$(3,671)	$(1,254)	$(1,184)

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(1) During the fourth quarter of 2000, the international property/casualty and global life/health operations discontinued reporting their results on a one-quarter lag. Consequently, General Re's 2000 results include one additional quarter for these businesses. See Note 1(a) to the accompanying Consolidated Financial Statements for additional information.

Since Berkshire's acquisition in 1998, General Re's overall underwriting results have been very poor. Over this period, increases in loss costs accelerated and outpaced pricing corrections. Losses from the September 11th terrorist attack severely impacted the results as General Re recorded aggregate net losses of approximately $1.9 billion related to the terrorist attack. During 2001, it was determined that reserve estimates established for claims arising in prior years with respect to the North American property/casualty business were insufficient. As a result, an $800 million underwriting loss was recorded.

General Re's management has taken several underwriting actions relative to better aligning premium rates with coverage terms over the past two years. However, as evidenced by the 2001 results, additional actions will be required to achieve targeted break-even underwriting results. Information with respect to each of General Re's underwriting units is presented below. In the tables that follow, dollar amounts are in millions.

General Re's North American property/casualty underwriting results for the past three years are summarized below.

	-- (dollars in millions)--					
	2001		2000		1999	
	Amount	%	Amount	%	Amount	%
Premiums written	$ 4,172		$ 3,517		$ 2,801	
Premiums earned	$ 3,968	100.0	$ 3,389	100.0	$ 2,837	100.0
Losses and loss expenses	5,795	146.0	3,161	93.3	2,547	89.8
Underwriting expenses	1,016	25.6	884	26.1	874	30.8
Total losses and expenses	6,811	171.6	4,045	119.4	3,421	120.6
Underwriting loss -- pre-tax ...	$(2,843)		$ (656)		$ (584)	

General Re's North American property/casualty operations underwrite predominantly excess reinsurance across multiple lines of business. Premiums earned in 2001 exceeded premiums earned in 2000 by $579 million or 17.1%. Earned premiums in 2000 increased over 1999 levels by $552 million or 19.5%. Much of the increase in premiums derived from rate increases and new business (net of the non-renewal of unprofitable business) in the facultative individual risk and casualty treaty markets. Earned premiums in 2001 include $400 million from one retroactive reinsurance contract and a large quota share agreement. An aggregate excess reinsurance contract generated earned premiums of $404 million in 2000 and $154 million in 1999. The North American property/casualty operations generated underwriting losses of $2,843 million in 2001, $656 million in 2000 and $584 million in 1999. The underwriting results in 2001 reflect an exceptionally large loss from the September 11th terrorist attack and charges from revisions to inadequate loss reserve estimates established for pre-2001 claims primarily driven by higher than expected levels of reported claims.

Underwriting results for 2001 include approximately $1.54 billion of net losses from the September 11th terrorist attack. While the potential impact of catastrophes and other large individual property losses is normally factored into reinsurance prices, past pricing did not consider the unprecedented magnitude of possible losses arising from the terrorist acts. The severity of the losses arising from the September 11th attack underscored that risks of this kind were not contemplated in premium rates. Lines of business that previously were expected to have little correlation were adversely affected in the same event to an unforeseen degree. Claims arising from other catastrophes and large individual property losses ($20 million or greater) in 2001, 2000 and 1999 periods were $87 million, $53 million and $202 million, respectively. In addition, during 2001 General Re recorded $46 million of estimated losses associated with Enron-related liability coverages.

Results in 2001 also included $800 million of net underwriting losses arising from increases to loss reserve estimates for loss events occurring in 2000 and prior years. The reserve increases occurred in almost all casualty lines of business, including commercial umbrella, professional liability, medical malpractice, general liability, and workers compensation. Long-tail liabilities such as these, particularly reinsurance lines, are inherently difficult to estimate, and while management now believes that reserves are now approximately correct, there are no guarantees. In 2000, underwriting results for the traditional reinsurance operations also included underwriting losses from increases to prior years' reserves of about $92 million, arising primarily in the medical malpractice, commercial umbrella and casualty treaty reinsurance lines. In 1999, North American property/casualty results included a small gain from the reduction of prior years' loss reserve estimates.

Underwriting results for 2000 also included a net underwriting loss of $239 million from a large excess reinsurance contract in-force during 1999 and 2000. The effect of this agreement on the 1999 net underwriting results was not significant due to a retrocession to the Berkshire Hathaway Reinsurance Group. Although, this contract produced a sizable underwriting loss, it is expected to provide more than commensurate investment benefits in future years due to the large amount of float generated.

General Re's international property/casualty underwriting results for the past three years are summarized below.

	-- (dollars in millions)--							
	2001		2000(1)		2000(2)		1999	
	Amount	%	Amount	%	Amount	%	Amount	%
Premiums written	$ 2,553		$ 3,036		$ 2,505		$ 2,506	0
Premiums earned	$ 2,397	100.0	$ 3,046	100.0	$ 2,478	100.0	$ 2,343	100.0
Losses and loss expenses	2,413	100.7	2,577	84.6	2,091	84.4	2,041	87.1
Underwriting expenses	730	30.4	987	32.4	803	32.4	775	33.1
Total losses and expenses	3,143	131.1	3,564	117.0	2,894	116.8	2,816	120.2
Underwriting loss -- pre-tax .	$ (746)		$ (518)		$ (416)		$ (473)	

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(1) Column includes 15 months of data due to elimination of one-quarter lag reporting in 2000.

(2) Column includes 12 months reported on a one-quarter lag and is shown for comparability with 1999.

The international property/casualty operations write quota-share and excess reinsurance on risks around the world. In recent years, the largest international markets have been in Germany and Western Europe. As previously noted, the international property/casualty operations discontinued reporting their results on a one-quarter lag during the fourth quarter of 2000. Results for the 2000 period contain fifteen months, or one additional quarter of information (fourth quarter of 1999 plus four quarters of 2000). The preceding table shows underwriting results for both the twelve month and fifteen month periods. The comparative analysis that follows excludes the additional quarter.

Earned premiums in 2001 decreased from 2000 amounts by 3.3%, whereas 2000 earned premiums exceeded 1999 levels by 5.8%. Adjusting for the effects of overall declining foreign exchange rates, earned premiums in local currencies increased 3.9% during 2001, 16.7% during 2000 and 12.0% during 1999. Growth in 2001 premiums was primarily due to increased premiums in Lloyd's Syndicate 435 and in the U.K. casualty treaty business, partially offset by decreased premiums in Latin America and at Cologne Re. The decrease at Cologne Re relates primarily to the non-renewal of unprofitable treaty business. Earned premium growth in 2000 was principally attributable to premiums to reinstate coverage as a result of the 1999 European winter storm losses as well as increases in Lloyd's Syndicate 435.

Underwriting results for General Re's international property/casualty businesses have been unsatisfactory. Included in 2001 underwriting results were

$500 million of gross and $313 million of net losses related to the September 11th terrorist attack. Other international property/casualty net underwriting losses were $433 million in 2001, including a loss of $143 million from an explosion at a steel plant in the United Kingdom. Catastrophe and other large individual property losses for 2000 and 1999 were $80 million and $112 million, respectively. Underwriting losses in 1999 also included approximately $100 million related to credit coverages for the motion picture business. Due to the large amount of property business written in the international property/casualty operations, periodic underwriting results will be volatile.

General Re conducts reinsurance business in Argentina through a wholly-owned subsidiary. Currently, Argentina is in the midst of an economic and political crisis. Since the beginning of 2002, the Argentine government has significantly devalued the peso relative to the U.S. dollar. It is still uncertain what effect this and other actions that may be taken will have on the international property/casualty business.

General Re's global life/health underwriting results for the past three years are summarized below.

	-- (dollars in millions)--							
	2001		2000(1)		2000(2)		1999	
	Amount	%	Amount	%	Amount	%	Amount	%
Premiums written	$ 2,005		$ 2,263		$1,781		$ 1,736	
Premiums earned	$ 1,988	100.0	$ 2,261	100.0	$1,773	100.0	$ 1,725	100.0
Losses and loss expenses	1,625	81.7	1,869	82.6	1,473	83.1	1,434	83.2
Underwriting expenses	445	22.4	472	20.9	384	21.6	418	24.2
Total losses and expenses	2,070	104.1	2,341	103.5	1,857	104.7	1,852	107.4
Underwriting loss -- pre-tax .	$ (82)		$ (80)		$ (84)		$ (127)	

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(1) Column includes 15 months of data due to elimination of one-quarter lag reporting in 2000.

(2) Column includes 12 months reported on a one-quarter lag and is shown for comparability with 1999.

General Re's global life/health affiliates reinsure such risks worldwide. Global life/health operations previously reported their results on a one-quarter lag. As previously noted, the global life/health operations discontinued reporting results on a one-quarter lag during the fourth quarter of 2000. Reported results for 2000 contain fifteen months. The table above shows underwriting results for both the twelve-month and fifteen-month periods. The analysis that follows excludes this additional quarter.

In 2001, earned premiums in the U.S. life/health business increased $194 million (20%) to $1,147 million. In 2000, U.S. life/health premiums exceeded amounts earned in 1999 by $28 million (3.0%). The increase in 2001 was primarily related to increases in the U.S. life business and the acquisition of two Medicare supplement (health) blocks of business. In 2001, premiums from international life/health business increased $21 million (3%) to $841 million. In 2000, international life/health premiums exceeded 1999 by $20 million (3.0%). Adjusting for the effect of foreign exchange, international life/health earned premiums increased 10.4% in 2001 and 14.8% in 2000. The increases in 2001 occurred primarily in the Western Europe and Asia life markets.

Underwriting losses in the U.S. life/health operations were $87 million in 2001, compared with losses of $23 million in 2000 and $117 million in 1999. The U.S. life/health underwriting results for 2001 include $15 million of net losses related to the September 11th terrorist attack. Results for the U.S. life/health reinsurance operations include $46 million of reserve increases related primarily to special risk business, which was discontinued in 1999. Partially offsetting the aforementioned losses were the effects of improved mortality in the U.S. individual life business, favorable claim development and rate increases in the U.S. individual health business.

International life/health operations generated an underwriting gain of $5 million in 2001 compared to losses of $61 million in 2000 and $10 million in 1999. In 2001, improved results were achieved in both the life and health businesses, which each reported a small underwriting profit in 2001. The losses in 2000 primarily related to personal accident and pension lines of business.

Berkshire Hathaway Reinsurance Group

The Berkshire Hathaway Reinsurance Group ("BHRG") underwrites principally excess-of-loss reinsurance coverages for insurers and reinsurers around the world. BHRG is believed to be one of the leaders in providing catastrophe excess-of-loss reinsurance. In addition, over the past three years, BHRG has generated significant premium volume from a few very sizable retroactive reinsurance contracts.

Underwriting results for the past three years are summarized in the following table.

	-- (dollars in millions)--					
	2001		2000		1999	
	Amount	%	Amount	%	Amount	%
Premiums written	$ 3,254		$ 4,732		$ 2,418	
Premiums earned	$ 2,991	100.0	$ 4,712	100.0	$ 2,387	100.0
Losses and loss expenses	3,443	115.1	4,759	101.0	2,572	107.8
Underwriting expenses	195	6.5	115	2.4	66	2.7
Total losses and expenses	3,638	121.6	4,874	103.4	2,638	110.5
Underwriting loss -- pre-tax .	$ (647)		$ (162)		$ (251)	

Premiums earned by BHRG were $2,991 million in 2001, $4,712 million in 2000 and $2,387 million in 1999. Premiums earned from retroactive coverages were $1,993 million in 2001, $3,944 million in 2000 and $1,507 million in 1999. Premiums earned from catastrophe and non-retroactive reinsurance business totaled $998 million in 2001, $768 million in 2000 and $880 million in 1999. Of these amounts, catastrophe reinsurance policies contributed $511 million in 2001 and $314 million in both 2000 and 1999. In 2001, premiums earned from these businesses include BHRG's participation in Lloyd's Syndicate 1861. Otherwise, the non-catastrophe premiums earned in each year derive from a few sizable quota-share and excess contracts.

BHRG's underwriting losses in 2001 were $647 million, compared to losses of $162 million in 2000 and $251 million in 1999. Underwriting losses from retroactive reinsurance contracts totaled $371 million in 2001, $191 million in 2000 and $ 97 million in 1999. Retroactive reinsurance contracts indemnify ceding companies for losses arising under insurance or reinsurance contracts written in the past, usually many years ago. Consequently, these contracts are often expected to provide indemnification of environmental and other latent injury claims. While contract terms vary, losses under the contracts are subject to a very large aggregate dollar limit, occasionally exceeding $1 billion under a single contract.

Generally, it is also anticipated, although not assured, that claims under retroactive contracts will be paid over long time periods. As a result, premiums are, in part, discounted for time value. However, when written, these contracts do not produce an underwriting loss for financial reporting purposes because the excess of the estimated ultimate claims payable over the premiums earned is established as a deferred charge. The deferred charge is subsequently amortized over the expected claim settlement periods and is included as a component of losses incurred. When written, retroactive reinsurance contracts are expected to generate significant underwriting losses over time due to the amortization of these deferred charges. Nevertheless, this business is accepted due to the exceptionally large amounts of float generated. Unamortized deferred charges under BHRG contracts were $3.1 billion as of December 31, 2001 compared to $2.6 billion at December 31, 2000. It is currently expected that losses incurred in 2002 will include about $400 million of deferred charge amortization.

The catastrophe and other non-retroactive reinsurance businesses generated an underwriting loss of $276 million in 2001, an underwriting gain of $29 million in 2000 and an underwriting loss of $154 million in 1999. The underwriting loss for 2001 includes a net loss of approximately $530 million from the terrorist attack on September 11th. Partially offsetting this loss were profits from the remainder of the catastrophe reinsurance business and loss reserve reductions on contracts written in prior years. In 2000 and 1999, the catastrophe reinsurance business generated underwriting gains of $183 million and $196 million, respectively, reflecting relatively minor amounts of catastrophe losses. The timing and magnitude of catastrophe losses can produce considerable volatility in periodic underwriting results.

In 2000 and 1999, underwriting losses included $186 million and $220 million, respectively, from an aggregate excess contract covering losses occurring in those years. In 1999, BHRG recorded an additional underwriting loss of $126 million from business assumed from General Re related to a similar arrangement written by General Re in that year. Similar to retroactive reinsurance contracts, premiums under these contracts are in part, discounted for time value as losses are often expected to be paid over lengthy periods.

Unlike retroactive contracts, no deferred charges are recorded and thus underwriting losses result as premiums are earned. However, similar to the retroactive contracts, this business was accepted because of the large amounts of float generated.

Berkshire Hathaway Primary Insurance Group

Berkshire's other primary insurance businesses consist of a wide variety of smaller insurance businesses that principally write liability coverages for commercial accounts. These businesses include: National Indemnity Company's primary group operation ("NICO Primary Group"), a writer of motor vehicle and general liability coverages; United States Investment Corporation ("USIC"), acquired by Berkshire in August 2000 and whose subsidiaries underwrite specialty insurance coverages; a group of companies referred to internally as "Homestate" operations, providers of standard multi-line insurance, and Central States Indemnity Company, a provider of credit and disability insurance to individuals nationwide through financial institutions.

Collectively, Berkshire's other primary insurance businesses produced earned premiums of $501 million in 2001, $325 million in 2000 and $257 million in 1999. The increases in premiums earned during the past two years was largely attributed to the inclusion of USIC's business beginning in August 2000. During 2001, increased premiums were also earned by the NICO Primary Group and Homestate businesses. Net underwriting gains of Berkshire's other primary insurance businesses totaled $30 million in 2001, $25 million in 2000 and $17 million in 1999. The improvement in year-to-year comparative underwriting results was due in large part to USIC.

INSURANCE -- INVESTMENT INCOME

Following is a summary of the net investment income of insurance operations for the past three years.

	-- (dollars in millions)-- 2001	2000	1999
Investment income before taxes	$2,824	$2,773	$2,489
Applicable income taxes and minority interest	856	827	720
Investment income after taxes and minority interest .	$1,968	$1,946	$1,769

Investment income from insurance operations in 2001 increased $51 million (1.8%) over 2000. Investment income in 2000 exceeded amounts earned in 1999 by $284 million (11.4%). As discussed in Note 1(a) to the Consolidated Financial Statements, results for 2000 include five quarters with respect to General Re's international reinsurance operations. Pre-tax investment income in 2000 includes $103 million related to that extra quarter. Invested assets decreased during 2001 by $4 billion to $72 billion at December 31. The decrease in invested assets was primarily attributed to a $6 billion decline in the market values of Berkshire's major equity investments and $4 billion in dividends paid to Berkshire during the year. Partially offsetting these declines was an increase in investments from an increase in float generated by insurance operations. Float represents an estimate of the amount of funds ultimately payable to policyholders that is available for investment.

The total float at December 31, 2001 was approximately $35.5 billion compared to about $27.9 billion at December 31, 2000. Although the increase in float during 2001 was significant, its cost, represented by the pre-tax underwriting loss over the average float, was also significant. Due to the magnitude of underwriting losses in 2001, the cost of float was about 12.8%. In 2000, the cost of float was approximately 6.0%. Pre-tax investment income in 2001 was also adversely affected by declining interest rates, particularly for short to medium term investments.

NON-INSURANCE BUSINESSES

A summary follows of results from Berkshire's non-insurance businesses for the past three years.

	-- (dollars in millions)-- 2001		2000		1999	
	Amount	%	Amount	%	Amount	%
Revenues	$15,604	100	$7,994	100	$6,035	100
Cost and expenses	13,498	87	6,594	83	5,205	86
Operating profit	2,106	13	1,400	17	830	14
Income taxes and minority interest .	801	5	509	6	317	5
Contribution to net earnings	$ 1,305	8	$ 891	11	$ 513	9

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A comparison of revenues and operating profits between 2001, 2000 and 1999 for the non-insurance businesses follows.

	-- (dollars in millions)--					
		Revenues			Operating Profits	
Non-Insurance Businesses	2001	2000	1999	2001	2000	1999
Building products	$ 3,269	$ 178	--	$ 461	$ 34	--
Finance and financial products .	519	530	$ 117	519	530	$117
Flight services	2,563	2,279	1,856	186	213	225
Retail	1,998	1,864	1,402	175	175	130
Scott Fetzer Companies	914	963	1,021	129	122	147
Shaw Industries	4,012	--	--	292	--	--
Other businesses	2,329	2,180	1,639	344	326	211
	$15,604	$7,994	$6,035	$2,106	$1,400	$830

2001 compared to 2000

Berkshire's numerous non-insurance businesses grew significantly through the acquisition of several businesses in 2000 and 2001. As a result, in 2001 there are two new significant non-insurance business segments. One new segment is Shaw Industries ("Shaw"), in which Berkshire acquired an approximately 87.3% interest on January 8, 2001. (Subsequent to December 31, 2001, Berkshire acquired the remaining interest in Shaw.) In addition, the building products segment consists of four recently acquired businesses (MiTek Inc., acquired July 31, 2001, Johns Manville, acquired February 27, 2001, Benjamin Moore, acquired in December 2000 and Acme Building Brands, acquired in August 2000). Also, Berkshire's finance and financial products businesses are being presented as a segment which in 2001 includes XTRA Corporation from the date acquired of September 20, 2001. Berkshire also acquired Ben Bridge Jeweler in July 2000, which is included as part of Berkshire's retailing segment. Other businesses acquired in 2000 include CORT Business Services (February 2000), Justin Brands (August 2000) and MidAmerican Energy Holdings Company (March 2000). The results of each of the aforementioned businesses are reflected in Berkshire's earnings from their respective acquisition dates.

Additional information regarding each significant business acquisition is contained in Notes 2 and 3 of the Consolidated Financial Statements. In general, many of Berkshire's non-insurance businesses have been adversely affected by the general economic slowdown in the United States during 2001 and exacerbated by the effects of the terrorist attack on September 11, 2001. Nevertheless, Berkshire's management considers that most of its non-insurance businesses have performed well under these difficult conditions. The following is a discussion of significant matters impacting comparative results for the non-insurance businesses.

Building products

Berkshire's building products businesses include Johns Manville, acquired on February 27, 2001, Benjamin Moore, acquired in December 2000, Acme Brick, acquired in August 2000, and MiTek Inc., acquired July 31, 2001. Each of these businesses manufactures and distributes products and services for the residential and commercial construction and home improvement markets. Revenues of the building products group in 2001 totaled $3,269 million and pre-tax operating profits of the building products group in 2001 totaled $461 million.

Building products (Continued)

On a comparative full year basis, building products revenues were $3,746 million roughly unchanged from the prior year. Full year operating profits of approximately $570 million declined about 4%. Most of the decline occurred at Johns Manville where comparative results were negatively impacted by higher raw material prices and energy costs.

Finance and financial products

Several finance and financial products businesses are included in this segment. Generally, these businesses invest in various types of fixed-income securities, loans, leases and other financial instruments, often utilizing leverage or borrowed funds in the process. The most significant of these businesses are BH Finance, a business engaged in proprietary trading strategies, General Re Securities ("GRS"), a dealer in derivative contracts and XTRA Corporation, a transportation equipment leasing business.

Operating income of the finance and financial products group in 2001 decreased $11 million (2.1%) as compared to 2000. Income of BH Finance in 2001 declined $39 million from 2000. In 2001, interest income, net of interest expense, of BH Finance increased significantly, but was more than offset by reduced realized investment gains. Realized gains in 2000 derived from the disposition of a large portfolio of fixed income securities. Under the current market conditions, BH Finance should continue to produce significant operating profits in 2002.

GRS's operating profit in 2001 was $11 million compared to a loss of $63 million in 2000. In January 2002, management announced that it would commence a long-term run-off of GRS. During the run-off period, GRS will limit new business to certain risk management transactions and will unwind existing asset and liability positions in an orderly manner. It is expected that the run-off will take several years to complete. It is currently unknown what impact this decision may have on operating results in 2002.

In 2001, Berkshire's finance and financial products businesses also include the results of Berkadia LLC. In 2001, the operating results included a pre-tax loss of $40 million from Berkadia. Such loss was caused by a loss from Berkadia's application of the equity method of accounting related to its investment in FINOVA common stock partially offset by net interest income. The structure of this transaction and risks associated with this transaction are described in Note 9 to the Consolidated Financial Statements.

Flight services

This segment includes FlightSafety and Executive Jet. FlightSafety provides high technology training to operators of aircraft and ships. FlightSafety's worldwide clients include corporations, the military and government agencies. Executive Jet is the world's leading provider of fractional ownership programs for general aviation aircraft. Revenues from flight services in 2001 increased $284 million (12.4%) over 2000. About 83% of the increase in revenues was attributed to Executive Jet, which produced significant increases in revenues from both flight operations and aircraft sales. Revenues from FlightSafety also increased approximately 7.7% in 2001 as compared to 2000, reflecting both increased training revenues and product sales. Operating profits in 2001 decreased $27.1 million (12.8%) as compared to 2000. Increased operating profits at FlightSafety were more than offset by reduced operating profits at Executive Jet. Executive Jet's results in 2001 and 2000 reflect operating losses related to expansion into Europe as well as significantly higher operating costs incurred to insure that a premier level of safety, security and service is maintained. The increases in safety and security costs were exacerbated by the September 11th terrorist attack.

Retail

Berkshire's retailing businesses consist of four independently managed retailers of home furnishings (Nebraska Furniture Mart and its subsidiaries ("NFM"), R.C. Willey Home Furnishings ("RC Willey"), Star Furniture and Jordan's Furniture) and three independently managed retailers of fine jewelry (Borsheim's Jewelry, Helzberg's Diamond Shops, and Ben Bridge Jeweler).

Retail (Continued)

Revenues of the retail businesses in 2001 increased $134 million (7.2%) as compared to 2000 and operating profits in 2001 of $175 million were unchanged from 2000. The increase in revenues was attributed to the inclusion of a full year of results for Ben Bridge, the acquisition of a relatively small furniture retailer by NFM in November 2000 and sales from a new store opened in 2001 by RC Willey in Henderson, Nevada. Otherwise, same store sales for the home furnishing retailers were relatively unchanged between years and same store sales for the fine jewelry retailers declined 7.6%. Home furnishings comparative pre-tax earnings were relatively unchanged between years and pre-tax earnings declined at each of the jewelry businesses. The economic recession that developed during 2001 and weak post-September 11th retail sales are believed to be the primary causes for these results.

Scott Fetzer Companies

The Scott Fetzer companies are a group of about twenty diverse manufacturing and distribution businesses under common management. Principal businesses in this group of companies sell products under the Kirby (home cleaning systems), Campbell Hausfeld (air compressors, paint sprayers, generators and pressure washers) and World Book (encyclopedias and other educational products) names.

Revenues in 2001 from Scott Fetzer's businesses decreased $49 million (5.1%) as compared to 2000. Operating profits in 2001 increased $7 million (5.7%) as compared to 2000. The decline in revenues was due primarily to lower foreign unit sales at Kirby, weakening demand for products of many of Scott Fetzer's smaller businesses and lower sales volume at World Book. The increase in operating profits in 2001 was attributed to lower raw material prices and reduced labor and overhead costs at Campbell Hausfeld and the benefit of administrative cost reduction programs, partially offset by the impact of overall lower sales volume.

Shaw Industries

Berkshire acquired 87.3% of Shaw on January 8, 2001. Shaw is a leading manufacturer and distributor of carpet and rugs for residential and commercial use. Shaw also provides installation services and offers hardwood floor and other floor coverings. In January 2002, Berkshire acquired the remaining 12.7% of Shaw.

On a comparative full-year basis, Shaw's revenues in 2001 of $4,012 million declined by about $100 million from 2000. The decline in revenues reflects primarily a decline in square yards sold. Sales in 2001 were negatively affected by the economic recession in the U.S., particularly in the commercial markets, and by slowing demand after the September 11th terrorist attack.

In 2001, Shaw's pre-tax operating profit totaled $292 million. Shaw's operating results in 2001 benefited from lower raw material costs and lower interest costs, partially offset by higher energy costs. Although uncertainty in the U.S. economy persists, management is cautiously optimistic that sales and results will be stable in 2002.

2000 compared to 1999

Revenues from the non-insurance businesses increased $1,959 million (32.5%) in 2000 as compared to 1999. Operating profits of $1,400 million during 2000 increased $570 million (68.7%) from the comparable 1999 amount. Business acquisitions completed during 1999 and 2000 account for a significant portion of the revenue increase. The acquisitions of Jordan's Furniture (November 1999), CORT Business Services (February 2000), Ben Bridge Jeweler (July 2000) and Justin Brands and Acme Brick (August 2000) account for about 50% of the increase. The flight services segment and the finance and financial products segment account for most of the remaining comparative increase. Most of the increase in the flight services segment was attributed to Executive Jet which produced significant increases in revenues from both flight operations and aircraft sales. Operating profits for the finance and financial products segment increased $413 million primarily as a result of realized gains on a large portfolio of fixed maturity securities acquired during 1999 pursuant to a proprietary trading strategy. These securities were sold during 2000. The aforementioned business acquisitions in the aggregate accounted for substantially all of the remaining increase in operating profits.

GOODWILL AMORTIZATION AND OTHER PURCHASE-ACCOUNTING ADJUSTMENTS

Goodwill amortization and other purchase-accounting adjustments reflect the after-tax effect on net earnings with respect to the amortization of goodwill of acquired businesses and the amortization of fair value adjustments to certain assets and liabilities which were recorded at the business acquisition dates. Amortization of goodwill was $572 million in 2001, $715 million in 2000 and $477 million in 1999. Goodwill amortization in 2000 included a charge of $219 million to write-off the remaining goodwill related to Dexter Shoe (see Note 1(g) to the Consolidated Financial Statements).

As a result of new accounting standards issued by the FASB in June 2001, accounting for goodwill has changed. Goodwill arising from business acquisitions completed after July 1, 2001 is not subject to systematic amortization. In addition, the systematic amortization of goodwill related to businesses acquired before June 30, 2001 will be discontinued effective January 1, 2002. The new accounting standards require that goodwill of acquired businesses continue to be tested for impairment. Berkshire has not fully completed an assessment of the new standards, however, adoption of the new standards is expected to have a significant impact on earnings.

Other purchase-accounting adjustments consist primarily of the amortization of the excess market value over the historical cost of fixed maturity investments that existed as of the date of certain business acquisitions. Such excess is included in Berkshire's cost of the investments and is being amortized over the estimated remaining lives of the assets. The unamortized excess remaining in the cost of fixed maturity investments was $565 million at December 31, 2001, $680 million at December 31, 2000 and $940 million at December 31, 1999.

REALIZED INVESTMENT GAIN

Realized investment gain has been a recurring element in Berkshire's net earnings for many years. The amount -- recorded when investments are sold, other-than-temporarily impaired or in certain situations, as required by GAAP, when investments are marked-to-market with the corresponding gain or loss included in earnings -- may fluctuate significantly from period to period, with a meaningful effect upon Berkshire's consolidated net earnings. However, the amount of realized investment gain or loss for any given period has no predictive value, and variations in amount from period to period have no practical analytical value, particularly in view of the net unrealized price appreciation now existing in Berkshire's consolidated investment portfolio.

While the effects of realized gains are often material to the Consolidated Statements of Earnings, such gains often produce a minimal impact on Berkshire's total shareholders' equity. This is due to the fact that Berkshire's investments are carried in prior periods' Consolidated Financial Statements at market value with unrealized gains, net of tax, reported as a separate component of shareholders' equity.

MARKET RISK DISCLOSURES

Berkshire's Consolidated Balance Sheet includes a substantial amount of assets and liabilities whose fair values are subject to market risks. Berkshire's significant market risks are primarily associated with interest rates and equity prices and to a lesser degree financial products. The following sections address the significant market risks associated with Berkshire's business activities.

INTEREST RATE RISK

This section discusses interest rate risks associated with Berkshire's financial assets and liabilities. Berkshire's management prefers to invest in equity securities or to acquire entire businesses based upon the principles discussed in the following section on equity price risk. When unable to do so, management may alternatively invest in bonds or other interest rate sensitive instruments. Berkshire's strategy is to acquire securities that are attractively priced in relation to the perceived credit risk. Management recognizes and accepts that losses may occur. Berkshire has historically utilized a modest level of corporate borrowings and debt. Further, Berkshire strives to maintain the highest credit ratings so that the cost of debt is minimized. Berkshire utilizes derivative products to manage interest rate risks to a very limited degree.

The fair values of Berkshire's fixed maturity investments and borrowings under investment agreements, notes payable and other debt will fluctuate in response to changes in market interest rates. Increases and decreases in prevailing interest rates generally translate into decreases and increases in fair values of those instruments. Additionally, fair values of interest rate sensitive instruments may be affected by the credit worthiness of the issuer, prepayment options, relative values of alternative investments, the liquidity of the instrument and other general market conditions.

INTEREST RATE RISK (Continued)

The following table summarizes the estimated effects of hypothetical increases and decreases in interest rates on assets and liabilities that are subject to interest rate risk. It is assumed that the changes occur immediately and uniformly to each category of instrument containing interest rate risks. The hypothetical changes in market interest rates do not reflect what could be deemed best or worst case scenarios. Variations in market interest rates could produce significant changes in the timing of repayments due to prepayment options available. For these reasons, actual results might differ from those reflected in the table which follows. Dollars are in millions.

		Estimated Fair Value after Hypothetical Change in Interest Rates (bp=basis points)			
Non-finance businesses	Fair Value	100 bp decrease	100 bp increase	200 bp increase	300 bp increase
As of December 31, 2001					
Investments in securities with fixed maturities	$36,603	$38,937	$34,333	$32,154	$30,148
Borrowings under investment agreements and other debt	3,624	3,708	3,545	3,474	3,407
As of December 31, 2000					
Investments in securities with fixed maturities	$32,567	$33,466	$31,346	$30,005	$28,690
Borrowings under investment agreements and other debt	2,470	2,540	2,404	2,336	2,274
Finance and financial products businesses *					
As of December 31, 2001					
Investments in securities with fixed maturities and loans and other receivables	$28,126	$28,545	$27,221	$26,140	$25,025
Notes payable and other borrowings **	26,373	26,451	26,307	26,244	26,186
As of December 31, 2000					
Investments in securities with fixed maturities and loans and other receivables	$ 6,460	$ 6,752	$ 6,125	$ 5,700	$ 5,304
Notes payable and other borrowings **	4,285	4,339	4,252	4,215	4,182

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* Excludes General Re Securities -- See Financial Products Risk section for discussion of risks associated with this business.

** Includes securities sold under agreements to repurchase with a carrying value of $20,430 million at December 31, 2001 and $2,887 million at December 31, 2000.

EQUITY PRICE RISK

Strategically, Berkshire strives to invest in businesses that possess excellent economics, with able and honest management and at sensible prices. Berkshire's management prefers to invest a meaningful amount in each investee. Accordingly, Berkshire's equity investments are concentrated in relatively few investees. At year-end 2001 and 2000, over 70% of the total fair value of investments in equity securities was concentrated in four investees.

Berkshire's preferred strategy is to hold equity investments for very long periods of time. Thus, Berkshire management is not necessarily troubled by short term price volatility with respect to its investments provided that the underlying business, economic and management characteristics of the investees remain favorable. Berkshire strives to maintain above average levels of shareholder capital to provide a margin of safety against short term equity price volatility.

The carrying values of investments subject to equity price risks are based on quoted market prices or management's estimates of fair value as of the balance sheet dates. Market prices are subject to fluctuation and, consequently, the amount realized in the subsequent sale of an investment may significantly differ from the reported market value. Fluctuation in the market price of a security may result from perceived changes in the underlying economic characteristics of the investee, the relative price of alternative investments and general market conditions. Furthermore, amounts realized in the sale of a particular security may be affected by the relative quantity of the security being sold.

EQUITY PRICE RISK (Continued)

The table below summarizes Berkshire's equity price risks as of December 31, 2001 and 2000 and shows the effects of a hypothetical 30% increase and a 30% decrease in market prices as of those dates. The selected hypothetical change does not reflect what could be considered the best or worst case scenarios. Indeed, results could be far worse due both to the nature of equity markets and the aforementioned concentrations existing in Berkshire's equity investment portfolio. Dollars are in millions.

	Fair Value	Hypothetical Price Change	Estimated Fair Value after Hypothetical Change in Prices	Hypothetical Percentage Increase (Decrease) in Shareholders' Equity
As of December 31, 2001..........	$28,675	30% increase	$37,277	9.6
		30% decrease	20,072	(9.6)
As of December 31, 2000..........	$37,384	30% increase	$48,599	11.7
		30% decrease	26,170	(11.7)

FINANCIAL PRODUCTS RISK

Gen Re Securities Holdings Limited ("GRS") operates as a dealer in various types of derivative instruments in conjunction with offering risk management products to its clients. As previously noted, in January 2002, General Re announced that it would commence a long-term run off of GRS's business. It is expected that the orderly run-off will take several years to complete. GRS monitors its market risk on a daily basis across all swap and option products by estimating the effect on operating results of potential changes in market variables over a one week period, based on historical market volatility, correlation data and informed judgment. This evaluation is performed on an individual trading book basis, against limits set by individual book, to a 99% probability level. GRS sets market risk limits for each type of risk, and for an aggregate measure of risk across all trading books, based on a 99% probability that movements in market rates will not affect the results from operations in excess of the risk limit over a one week period. GRS's weekly aggregate market risk limit was $22 million in 2001. In 2001, there were no days where the actual losses exceeded the estimated value at risk and no days where the value at risk exceeded the aggregate limit. In addition to these daily and weekly assessments of risk, GRS prepares periodic stress tests to assess its exposure to extreme movements in various market risk factors.

The table below shows the highest, lowest and average value at risk, as calculated using the above methodology, by broad category of market risk to which GRS is exposed over one week intervals. Dollars are in millions.

	2001					2000
	Interest Rate	Foreign Exchange Rate	Equity	Credit	All Risks	All Risks
Highest	$18	$8	$5	$3	$14	$14
Lowest	10	3	2	1	3	1
Average	13	4	3	1	7	4

GRS evaluates and records a fair-value adjustment to recognize counterparty credit exposure and future costs associated with administering each contract. The expected credit exposure for each trade is initially established on the trade date and is determined through the use of a proprietary credit exposure model that is based on historical default probabilities, market volatilities and, if applicable, the legal right of setoff. These exposures are continually monitored and adjusted due to changes in the credit quality of the counterparty, changes in interest and currency rates or changes in other factors affecting credit exposure.

LIQUIDITY AND CAPITAL RESOURCES

Berkshire's balance sheet continues to reflect significant liquidity and a strong capital base. Consolidated shareholders' equity at December 31, 2001 totaled $58.0 billion. Consolidated cash and invested assets, excluding assets of finance and financial products businesses totaled approximately $72.5 billion at December 31, 2001 compared to $77.1 billion at December 31, 2000, including approximately $5.3 billion in cash and cash equivalents at the end of each year. During 2001 Berkshire deployed about $4.7 billion in cash for business acquisitions. Cash utilized in these acquisitions was generated internally. Also contributing to the decline in invested assets was a $7.0 billion reduction in unrealized gains in Berkshire's investments in equity securities. Partially offsetting these declines was cash flows generated from operations of approximately $6.6 billion, primarily from insurance operations.

LIQUIDITY AND CAPITAL RESOURCES (Continued)

Berkshire's consolidated borrowings under investment agreements and other debt, excluding finance businesses, totaled $3,485 million at December 31, 2001 compared to $2,663 million at December 31, 2000. The increase in borrowings during 2001 relates primarily to pre-acquisition debt of Shaw and Johns Manville, as well as an increase in borrowings by Executive Jet to finance aircraft inventory and core fleet acquisitions. During the second quarter of 2001, Berkshire filed a shelf registration to issue up to $700 million in new debt securities at a future date. The intended purpose of the future issuance of debt is to fund the repayment of currently outstanding borrowings of certain Berkshire subsidiaries. The timing and amount of the debt to be issued under the shelf registration has not yet been determined.

As of December 31, 2001, Berkshire's borrowings under investment agreements and other debt, excluding finance businesses, included commercial paper and other short-term borrowings totaling $1.8 billion. Most of these borrowings were by Executive Jet and Shaw for operating needs. Berkshire is also contingently liable for the unpaid debt of Berkadia LLC through a primary guaranty of 90% of the debt and a secondary guaranty of the remaining 10% of the loan. At December 31, 2001, Berkadia's unpaid loan balance was $4.9 billion, of which $1.0 billion has been prepaid subsequent to the end of 2001. See Note 9 to the Consolidated Financial Statements for additional information. Most of Berkshire's borrowings under investment agreements contain contractual provisions that could require Berkshire to collateralize or prepay the outstanding obligations upon a downgrade in Berkshire's senior debt ratings.

Invested assets of the finance and financial products businesses totaled $41.6 billion at December 31, 2001 compared to $16.8 billion at December 31, 2000. Most of the increase was due to increased investments in U.S. Treasury securities and obligations of U.S. government-sponsored enterprises. These investments were primarily financed through repurchase agreements. The repurchase agreements require that fair value of the pledged collateral exceed the amount borrowed. A decline in the value of the investments pledged would require pledges of cash or additional collateral. Under the contractual terms with counterparties to its derivatives trading activities, General Re Securities ("GRS") may be required to post collateral against trading account liabilities.

Notes payable and other borrowings of Berkshire's finance and financial products businesses totaled $9.0 billion at December 31, 2001 and $2.1 billion at December 31, 2000. The balance at December 31, 2001 includes Berkadia's outstanding term loan of $4.9 billion (see Note 9 to the Consolidated Financial Statements) and $613 million of debt of XTRA Corporation, which Berkshire acquired on September 20, 2001. The remaining increase was due to increased commercial paper borrowings by GRS to fund short-term liquidity needs.

Berkshire believes that it currently maintains sufficient liquidity to cover its existing liquidity requirements and provide for contingent liquidity needs.

FORWARD-LOOKING STATEMENTS

Investors are cautioned that certain statements contained in this document, as well as some statements by the Company in periodic press releases and some oral statements of Company officials during presentations about the Company, are "forward-looking" statements within the meaning of the Private Securities Litigation Reform Act of 1995 (the "Act"). Forward-looking statements include statements which are predictive in nature, which depend upon or refer to future events or conditions, which include words such as "expects," "anticipates," "intends," "plans," "believes," "estimates," or similar expressions. In addition, any statements concerning future financial performance (including future revenues, earnings or growth rates), ongoing business strategies or prospects, and possible future Company actions, which may be provided by management are also forward-looking statements as defined by the Act. Forward-looking statements are based on current expectations and projections about future events and are subject to risks, uncertainties, and assumptions about the Company, economic and market factors and the industries in which the Company does business, among other things. These statements are not guaranties of future performance and the Company has no specific intention to update these statements.

Actual events and results may differ materially from those expressed or forecasted in forward-looking statements due to a number of factors. The principal important risk factors that could cause the Company's actual performance and future events and actions to differ materially from such forward-looking statements, include, but are not limited to, changes in market prices of Berkshire's significant equity investees, the occurrence of one or more catastrophic events, such as an earthquake or hurricane that causes losses insured by Berkshire's insurance subsidiaries, changes in insurance laws or regulations, changes in Federal income tax laws, and changes in general economic and market factors that affect the prices of securities or the industries in which Berkshire and its affiliates do business, especially those affecting the property and casualty insurance industry.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

See "Market Risk Disclosures" contained in Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Shareholders
Berkshire Hathaway Inc.

We have audited the accompanying consolidated balance sheets of Berkshire Hathaway Inc. and subsidiaries as of December 31, 2001 and 2000, and the related consolidated statements of earnings, cash flows and changes in shareholders' equity for each of the three years in the period ended December 31, 2001. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of Berkshire Hathaway Inc. and subsidiaries as of December 31, 2001 and 2000, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2001 in conformity with accounting principles generally accepted in the United States of America.

DELOITTE & TOUCHE LLP
March 5, 2002
Omaha, Nebraska

BERKSHIRE HATHAWAY INC.
AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(dollars in millions except per share amounts)

	DECEMBER 31, 2001	DECEMBER 31, 2000
ASSETS		
Cash and cash equivalents	$ 5,313	$ 5,263
Investments:		
Securities with fixed maturities	36,509	32,567
Equity securities	28,675	37,619
Other	1,974	1,637
Receivables	11,926	11,764
Inventories	2,213	1,275
Investments in MidAmerican Energy Holdings Company	1,826	1,719
Assets of finance and financial products businesses	41,591	16,829
Property, plant and equipment	4,776	2,699
Goodwill of acquired businesses	21,407	18,875
Other assets	6,542	5,545

	$162,752	$135,792

LIABILITIES AND SHAREHOLDERS' EQUITY

Losses and loss adjustment expenses	$ 40,716	$ 33,022
Unearned premiums	4,814	3,885
Accounts payable, accruals and other liabilities	9,626	8,374
Income taxes	7,021	10,125
Borrowings under investment agreements and other debt	3,485	2,663
Liabilities of finance and financial products businesses	37,791	14,730
	103,453	72,799
Minority shareholders' interests	1,349	1,269
Shareholders' equity:		
Common Stock:*		
Class A Common Stock, $5 par value and Class B Common Stock, $0.1667 par value	8	8
Capital in excess of par value	25,607	25,524
Accumulated other comprehensive income	12,891	17,543
Retained earnings	19,444	18,649
Total shareholders' equity	57,950	61,724
	$162,752	$135,792

* Class B Common Stock has economic rights equal to one-thirtieth (1/30) of the economic rights of Class A Common Stock. Accordingly, on an equivalent Class A Common Stock basis, there are 1,528,217 shares outstanding at December 31, 2001 versus 1,526,230 shares outstanding at December 31, 2000.

See accompanying Notes to Consolidated Financial Statements

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

BERKSHIRE HATHAWAY INC.
AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF EARNINGS
(dollars in millions except per share amounts)

	YEAR ENDED DECEMBER 31,		
	2001	2000	1999
REVENUES:			
Insurance premiums earned	$ 17,905	$ 19,343	$ 14,306
Sales and service revenues	14,902	7,361	5,918
Interest, dividend and other investment income	2,765	2,686	2,314
Income from MidAmerican Energy Holdings Company	165	105	--
Income from finance and financial products businesses	568	556	125
Realized investment gain	1,363	3,955	1,365
	37,668	34,006	24,028
COST AND EXPENSES:			
Insurance losses and loss adjustment expenses	18,398	17,332	12,518
Insurance underwriting expenses	3,574	3,632	3,220
Cost of products and services sold	10,446	4,893	4,065
Selling, general and administrative expenses	3,000	1,703	1,164
Goodwill amortization	572	715	477
Interest expense	209	144	134
	36,199	28,419	21,578
EARNINGS BEFORE INCOME TAXES AND MINORITY INTEREST	1,469	5,587	2,450
Income taxes	620	2,018	852
Minority interest	54	241	41
NET EARNINGS	$ 795	$ 3,328	$ 1,557
Average common shares outstanding *	1,527,234	1,522,933	1,519,703
NET EARNINGS PER COMMON SHARE *	$ 521	$ 2,185	$ 1,025

* Average shares outstanding include average Class A Common shares and average Class B Common shares determined on an equivalent Class A Common Stock basis. Net earnings per common share shown above represents net earnings per equivalent Class A Common share. Net earnings per Class B Common share is equal to one-thirtieth (1/30) of such amount or $17 per share for 2001, $73 per share for 2000, and $34 per share for 1999.

See accompanying Notes to Consolidated Financial Statements

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

BERKSHIRE HATHAWAY INC.
AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(dollars in millions)

	YEAR ENDED DECEMBER 31, 2001	2000	1999
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net earnings	$ 795	$ 3,328	$ 1,557
Adjustments to reconcile net earnings to cash flows from operating activities:			
Realized investment gain	(1,363)	(3,955)	(1,365)
Depreciation and amortization	1,076	997	688
Changes in assets and liabilities before effects from business acquisitions:			
Losses and loss adjustment expenses	7,571	5,976	3,790
Deferred charges -- reinsurance assumed	(498)	(1,075)	(958)
Unearned premiums	929	97	394
Receivables	219	(3,062)	(834)
Accounts payable, accruals and other liabilities	(339)	660	(5)
Finance businesses trading activities	(1,083)	(1,126)	473
Income taxes	(329)	757	(1,395)
Other	(404)	350	(145)
Net cash flows from operating activities	6,574	2,947	2,200
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchases of securities with fixed maturities	(16,475)	(16,550)	(18,380)
Purchases of equity securities	(1,075)	(4,145)	(3,664)
Proceeds from sales of securities with fixed maturities	8,470	13,119	4,509
Proceeds from redemptions and maturities of securities with fixed maturities	4,305	2,530	2,833
Proceeds from sales of equity securities	3,881	6,870	4,355
Loans and investments originated in finance businesses	(9,502)	(857)	(2,526)
Principal collection on loans and investments originated in finance businesses	4,126	1,142	845
Acquisitions of businesses, net of cash acquired	(4,697)	(3,798)	(153)
Other	(727)	(582)	(417)
Net cash flows from investing activities	(11,694)	(2,271)	(12,598)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from borrowings of finance businesses	6,288	120	736
Proceeds from other borrowings	824	681	1,118
Repayments of borrowings of finance businesses	(865)	(274)	(46)
Repayments of other borrowings	(798)	(806)	(1,333)
Change in short term borrowings of finance businesses	826	500	(311)
Changes in other short term borrowings	(377)	324	340
Other	116	(75)	(137)
Net cash flows from financing activities	6,014	470	367
Increase (decrease) in cash and cash equivalents	894	1,146	(10,031)
Cash and cash equivalents at beginning of year	5,604	4,458	14,489
CASH AND CASH EQUIVALENTS AT END OF YEAR *	$ 6,498	$ 5,604	$ 4,458
* Cash and cash equivalents at end of year are comprised of the following:			
Finance and financial products businesses	$ 1,185	$ 341	$ 623
Other	5,313	5,263	3,835
	$ 6,498	$ 5,604	$ 4,458

See accompanying Notes to Consolidated Financial Statements

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

BERKSHIRE HATHAWAY INC.
AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(dollars in millions)

	Class A & B Common Stock	Capital in Excess of Par Value	Retained Earnings	Accumulated Other Comprehensive Income	Comprehensive Income

BALANCE DECEMBER 31, 1998	$ 8	$ 25,121	$ 13,764	$ 18,510	
Net earnings			1,557		$ 1,557
Exercise of stock options issued in connection with business acquisitions		88			
Other comprehensive income items:					
Unrealized appreciation of investments				(795)	(795)
Reclassification adjustment for appreciation included in net earnings				(1,365)	(1,365)
Foreign currency translation losses				(16)	(16)
Income taxes and minority interests				889	889
Other comprehensive income					(1,287)
Total comprehensive income					$ 270
BALANCE DECEMBER 31, 1999	$ 8	$ 25,209	$ 15,321	$ 17,223	
Net earnings			3,328		$ 3,328
Common stock issued in connection with business acquisitions		224			
Exercise of stock options issued in connection with business acquisitions		91			
Other comprehensive income items:					
Unrealized appreciation of investments				4,402	$ 4,402
Reclassification adjustment for appreciation included in net earnings				(3,955)	(3,955)
Foreign currency translation losses and other				(153)	(153)
Income taxes and minority interests				26	26
Other comprehensive income					320
Total comprehensive income					$ 3,648
BALANCE DECEMBER 31, 2000	$ 8	$ 25,524	$ 18,649	$ 17,543	
Net earnings			795		$ 795
Exercise of stock options issued in connection with business acquisitions		83			
Other comprehensive income items:					
Unrealized appreciation of investments				(5,706)	(5,706)
Reclassification adjustment for appreciation included in net earnings				(1,363)	(1,363)
Foreign currency translation losses and other				(151)	(151)
Income taxes and minority interests				2,568	2,568
Other comprehensive income					(4,652)
Total comprehensive income					$(3,857)
BALANCE DECEMBER 31, 2001	$ 8	$ 25,607	$ 19,444	$ 12,891	

See accompanying Notes to Consolidated Financial Statements

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

BERKSHIRE HATHAWAY INC.
AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2001

(1) SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES

(a) Nature of operations and basis of consolidation

Berkshire Hathaway Inc. ("Berkshire" or "Company") is a holding company owning subsidiaries engaged in a number of diverse business activities. The most important of these are property and casualty insurance businesses conducted on both a direct and reinsurance basis. Further information regarding these businesses and Berkshire's other reportable business segments is contained in Note 19. Berkshire initiated and/or consummated several business acquisitions over the past three years. The significant business acquisitions are described more fully in Note 2. The accompanying Consolidated Financial Statements include the accounts of Berkshire consolidated with accounts of all its subsidiaries. Intercompany accounts and transactions have been eliminated. Certain amounts in 2000 and 1999 have been reclassified to conform with current year presentation.

Since acquired in December 1998 and through the third quarter of 2000, the international property/casualty and global life/health reinsurance activities of General Re were reported in Berkshire's financial statements based on a one-quarter lag to facilitate the timely completion of the Consolidated Financial Statements. During the fourth quarter of 2000, General Re implemented a number of procedural changes and improvements to allow reporting of these businesses without the one-quarter lag. Accordingly, Berkshire's Consolidated Statements of Earnings and Cash Flows for the year ended December 31, 2000 include five quarters of results of operations and cash flows of these operations. The effect of eliminating the one-quarter lag in reporting was not significant to Berkshire's Consolidated Statement of Earnings for the year ending December 31, 2000.

(b) Use of estimates in preparation of financial statements

The preparation of the Consolidated Financial Statements in conformity with generally accepted accounting principles ("GAAP") requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the period. In particular, estimates of unpaid losses and loss adjustment expenses for property and casualty insurance are subject to considerable estimation error due to the inherent uncertainty in projecting ultimate claim amounts that will be reported and settled over a period of many years. Actual results may differ from the estimates and assumptions used in preparing the Consolidated Financial Statements.

(c) Cash equivalents

Cash equivalents consist of funds invested in money market accounts and in investments with a maturity of three months or less when purchased.

(d) Investments

Berkshire's management determines the appropriate classifications of investments at the time of acquisition and re-evaluates the classifications at each balance sheet date. Investments may be classified as held-for-trading, held-to-maturity, or, when neither of those classifications is appropriate, as available-for-sale. Berkshire's investments in fixed maturity and equity securities are primarily classified as available-for-sale, except for certain investments, which are classified as held-to-maturity. Held-to-maturity investments are carried at amortized cost, reflecting Berkshire's intent and ability to hold the securities to maturity. Available-for-sale securities are stated at fair value with net unrealized gains or losses reported as a separate component in shareholders' equity. Realized gains and losses, which arise when available-for-sale investments are sold (as determined on a specific identification basis) or other-than-temporarily impaired are included in the Consolidated Statements of Earnings.

Other investments include investments in commodities, limited partnerships and warrants, which are carried at fair value in the accompanying Consolidated Balance Sheets. Realized and unrealized gains and losses associated with these investments are included in the Consolidated Statements of Earnings as a component of realized investment gain.

Accounting policies and practices for investments held by finance and financial products businesses are described in Note 9.

(e) Inventories

Inventories are stated at the lower of cost or market. Cost with respect to manufactured goods includes raw materials, direct and indirect labor and factory overhead. Approximately 46% of the total inventory cost was determined using the first-in-first-out (FIFO) method with the remainder valued using the last-in-first-out (LIFO) method. With respect to inventories carried at LIFO cost, the aggregate difference in value between LIFO cost and cost determined under FIFO methods was not material as of December 31, 2001 and December 31, 2000.

(f) Property, plant and equipment

Property, plant and equipment is recorded at cost. Depreciation is provided principally on the straight-line method over estimated useful lives as follows: aircraft, simulators, training equipment and spare parts, 4 to 20 years; buildings and improvements, 10 to 40 years; machinery, equipment, furniture and fixtures, 3 to 20 years. Leasehold improvements are amortized over the life of the lease or the life of the improvement, whichever is shorter. Interest is capitalized as an integral component of cost during the construction period of simulators and facilities and is amortized over the life of the related assets.

(g) Goodwill of acquired businesses

Goodwill of acquired businesses represents the difference between purchase cost and the fair value of the net assets of acquired businesses and is being amortized on a straight-line basis generally over 40 years. The Company periodically reviews the recoverability of the carrying value of goodwill of acquired businesses to ensure it is appropriately valued. In the event that a condition is identified which may indicate an impairment issue exists, an assessment is performed using a variety of methodologies.

As a result of new accounting standards issued in June 2001, accounting for goodwill has changed. Goodwill arising from business acquisitions after July 1, 2001 is subject to an impairment only model, instead of an amortization and impairment model. See Note 1(n) below for further discussion of these new standards.

During the fourth quarter of 2000, Berkshire management concluded that an impairment of goodwill existed with respect to the Dexter Shoe business. Goodwill amortization shown in the accompanying Consolidated Statements of Earnings for 2000 includes a goodwill impairment charge of $219 million related to this business.

(h) Revenue recognition

Insurance premiums for prospective property/casualty insurance and reinsurance and health reinsurance policies are earned in proportion to the level of insurance protection provided. In most cases, premiums are recognized as revenues ratably over their terms with unearned premiums computed on a monthly or daily pro rata basis. Premium adjustments on contracts and audit premiums are based on estimates made over the contract period. Consideration received for retroactive reinsurance policies is recognized as premiums earned at the inception of the contracts. Premiums for life contracts are earned when due. Premiums earned are stated net of amounts ceded to reinsurers.

Revenues from product sales are recognized upon passage of title to the customer, which coincides with customer pickup, product shipment, delivery or acceptance, depending on terms of the sales arrangement. Service revenues are recognized as the services are performed. Services provided pursuant to a contract are either recognized over the contract period, or upon completion of the elements specified in the contract, depending on the terms of the contract.

(i) Insurance premium acquisition costs

Certain costs of acquiring insurance premiums are deferred, subject to ultimate recoverability, and charged to income as the premiums are earned. Acquisition costs consist of commissions, premium taxes, advertising and other underwriting costs. The recoverability of premium acquisition costs, generally, reflects anticipation of investment income. The unamortized balances of deferred premium acquisition costs are included in other assets and were $1,029 million and $916 million at December 31, 2001 and 2000, respectively.

(1) SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES (Continued)

(j) Losses and loss adjustment expenses

Liabilities for unpaid losses and loss adjustment expenses represent estimated claim and claim settlement costs of property/casualty insurance and reinsurance contracts. The liabilities for losses and loss adjustment expenses are recorded at the estimated ultimate payment amounts, except that amounts arising from certain reinsurance businesses are discounted as discussed below. Estimated ultimate payment amounts are based upon (1) individual case estimates, (2) estimates of incurred-but-not-reported losses, based upon past experience and (3) reports of losses from ceding insurers.

The estimated liabilities of workers' compensation claims assumed by General Re under reinsurance contracts and liabilities assumed under structured settlement reinsurance contracts by Berkshire Hathaway Reinsurance Group are carried in the Consolidated Balance Sheets at discounted amounts. Discounted amounts pertaining to General Re's workers' compensation risks are based upon an annual discount rate of 4.5%. The discounted amounts for structured settlement reinsurance contracts are based upon the prevailing market discount rates when the contracts were written and range from 5% to 13%. The periodic discount accretion is included in the Consolidated Statements of Earnings as a component of losses and loss adjustment expenses.

(k) Deferred charges-reinsurance assumed

The excess of estimated liabilities for claims and claim costs over the consideration received with respect to retroactive property and casualty reinsurance contracts that provide for indemnification of insurance risk is established as a deferred charge at inception of such contracts. The deferred charges are subsequently amortized using the interest method over the expected settlement periods of the claim liabilities. The periodic amortization charges are reflected in the accompanying Consolidated Statements of Earnings as losses and loss adjustment expenses.

(l) Reinsurance

Provisions for losses and loss adjustment expenses are reported in the accompanying Consolidated Statements of Earnings after deducting amounts recovered and estimates of amounts recoverable under reinsurance contracts. Reinsurance contracts do not relieve the ceding company of its obligations to indemnify policyholders with respect to the underlying insurance and reinsurance contracts. Estimated losses and loss adjustment expenses recoverable under reinsurance contracts are included in receivables.

(m) Foreign currency

The accounts of several foreign-based subsidiaries are measured using the local currency as the functional currency. Revenues and expenses of these businesses are translated into U.S. dollars at the average exchange rate for the period. Assets and liabilities are translated at the exchange rate as of the end of the reporting period. Gains or losses from translating the financial statements of foreign-based operations are included in shareholders' equity as a component of other comprehensive income. Gains and losses arising from other transactions denominated in a foreign currency are included in the Consolidated Statements of Earnings.

(n) Accounting pronouncements to be adopted subsequent to December 31, 2001

In June 2001, the Financial Accounting Standards Board ("FASB") issued two Statements of Financial Accounting Standards ("SFAS"). SFAS No. 141 "Business Combinations" requires usage of the purchase method for all business combinations initiated after June 30, 2001, and prohibits the usage of the pooling of interests method. The provisions of SFAS No. 141 relating to the application of the purchase method are generally effective for business combinations completed after July 1, 2001.

SFAS No. 142 "Goodwill and Other Intangible Assets" changes the current accounting model that requires amortization of goodwill, supplemented by impairment tests, to an accounting model that is based solely upon impairment tests. SFAS No. 142 also provides guidance on accounting for identifiable intangible assets that may or may not require amortization. The provisions of SFAS No. 142 related to accounting for goodwill and intangible assets will be generally effective for Berkshire at the beginning of 2002, except, among other things, that goodwill and identifiable intangible assets with indefinite lives arising from combinations completed after July 1, 2001 are not being amortized.

(n) Accounting pronouncements to be adopted subsequent to December 31, 2001 (Continued)

SFAS No. 144 "Accounting for the Impairment or Disposal of Long-Lived Assets" generally retains the basic accounting model for the identification and measurement of impairments to long-lived assets to be held and such assets to be disposed. SFAS No. 144 also addresses several implementation and financial statement presentation issues not previously addressed under GAAP. The provisions of SFAS No. 144 will be effective for Berkshire at the beginning of 2002.

Although Berkshire has not completed its assessment of these new accounting standards, it expects that the provisions of SFAS No. 142 related to accounting for goodwill will have a significant impact on its consolidated earnings in 2002 when compared to consolidated earnings for years prior to 2002. The accompanying Consolidated Statement of Earnings for 2001 includes goodwill amortization of $572 million. Additionally Berkshire's equity income from its investment in MidAmerican Energy Holdings Company includes its share of MidAmerican's $96 million of goodwill amortization.

(2) SIGNIFICANT BUSINESS ACQUISITIONS

During 2001, Berkshire completed four significant business acquisitions. Information concerning these acquisitions follows.

Shaw Industries, Inc. ("Shaw")

On January 8, 2001, Berkshire acquired approximately 87.3% of the common stock of Shaw for $19 per share or $2.1 billion in total. An investment group consisting of Robert E. Shaw, Chairman and CEO of Shaw, Julian D. Saul, President of Shaw, certain family members and related family interests of Messrs. Shaw and Saul, and certain other directors and members of management acquired the remaining 12.7% of Shaw. In January 2002, Berkshire acquired all of the shares of Shaw held by the investment group in exchange for 4,505 shares of Berkshire Class A common stock and 7,063 shares of Class B common stock.

Shaw is the world's largest manufacturer of tufted broadloom carpet and rugs for residential and commercial applications throughout the U.S. and exports to most markets worldwide. Shaw markets its residential and commercial products under a variety of brand names.

Johns Manville Corporation ("Johns Manville")

On February 27, 2001, Berkshire acquired Johns Manville. Berkshire purchased all of the outstanding shares of Johns Manville common stock for $13 per share or $1.8 billion in total. Johns Manville is a leading manufacturer of insulation and building products. Johns Manville manufactures and markets products for building and equipment insulation, commercial and industrial roofing systems, high-efficiency filtration media, and fibers and non-woven mats used as reinforcements in building and industrial applications.

MiTek Inc. ("MiTek")

On July 31, 2001, Berkshire acquired a 90% equity interest in MiTek from Rexam PLC for approximately $400 million. Existing MiTek management acquired the remaining 10% interest. MiTek, headquartered in Chesterfield, Missouri, produces steel connector products, design engineering software and ancillary services for the building components market.

XTRA Corporation ("XTRA")

On September 20, 2001, Berkshire acquired XTRA through a cash tender offer and subsequent statutory merger for all of the outstanding shares. Holders of XTRA common stock received aggregate consideration of approximately $578 million. XTRA, headquartered in Westport, Connecticut, is a leading operating lessor of transportation equipment, including over-the-road trailers, marine containers and intermodal equipment.

In addition, Berkshire completed six significant acquisitions in 2000. Information concerning five of these acquisitions follows. Information concerning the other acquisition is contained in Note 3 (Investments in MidAmerican Energy Holdings Company).

CORT Business Services Corporation ("CORT")

Effective February 18, 2000, Wesco Financial Corporation, an indirect 80.1% owned subsidiary of Berkshire, acquired CORT. CORT is a leading national provider of rental furniture, accessories and related services in the "rent-to-rent" segment of the furniture industry.

Ben Bridge Jeweler ("Ben Bridge")

Effective July 3, 2000, Berkshire acquired Ben Bridge. Ben Bridge is the leading operator of upscale jewelry stores based in major shopping malls in the Western U.S.

Justin Industries, Inc. ("Justin")

Effective August 1, 2000, Berkshire acquired Justin. Principal businesses of Justin include: Acme Building Brands, a leading manufacturer and producer of face brick, concrete masonry products and ceramic and marble floor and wall tile and Justin Brands, a leading manufacturer of Western footwear under a number of brand names.

U.S. Investment Corporation ("USIC")

Effective August 8, 2000, Berkshire acquired USIC. USIC is the parent of the United States Liability Insurance Group, one of the premier U.S. writers of specialty insurance.

Benjamin Moore & Co. ("Benjamin Moore")

Effective December 18, 2000, Berkshire acquired Benjamin Moore. Benjamin Moore is a formulator, manufacturer and retailer of a broad range of architectural and industrial coatings, available principally in the U.S. and Canada.

Aggregate consideration paid for the five business acquisitions consummated in 2000 totaled $2,370 million, consisting of $2,146 million in cash and the remainder in Berkshire Class A and Class B common stock.

Each of the business acquisitions described above was accounted for under the purchase method. The excess of the purchase cost of the business over the fair value of net assets acquired was recorded as goodwill of acquired businesses.

The results of operations for each of the nine entities acquired in 2001 and 2000 are included in Berkshire's consolidated results of operations from the effective date of each merger. The following table sets forth certain unaudited consolidated earnings data for 2001 and 2000, as if each of the acquisitions discussed above were consummated on the same terms at the beginning of each year. Dollars are in millions except per share amounts.

	2001	2000

Total revenues...	$38,137	$41,724
Net earnings...	803	3,420
Earnings per equivalent Class A Common Share...........	526	2,243

During the second half of 2001 Berkshire initiated two additional business acquisitions which had not closed as of December 31, 2001. Information concerning these transactions follows.

Albecca Inc. ("Albecca")

Effective February 8, 2002, Berkshire acquired for cash all of the outstanding shares of Albecca. Albecca designs, manufactures and distributes a complete line of high-quality custom picture framing products primarily under the Larson-Juhl name.

Fruit of the Loom ("FOL")

On November 1, 2001, Berkshire announced that it had entered into an agreement with Fruit of the Loom, LTD. and Fruit of the Loom, Inc. (together the "FOL entities") to acquire the FOL entities' basic apparel business. Under terms of the agreement, the purchase price of $835 million in cash is subject to significant reduction for certain liabilities, as well as adjustment upward or downward depending on working capital levels.

The FOL entities are currently operating as debtors-in-possession pursuant to its Chapter 11 bankruptcy filing currently pending before the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court"). On January 2, 2002, the Bankruptcy Court issued an order determining Berkshire as the successful bidder for the FOL entities' basic apparel business. A hearing to determine whether the FOL reorganization plan is confirmed (such plan contemplates the aforementioned sale of the basic apparel business to Berkshire) has been scheduled for April 4, 2002. If the FOL reorganization plan is confirmed at that time, the closing will occur in the second quarter of 2002.

The FOL apparel business is a leading vertically integrated basic apparel company manufacturing and marketing underwear, activewear, casualwear and childrenswear. The FOL apparel business operates on a worldwide basis and sells its products principally in North America under the Fruit of the Loom and BVD brand names.

(3) INVESTMENTS IN MIDAMERICAN ENERGY HOLDINGS COMPANY

On March 14, 2000, Berkshire invested approximately $1.24 billion in common stock and a non-dividend paying convertible preferred stock of MidAmerican Energy Holdings Company ("MidAmerican"). Such investment gave Berkshire about a 9.7% voting interest and a 76% economic interest in MidAmerican on a fully-diluted basis. Berkshire subsidiaries also acquired approximately $455 million of an 11% non-transferable trust preferred security. Mr. Walter Scott, Jr., a member of Berkshire's Board of Directors, controls approximately 86% of the voting interest in MidAmerican.

(3) INVESTMENTS IN MIDAMERICAN ENERGY HOLDINGS COMPANY (Continued)

MidAmerican is a global leader in the production of energy from diversified fuel sources including geothermal, natural gas, hydroelectric, nuclear and coal. MidAmerican also is a leader in the supply and distribution of energy in the U.S. and U.K. consumer markets.

Berkshire's aggregate investments in MidAmerican are included in the Consolidated Balance Sheets as Investments in MidAmerican Energy Holdings Company. Berkshire is accounting for its investments in the common and non-dividend paying convertible preferred stock pursuant to the equity method. The carrying value of these equity method investments totaled $1,372 million at December 31, 2001 and $1,264 million at December 31, 2000. The 11% non-transferable trust preferred security is classified as a held-to-maturity security, and is carried at cost.

The Consolidated Statements of Earnings reflect, as Income from MidAmerican Energy Holdings Company, Berkshire's proportionate share of MidAmerican's net income with respect to the investments accounted for pursuant to the equity method, as well as interest earned on the 11% trust preferred security. Income derived from equity method investments totaled $115 million in 2001 and $66 million for the period beginning on March 14, 2000 and ending December 31, 2000.

Condensed consolidated balance sheets of MidAmerican as of December 31, 2001 and 2000 are as follows. Amounts are in millions.

	2001	2000
ASSETS:		
Properties, plants, contracts and equipment, net ..	$ 6,527	$ 5,349
Goodwill	3,639	3,673
Other assets	2,452	2,659
	$12,618	$11,681

LIABILITIES AND SHAREHOLDERS' EQUITY:		
Term debt	$ 7,163	$ 5,919
Redeemable preferred securities	1,009	1,032
Other liabilities and minority interests	2,734	3,154
	10,906	10,105
Shareholders' equity	1,712	1,576
	$12,618	$11,681

Condensed consolidated statements of earnings of MidAmerican for the year ending December 31, 2001 and for the period from March 14, 2000 through December 31, 2000 are as follows. Amounts are in millions.

	2001	2000
REVENUES:		
Operating revenue	$5,061	$3,946
Other income	276	94
	5,337	4,040
COSTS AND EXPENSES:		
Cost of sales and operating expenses	3,794	3,041
Depreciation and amortization	539	383
Interest expense and minority interest	606	482
	4,939	3,906
Income before taxes	398	134
Income taxes	250	53
Cumulative effect of accounting change	5	--
Net income	$ 143	$ 81

(4) INVESTMENTS IN SECURITIES WITH FIXED MATURITIES

Data with respect to investments in securities with fixed maturities are shown below (in millions).

December 31, 2001(1)	Amortized Cost(2)	Unrealized Gains	Unrealized Losses	Fair Value
Available for sale:				
Bonds:				
U.S. Treasury securities and obligations of U.S. government corporations and agencies	$ 8,969	$ 62	$ (212)	$ 8,819
Obligations of states, municipalities and political subdivisions	7,390	98	(43)	7,445
Obligations of foreign governments	2,460	55	(15)	2,500
Corporate bonds	5,802	427	(498)	5,731
Redeemable preferred stocks	93	1	(4)	90
Mortgage-backed securities	11,379	257	(2)	11,634
	36,093	900	(774)	36,219
Held to maturity securities	290	94	-	384
	$36,383	$ 994	$ (774)	$36,603

December 31, 2000(1)	Amortized Cost(2)	Unrealized Gains	Unrealized Losses	Fair Value
Available for sale:				
Bonds:				
U.S. Treasury securities and obligations of U.S. government corporations and agencies	$ 3,662	$ 26	$ (9)	$ 3,679
Obligations of states, municipalities and political subdivisions	8,185	45	(57)	8,173
Obligations of foreign governments	1,944	19	(20)	1,943
Corporate bonds	5,918	147	(209)	5,856
Redeemable preferred stocks	102	-	(5)	97

Mortgage-backed securities	12,609	275	(65)	12,819
	$32,420	$ 512	$ (365)	$32,567

(1) Amounts above exclude securities with fixed maturities held by finance and financial products businesses. See Note 9.

(2) In connection with the acquisition of General Re on December 21, 1998, fixed maturity securities with a fair value of $17.6 billion were acquired. Such amount was approximately $1.2 billion in excess of General Re's historical amortized cost. The unamortized excess amount was $565 million at December 31, 2001 and $680 million at December 31, 2000.

Shown below are the amortized cost and estimated fair values of securities with fixed maturities at December 31, 2001, by contractual maturity dates. Actual maturities will differ from contractual maturities because issuers of certain of the securities retain early call or prepayment rights. Amounts are in millions.

	Amortized Cost	Fair Value
Due in one year or less	$ 2,498	$ 2,563
Due after one year through five years	5,141	5,265
Due after five years through ten years	6,022	6,016
Due after ten years	11,281	11,063
	24,942	24,907
Mortgage-backed securities	11,441	11,696
	$36,383	$36,603

(5) INVESTMENTS IN EQUITY SECURITIES

Data with respect to investments in equity securities are shown below. Amounts are in millions.

	Cost	Unrealized Gains	Fair Value
December 31, 2001			
Common stock of:			
American Express Company(1)	$ 1,470	$ 3,940	$ 5,410
The Coca-Cola Company	1,299	8,131	9,430
The Gillette Company	600	2,606	3,206
Wells Fargo & Company	306	2,009	2,315
Other equity securities	4,868	3,446	8,314
	$ 8,543	$20,132(2)	$28,675

	Cost	Unrealized Gains	Fair Value
December 31, 2000			
Common stock of:			
American Express Company(1)	$ 1,470	$ 6,859	$ 8,329
The Coca-Cola Company	1,299	10,889	12,188
The Gillette Company	600	2,868	3,468
Wells Fargo & Company	319	2,748	3,067
Other equity securities	6,714	3,853	10,567
	$10,402	$27,217(2)	$37,619

(1) Common shares of American Express Company ("AXP") owned by Berkshire and its subsidiaries possessed approximately 11% of the voting rights of all AXP shares outstanding at December 31, 2001. The shares are held subject to various agreements with certain insurance and banking regulators which, among other things, prohibit Berkshire from (i) seeking representation on the Board of Directors of AXP (Berkshire may agree, if it so desires, at the request of management or the Board of Directors of AXP to have no more than

one representative stand for election to the Board of Directors of AXP) and (ii) acquiring or retaining shares that would cause its ownership of AXP voting securities to equal or exceed 17% of the amount outstanding (should Berkshire have a representative on the Board of Directors, such amount is limited to 15%). In connection therewith, Berkshire has entered into an agreement with AXP which became effective when Berkshire's ownership interest in AXP voting securities reached 10% and will remain effective so long as Berkshire owns 5% or more of AXP's voting securities. The agreement obligates Berkshire, so long as Kenneth Chenault is chief executive officer of AXP, to vote its shares in accordance with the recommendations of AXP's Board of Directors. Additionally, subject to certain exceptions, Berkshire has agreed not to sell AXP common shares to any person who owns 5% or more of AXP voting securities or seeks to control AXP, without the consent of AXP.

(2) Net of unrealized losses of $143 million and $77 million as of December 31, 2001 and 2000, respectively.

(6) REALIZED INVESTMENT GAINS (LOSSES)

Realized gains (losses) from sales and redemptions of investments are summarized below (in millions). Realized losses include impairment charges of $247 million in 2001.

	2001	2000	1999
Equity securities and other investments --			
Gross realized gains	$ 1,522	$ 4,467	$ 1,507
Gross realized losses	(369)	(317)	(77)
Securities with fixed maturities --			
Gross realized gains	411	153	39
Gross realized losses	(201)	(348)	(104)
	$ 1,363	$ 3,955	$ 1,365

(7) RECEIVABLES

Receivable balances as of December 31, 2001 and 2000 are as follows (in millions).

	2001	2000
Insurance and reinsurance premiums	$ 5,571	$ 5,624
Ceded loss reserves	2,959	2,997
Trade receivables and other	3,396	3,143
	$11,926	$11,764

(8) ACCOUNTS PAYABLE, ACCRUALS AND OTHER LIABILITIES

Accounts payable, accruals and other liabilities as of December 31, 2001 and 2000 are as follows (in millions).

	2001	2000
Life and health insurance benefits	$2,058	$1,959
Other balances due to policyholders	3,319	3,554
Trade payables and other	4,249	2,861
	$9,626	$8,374

(9) FINANCE AND FINANCIAL PRODUCTS BUSINESSES

Berkshire's finance and financial products businesses consist of numerous businesses engaged in a variety of activities. The principal business activities include proprietary investing (BH Finance), real estate financing (Berkshire Hathaway Credit Corporation), transportation equipment leasing (XTRA Corporation, acquired in September 2001), risk management products (General Re Securities or "GRS"), annuities (Berkshire Hathaway Life Insurance Company of Nebraska) and Berkadia LLC (see Note (c) below).

In January 2002, General Re announced that it would commence a long-term run-off of GRS. The run-off is expected to occur over a period of years, during which, GRS will limit its new business to certain risk management transactions and will unwind its existing asset and liability positions in an orderly manner.

Assets and liabilities of Berkshire's finance and financial products businesses as of December 31, 2001 and 2000 are summarized below (in millions).

	2001	2000
ASSETS		
Cash and cash equivalents	$ 1,185	$ 341
Investments in securities with fixed maturities:		
Held-to-maturity, at cost (fair value $1,888 in 2001; $1,734 in 2000)	1,813	1,664
Available-for-sale, at fair value (cost $21,125 in 2001; $880 in 2000)*	21,061	880
Trading, at fair value (cost $2,297 in 2001; $5,194 in 2000)	2,252	5,244
Trading account assets	5,561	5,429
Loans and other receivables	6,262	1,186
Securities purchased under agreements to resell	333	680
Other	3,124	1,405
	$41,591	$16,829
LIABILITIES		
Securities sold under agreements to repurchase	$21,465	$ 3,386
Securities sold but not yet purchased	354	715
Trading account liabilities	4,803	4,974
Notes payable and other borrowings**	9,019	2,116
Annuity reserves and policyholder liabilities	894	868
Other	1,256	2,671
	$37,791	$14,730

* Consists primarily of U.S. Treasury securities and obligations of U.S. government corporations and agencies.

** Payments of principal amounts of notes payable and other borrowings during the next five years are due as follows (in millions).

2002	2003	2004	2005	2006
$2,405	$490	$459	$73	$5,022

Income of Berkshire's finance and financial products businesses is shown below (in millions).

	2001	2000	1999
REVENUES			
Interest income	$1,377	$ 910	$ 737
Realized investment gain	120	367	103
Unrealized investment gain (loss)	5	177	(221)
Other	62	51	368
	1,564	1,505	987
COST AND EXPENSES			
Annuity expenses	57	54	53
Selling, general and administrative expenses	180	123	228
Interest expense	759	772	581
	996	949	862
EARNINGS BEFORE INCOME TAXES	$ 568	$ 556	$ 125

Additional information regarding Berkshire's finance and financial products business follows:

a) Significant accounting policies

Investment securities (principally fixed maturity and equity investments) that are acquired with the expectation of selling them in the near term are classified as trading securities. Such assets are carried at fair value. Realized and unrealized gains and losses related to securities classified as trading are included in income. Trading account assets and liabilities are marked-to-market on a daily basis and represent the estimated fair values of derivatives in net gain positions (assets) and in net loss positions (liabilities). The net gains and losses reflect reductions permitted under master netting agreements with counterparties.

Securities purchased under agreements to resell (assets) and securities sold under agreements to repurchase (liabilities) are accounted for as collateralized investments and borrowings and are recorded at the contractual resale or repurchase amounts plus accrued interest. Other investment securities owned and liabilities associated with investment securities sold but not yet purchased are carried at fair value.

GRS is engaged as a dealer in various types of derivative instruments, including interest rate, currency and equity swaps and options, as well as structured finance products. These instruments are carried at their current estimates of fair value, which is a function of underlying interest rates, currency rates, security values, volatilities and the creditworthiness of counterparties. Future changes in these factors or a combination thereof may affect the fair value of these instruments with any resulting adjustment to be included currently in the Consolidated Statements of Earnings. The net fair values of derivative contracts reflect the legal right to net transactions through qualifying master netting arrangements with various counterparties. The carrying values of trading account assets and trading account liabilities reflect a net decrease of $18,129 million at December 31, 2001 and $14,275 million at December 31, 2000 as a result of the netting arrangements.

Annuity reserves and policyholder liabilities are carried at the present value of the actuarially determined ultimate payment amounts discounted at market interest rates existing at the inception of the contracts. Such interest rates range from 5% to 8%. Periodic accretions of the discounted liabilities are included in annuity expenses.

b) Derivative instruments

Interest rate, currency and equity swaps are agreements between two parties to exchange, at particular intervals, payment streams calculated on a specified notional amount. Interest rate, currency and equity options grant the purchaser the right, but not the obligation, to either purchase from or sell to the writer a specified financial instrument under agreed terms. Interest rate caps and floors require the writer to pay the purchaser at specified future dates the amount, if any, by which the option's underlying market interest rate exceeds the fixed cap or falls below the fixed floor, applied to a notional amount.

Futures contracts are commitments to either purchase or sell a financial instrument at a future date for a specified price and are generally settled in cash. Forward-rate agreements are financial instruments that settle in cash at a specified future date based on the differential between agreed interest rates applied to a notional amount. Foreign exchange contracts generally involve the exchange of two currencies at agreed rates on a specified date; spot contracts usually require the exchange to occur within two business days of the contract date.

b) Derivative instruments (Continued)

The derivative financial instruments involve, to varying degrees, elements of market, credit, and liquidity risks. Market risk is the possibility that future changes in market conditions may make the derivative financial instrument less valuable. The level of market risk is influenced by factors such as volatility, correlation and liquidity. GRS controls market risk exposures by taking offsetting positions in either cash instruments or other derivatives. GRS manages its exposures on a portfolio basis and monitors its market risk on a daily basis across all products by calculating the effect on operating results of potential changes in market variables over a one week period. GRS has established $22 million as its value at risk (VAR) limit with a 99th percentile confidence interval for potential losses over a weekly horizon.

Credit risk is defined as the possibility that a loss may occur from the failure of another party to perform in accordance with the terms of the contract which exceeds the value of existing collateral, if any. The derivative's risk of credit loss is generally a small fraction of notional value of the instrument and is represented by the fair value of the derivative financial instrument. GRS evaluates and records a fair value adjustment against trading revenue to recognize counterparty credit exposure and future costs associated with administering each contract. The fair value adjustment for counterparty credit exposures and future administrative costs on existing contracts was $126.1 million at December 31, 2001. Counterparty credit limits are established, and credit exposures are monitored in accordance with these limits. GRS receives cash and/or investment grade securities from certain counterparties as collateral and, where appropriate, may purchase credit insurance or enter into other transactions to mitigate its credit exposure. GRS also incorporates into contracts with certain counterparties provisions which allow the unwinding of these transactions in the event of a downgrade in credit rating or other indications of decline in creditworthiness of the counterparty.

At December 31, 2001, GRS had accepted collateral that is permitted by contract or industry practice to sell or repledge with a fair value of $1,150 million. Of the securities held as collateral, approximately $41 million were repledged as of December 31, 2001. At December 31, 2001, securities owned by GRS with a fair value of approximately $347 million (which includes $41 million of repledged securities as described above) were pledged against derivative transactions with a fair value of $550 million. Further, securities with a fair value of approximately $97 million were pledged against futures positions at two futures clearing brokers. Contractual terms with counterparties often require additional collateral to be posted immediately in the event of a decline in the financial rating of the counterparty or its guarantor.

Assuming non-performance by all counterparties on all contracts potentially subject to a loss, the maximum potential loss, based on the cost of replacement, net of collateral held, at market rates prevailing at December 31, 2001 approximated $4,375 million. The following table presents GRS's derivatives portfolio by counterparty credit quality and maturity at December 31, 2001. The amounts shown under gross exposure in the table are before consideration of netting arrangements and collateral held by GRS. Net fair value shown in the table represents unrealized gains on financial instrument contracts in gain positions, net of any unrealized loss owed to these counterparties on offsetting positions. Net exposure shown in the table that follows is net fair value less collateral held by GRS. Amounts are in millions.

	Gross Exposure						
	0 - 5	6 - 10	Over 10	Total	Net Fair Value	Net Exposure	Percentage of Total
Credit quality							
AAA	$ 1,735	$ 738	$1,058	$ 3,531	$1,295	$1,295	29%
AA	4,913	3,761	2,719	11,393	2,521	1,969	45
A	3,224	2,238	1,681	7,143	1,338	1,033	24
BBB and Below ..	1,050	404	133	1,587	371	78	2
Total	$10,922	$7,141	$5,591	$23,654	$5,525	$4,375	100%

Liquidity risk can arise from funding of GRS's portfolio of open transactions. Movements in underlying market variables affect both future cash flows related to the transactions and collateral required to cover the value of open positions. Strategies have been developed to ensure GRS has sufficient resources to cover its potential liquidity needs through its access to General Re Corporation's (the parent company of GRS) internal sources of liquidity, commercial paper program, lines of credit and medium-term program.

c) Berkadia LLC

On August 21, 2001, Berkshire and Leucadia National Corporation ("Leucadia"), through Berkadia LLC, a newly formed and jointly owned entity formed for this purpose, loaned $5.6 billion on a senior secured basis (the "Berkadia Loan") to FINOVA Capital Corporation, ("FNV Capital") a subsidiary of The FINOVA Group ("FNV"). The Berkadia Loan was made in connection with a restructuring of all of FNV Capital's outstanding bank debt and publicly traded debt securities. As of December 31, 2001, the unpaid balance of the Berkadia Loan was $4.9 billion and is included in loans and other receivables.

c) Berkadia LLC (Continued)

Berkadia financed the entire Berkadia Loan through a third party lending facility led by Fleet Bank ("Fleet Loan"). Both the Berkadia Loan and the Fleet Loan are due on August 20, 2006. Under the terms of the Fleet Loan, Berkadia is obligated to use the proceeds received from principal prepayments on the Berkadia Loan to prepay the Fleet Loan. Since the end of 2001, FNV Capital has prepaid $1.0 billion aggregate principal amount of the Berkadia Loan and Berkadia has repaid a like amount to its lenders. The Fleet Loan is collateralized by the Berkadia Loan. Among other things, the Fleet Loan requires that FNV maintain a minimum ratio of its consolidated assets to the outstanding Fleet Loan balance. Berkadia is required to pay down the loan to the extent such ratio is under the minimum. Berkshire provided Berkadia's lenders with a 90% primary guaranty of the Berkadia Loan and also provided a secondary guaranty to the 10% primary guaranty provided by Leucadia. Berkshire has a 90% economic interest in Berkadia's loan to FNV Capital and Berkadia's borrowings from the lending facility.

In connection with the restructuring and concurrent with the loan to FNV Capital, Berkadia received 61,020,581 shares of FNV common stock representing 50% of the total FNV outstanding shares. Berkadia initially recorded the FNV common stock at fair value and subsequently accounted for the stock pursuant to the equity method. The value assigned to the stock increased the discount on the Berkadia Loan, which will subsequently be accreted into interest income over the life of the Berkadia Loan. Berkshire and Leucadia each have a 50% economic interest in Berkadia's ownership of the FNV common stock. Due to post-August 21 operating losses of FNV, the investment in FNV common stock was completely written off. Consequently, the equity method was suspended as of September 30, 2001.

d) Other investment

On July 1, 1998, Value Capital L.P., a limited partnership commenced operations. A wholly owned subsidiary of Berkshire is a limited partner in Value Capital. The partnership's investment objective is to achieve income and capital growth from investments and arbitrage in fixed income investments. Berkshire accounts for this investment pursuant to the equity method. Since inception Berkshire has contributed $430 million to the partnership. At December 31, 2001, the carrying value of $542 million (including Berkshire's share of accumulated earnings of $112 million) is included as a component of other assets on the preceding summary of assets and liabilities. Neither Berkshire nor any of its subsidiaries provides or will provide any financial support of the obligations of this partnership or of the other partners. As a limited partner, Berkshire's exposure to loss is limited to the carrying value of its investment.

(10) UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES

Supplemental data with respect to unpaid losses and loss adjustment expenses of property/casualty insurance subsidiaries (in millions) is as follows.

	2001	2000	1999
Unpaid losses and loss adjustment expenses:			
Gross liabilities at beginning of year	$ 33,022	$ 26,802	$ 23,012
Ceded losses and deferred charges	(5,590)	(3,848)	(2,727)
Net balance	27,432	22,954	20,285
Incurred losses recorded:			
Current accident year	15,608	15,252	11,275
All prior accident years	1,165	211	(192)
Total incurred losses	16,773	15,463	11,083
Payments with respect to:			
Current accident year	4,435	4,589	3,648
All prior accident years	5,366	5,890	4,532
Total payments	9,801	10,479	8,180
Unpaid losses and loss adjustment expenses:			
Net balance at end of year	34,404	27,938	23,188
Ceded losses and deferred charges	6,189	5,590	3,848
Foreign currency translation adjustment	30	(722)	(234)
Net liabilities assumed in connection with business acquisitions ..	93	216	--
Gross liabilities at end of year	$ 40,716	$ 33,022	$ 26,802

(10) UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES (Continued)

The balances of unpaid losses and loss adjustment expenses are based upon estimates of the ultimate claim costs associated with claim occurrences as of the balance sheet dates. Considerable judgment is required to evaluate claims and establish estimated claim liabilities, particularly with respect to certain lines of business, such as reinsurance assumed, or certain types of claims, such as environmental or latent injury liabilities. Additional information regarding incurred losses will be revealed over time and the estimates will be revised resulting in gains or losses in the periods made.

The accompanying Consolidated Statement of Earnings for 2001 includes estimated pre-tax underwriting losses of approximately $2.4 billion resulting from the terrorist attack in the U.S. on September 11, 2001. This amount is included in the table as incurred loss -- current accident year. Berkshire's management believes it will literally take years to resolve complicated coverage issues, which could produce a material change in the ultimate loss amount.

Incurred losses "all prior accident years" reflects the amount of estimation error charged or credited to earnings in each year with respect to the liabilities established as of the beginning of that year. During 2001, Berkshire's insurance subsidiaries recorded additional losses of $1,165 million in connection with losses occurring in years prior to 2001. This amount includes $878 million arising from General Re's traditional North American property/casualty business. The net effect of General Re's prior year reserve adjustments was a reduction of pre-tax income of approximately $800 million due to additional premiums triggered by the losses. Most of the reserve increases were taken in several casualty lines of businesses.

Prior accident years' losses incurred also include amortization of deferred charges related to retroactive reinsurance contracts incepting prior to the current year. Amortization charges included in prior accident years' losses were $328 million in 2001, $145 million in 2000 and $59 million in 1999. The increases in such charges in 2001 and 2000 are the result of several new contracts written over the past three years. The unamortized balance of deferred charges was $3,232 million at December 31, 2001 compared to $2,593 million at December 31, 2000. Net discounted liabilities at December 31, 2001 and 2000 were $1,834 million and $1,531 million, respectively. Periodic accretions of these liabilities are also a component of prior year losses incurred. See Note 1 for additional information.

Berkshire has exposure to environmental, asbestos and other latent injury claims arising from insurance and reinsurance contracts. Loss reserve estimates for environmental and asbestos exposures include case basis reserves, which also reflect reserves for legal and other loss adjustment expenses and incurred but not reported ("IBNR") reserves. IBNR reserves are determined based upon Berkshire's historic general liability exposure base and policy language, previous environmental and loss experience and the assessment of current trends of environmental law, environmental cleanup costs, asbestos liability law and judgmental settlements of asbestos liabilities.

The liabilities for environmental and latent injury claims and claims expenses net of reinsurance recoverables were approximately $6.3 billion at December 31, 2001. Approximately, $5.0 billion of these reserves were assumed under retroactive reinsurance contracts written by the Berkshire Hathaway Reinsurance Group. Claims arising from these contracts are subject to aggregate policy limits. Thus, Berkshire's exposure to environmental and latent injury claims under these contracts are, likewise, limited.

Berkshire monitors evolving case law and its effect on environmental and latent injury claims. Changing government regulations, newly identified toxins, newly reported claims, new theories of liability, new contract interpretations and other factors could result in significant amounts of adverse development of the balance sheet liabilities. Such development could be material to Berkshire's results of operations. It is not possible to estimate reliably the amount of additional net loss, or the range of net loss, that is reasonably possible.

(11) BORROWINGS UNDER INVESTMENT AGREEMENTS AND OTHER DEBT

Liabilities as of December 31, 2001 and 2000 for this balance sheet caption are as follows (in millions).

	2001	2000
Commercial paper and other short-term borrowings	$1,777	$ 991
Borrowings under investment agreements	478	508
General Re Corporation 9% debentures due 2009 (non-callable) ..	150	150
GEICO Corporation 7.35% debentures due 2023 (non-callable)	160	160
Other debt due 2002 -- 2028	920	854
	$3,485	$2,663

Commercial paper and other short-term borrowings are obligations of several Berkshire subsidiaries that utilize short-term borrowings as part of their day-to-day business operations. Berkshire affiliates have approximately $4 billion available unused lines of credit to support their short-term borrowing programs and, otherwise, provide additional liquidity.

(11) BORROWINGS UNDER INVESTMENT AGREEMENTS AND OTHER DEBT (Continued)

Borrowings under investment agreements are made pursuant to contracts calling for interest payable, normally semiannually, at fixed rates ranging from 2.5% to 8.6% per annum. Contractual maturities of borrowings under investment agreements generally range from 3 months to 30 years. Under certain conditions, these borrowings may be redeemable prior to the contractual maturity dates.

Other debt includes variable and fixed rate term bonds and notes issued by various of Berkshire subsidiaries. These obligations generally, are redeemable prior to maturity at the option of the issuing company.

No materially restrictive covenants are included in any of the various debt agreements. Payments of principal amounts expected during the next five years are as follows (in millions).

2002	2003	2004	2005	2006
$1,835	$53	$40	$415	$98

During the second quarter of 2001, Berkshire filed a shelf registration to issue up to $700 million in new debt securities at a future date. The intended purpose of the future issuance of debt is to fund the repayment of borrowings of certain Berkshire subsidiaries. The timing and amount of the debt to be issued under the shelf registration has not yet been determined.

(12) INCOME TAXES

The liability for income taxes as of December 31, 2001 and 2000 as reflected in the accompanying Consolidated Balance Sheets is as follows (in millions).

	2001	2000
Payable currently	$ (272)	$ 522
Deferred	7,293	9,603
	$ 7,021	$10,125

The Consolidated Statements of Earnings reflect charges for income taxes as shown below (in millions).

	2001	2000	1999
Federal	$ 629	$ 2,136	$ 748
State	68	32	43
Foreign	(77)	(150)	61
	$ 620	$ 2,018	$ 852
Current	$ 109	$ 2,012	$ 1,189
Deferred	511	6	(337)
	$ 620	$ 2,018	$ 852

The tax effects of temporary differences that give rise to significant portions of deferred tax assets and deferred tax liabilities at December 31, 2001 and 2000 are shown below (in millions).

	2001	2000
Deferred tax liabilities:		
Relating to unrealized appreciation of investments ..	$ 7,078	$ 9,571
Deferred charges reinsurance assumed	1,131	916
Investments	382	441
Other	1,552	717
	10,143	11,645
Deferred tax assets:		
Unpaid losses and loss adjustment expenses	(752)	(1,061)
Unearned premiums	(294)	(227)
Other	(1,804)	(754)
	(2,850)	(2,042)
Net deferred tax liability	$ 7,293	$ 9,603

(12) INCOME TAXES (Continued)

Charges for income taxes are reconciled to hypothetical amounts computed at the Federal statutory rate in the table shown below (in millions).

	2001	2000	1999
Earnings before income taxes	$ 1,469	$ 5,587	$ 2,450
Hypothetical amounts applicable to above computed at the Federal statutory rate	$ 514	$ 1,955	$ 858
Decreases resulting from:			
Tax-exempt interest income	(123)	(135)	(145)
Dividends received deduction	(129)	(116)	(95)
Goodwill amortization	191	240	161

State income taxes, less Federal income tax benefit ..	44	21	28
Foreign tax rate differential	82	34	45
Other differences, net	41	19	--
Total income taxes	$ 620	$ 2,018	$ 852

(13) DIVIDEND RESTRICTIONS -- INSURANCE SUBSIDIARIES

Payments of dividends by insurance subsidiaries are restricted by insurance statutes and regulations. Without prior regulatory approval, insurance subsidiaries may pay up to approximately $637 million as dividends from insurance subsidiaries during 2002.

Combined shareholders' equity of U.S. based property/casualty insurance subsidiaries determined pursuant to statutory accounting rules (Statutory Surplus as Regards Policyholders) was approximately $27.2 billion at December 31, 2001 and $41.5 billion at December 31, 2000. Effective January 1, 2001, Berkshire's insurance companies adopted several new statutory accounting policies as required under the Codification of Statutory Accounting Principles. Upon adoption of the new statutory accounting policies, the combined statutory surplus of Berkshire's insurance businesses declined approximately $8.0 billion to $33.5 billion as of January 1, 2001. The most significant new accounting policy related to the recording of net deferred income tax liabilities, which included deferred taxes on existing unrealized gains in equity securities. During 2001, combined statutory surplus declined further, primarily as a result of a decline in the net unrealized appreciation of certain equity investments.

Statutory surplus differs from the corresponding amount determined on the basis of GAAP. The major differences between statutory basis accounting and GAAP are that deferred charges-reinsurance assumed, deferred policy acquisition costs, unrealized gains and losses on investments in securities with fixed maturities and related deferred income taxes are recognized under GAAP but not for statutory reporting purposes. In addition, statutory accounting for goodwill of acquired businesses requires amortization over 10 years, compared to 40 years under GAAP.

(14) COMMON STOCK

Changes in issued and outstanding Berkshire common stock during the three years ended December 31, 2001 are shown in the table below.

	Class A Common, $5 Par Value (1,650,000 shares authorized) Shares Issued and Outstanding	Class B Common $0.1667 Par Value (55,000,000 shares authorized) Shares Issued and Outstanding
Balance December 31, 1998	1,349,535	5,070,379
Conversions of Class A common stock to Class B common stock and other	(7,872)	296,576
Balance December 31, 1999	1,341,663	5,366,955
Common stock issued in connection with acquisitions of businesses	3,572	1,626
Conversions of Class A common stock to Class B common stock and other	(1,331)	101,205
Balance December 31, 2000	1,343,904	5,469,786
Conversions of Class A common stock to Class B common stock and other	(20,494)	674,436
Balance December 31, 2001	1,323,410	6,144,222

Each share of Class A Common Stock is convertible, at the option of the holder, into thirty shares of Class B Common Stock. Class B Common Stock is not convertible into Class A Common Stock. Each share of Class B Common Stock possesses voting rights equivalent to one-two-hundredth (1/200) of the voting rights of a share of Class A Common Stock. Class A and Class B common shares vote together as a single class.

(15) FAIR VALUES OF FINANCIAL INSTRUMENTS

The estimated fair values of Berkshire's financial instruments as of December 31, 2001 and 2000, are as follows (in millions).

	Carrying Value		Fair Value	
	2001	2000	2001	2000
Investments in securities with fixed maturities	$36,509	$32,567	$36,603	$32,567
Investments in equity securities	28,675	37,619	28,675	37,619

Assets of finance and financial products businesses	41,591	16,829	41,710	16,913
Borrowings under investment agreements and other debt	3,485	2,663	3,624	2,704
Liabilities of finance and financial products businesses ..	37,791	14,730	37,917	14,896

In determining fair value of financial instruments, Berkshire used quoted market prices when available. For instruments where quoted market prices were not available, independent pricing services or appraisals by Berkshire's management were used. Those services and appraisals reflected the estimated present values utilizing current risk adjusted market rates of similar instruments. The carrying values of cash and cash equivalents, receivables and accounts payable, accruals and other liabilities are deemed to be reasonable estimates of their fair values.

Considerable judgment is necessarily required in interpreting market data used to develop the estimates of fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amounts that could be realized in a current market exchange. The use of different market assumptions and/or estimation methodologies may have a material effect on the estimated fair value.

(16) LITIGATION

GEICO has been named as a defendant in a number of class action lawsuits related to the use of replacement repair parts not produced by the original auto manufacturer, the calculation of "total loss" value and whether to pay diminished value as part of the settlement of certain claims. Management intends to vigorously defend GEICO's position on these claim settlement procedures. However, these lawsuits are in various stages of development and the ultimate outcome cannot be reasonably determined.

Berkshire and its subsidiaries are parties in a variety of legal actions arising out of the normal course of business. In particular, and in common with the insurance industry in general, such legal actions affect Berkshire's insurance and reinsurance businesses. Such litigation generally seeks to establish liability directly through insurance contracts or indirectly through reinsurance contracts issued by Berkshire subsidiaries. Plaintiffs occasionally seek punitive or exemplary damages. Berkshire does not believe that such normal and routine litigation will have a material effect on its financial condition or results of operations.

(17) INSURANCE PREMIUM AND SUPPLEMENTAL CASH FLOW INFORMATION

Premiums written and earned by Berkshire's property/casualty and life/health insurance businesses during each of the three years ending December 31, 2001 are summarized below. Dollars are in millions.

	Property/Casualty			Life/Health		
	2001	2000	1999	2001	2000	1999
Premiums Written:						
Direct	$ 8,294	$ 6,858	$ 5,798			
Assumed	9,332	11,270	7,951	$ 2,162	$ 2,520	$ 1,981
Ceded	(890)	(729)	(818)	(157)	(257)	(245)
	$ 16,736	$ 17,399	$ 12,931	$ 2,005	$ 2,263	$ 1,736
Premiums Earned:						
Direct	$ 7,654	$ 6,666	$ 5,606			
Assumed	9,097	11,036	7,762	$ 2,143	$ 2,513	$ 1,971
Ceded	(834)	(620)	(788)	(155)	(252)	(245)
	$ 15,917	$ 17,082	$ 12,580	$ 1,988	$ 2,261	$ 1,726

Insurance premiums written by geographic region (based upon the domicile of the insured) are summarized below.

	Property/Casualty			Life/Health		
	2001	2000	1999	2001	2000	1999
United States	$13,319	$11,409	$ 8,862	$1,176	$1,296	$ 970
Western Europe	2,352	5,064*	2,000	518	633	539
All other	1,065	926	2,069	311	334	227
	$16,736	$17,399	$12,931	$2,005	$2,263	$1,736

* Premiums attributed to Western Europe include $2,438 million from a single reinsurance policy.

(17) INSURANCE PREMIUM AND SUPPLEMENTAL CASH FLOW INFORMATION (Continued)

A summary of supplemental cash flow information is presented in the following table (in millions).

	2001	2000	1999
Cash paid during the year for:			
Income taxes	$ 905	$1,396	$2,215
Interest of finance and financial products businesses	672	794	513
Other interest	225	157	136
Non-cash investing and financing activities:			
Liabilities assumed in connection with acquisitions of businesses	3,507	901	61
Common shares issued in connection with acquisitions of businesses	--	224	--
Contingent value of Exchange Notes recognized in earnings	105	117	87
Value of equity securities used to redeem Exchange Notes	228	278	298

(18) PENSION PLANS

Certain Berkshire insurance and non-insurance subsidiaries individually sponsor defined benefit pension plans covering their employees. Benefits under the plans are generally based on years of service and compensation, although benefits under certain plans are based on years of service and fixed benefit rates. Funding policies are generally to contribute amounts required to meet regulatory requirements plus additional amounts determined by management based on actuarial valuations. Most U.S. plans are funded through assets held in trust. However, pension obligations under plans for non-U.S. employees are unfunded. Plan assets are primarily invested in fixed income obligations of U.S. Government Corporations and agencies and cash equivalents and equity securities.

The components of net periodic pension expense for all plans are as follows (in millions).

	2001	2000	1999
Service cost	$ 71	$ 44	$ 44
Interest cost	140	73	66
Expected return on plan assets	(136)	(73)	(66)
Net amortization, deferral and other	2	(2)	6
Net pension expense	$ 77	$ 42	$ 50

Changes in projected benefit obligations and plan assets are as follows (in millions).

	2001	2000
Projected benefit obligation, beginning of year	$ 1,335	$ 978
Service cost	71	44
Interest cost	140	73
Benefits paid	(101)	(53)
Benefit obligations of acquired businesses	730	257
Actuarial (gain) loss and other	208	36
Projected benefit obligation, end of year	$ 2,383	$ 1,335
Plan assets at fair value, beginning of year	$ 1,433	$ 1,015
Employer contributions	34	10
Benefits paid	(98)	(49)
Plan assets of acquired businesses	707	346
Actual return on plan assets	140	112
Expenses and other	(2)	(1)
Plan assets at fair value, end of year	$ 2,214	$ 1,433

The funded status of the plans is as follows (in millions)

	Dec. 31, 2001	Dec. 31, 2000
Plan assets over (under) benefit obligations	$(169)	$ 98
Unrecognized net actuarial gains and other	(107)	(308)
Accrued benefit cost liability	$(276)	$(210)

(18) PENSION PLANS (Continued)

Four of Berkshire's recently acquired businesses sponsor defined benefit plans. Certain actuarial assumptions which were being used to value the assets and obligations of these plans at the time of acquisition have been revised in 2001 to better reflect the current economic environment and in particular the recent decline in interest rates. The total funded status for plans with benefit obligations in excess of assets was $424 million and $211 million as of December 31, 2001 and 2000, respectively.

Weighted average assumptions used in determining projected benefit obligations were as follows.

	2001	2000
Discount rate	6.6	7.4
Discount rate -- non-U.S. plans	5.9	6.0
Long-term expected rate of return on plan assets	6.5	8.3
Rate of compensation increase	4.8	5.1
Rate of compensation increase -- non-U.S. plans	4.5	3.5

Most Berkshire subsidiaries also have defined contribution retirement plans, such as a 401(k) or profit sharing plans. The plans generally cover all employees who meet specified eligibility requirements. Employee contributions to the plans are subject to regulatory limitations and the specific plan provisions. Berkshire subsidiaries generally match these contributions up to levels specified in the plans, and may make additional discretionary contributions as determined by management. The total expenses related to employer contributions for these plans were $70 million, $80 million and $144 million for the years ended December 31, 2001, 2000 and 1999, respectively.

(19) BUSINESS SEGMENT DATA

Information related to Berkshire's reportable business operating segments is shown below.

Business Identity	Business Activity
GEICO	Underwriting private passenger automobile insurance mainly by direct response methods
General Re	Underwriting excess-of-loss, quota-share and facultative reinsurance worldwide
Berkshire Hathaway Reinsurance Group	Underwriting excess-of-loss and quota-share reinsurance for property and casualty insurers and reinsurers
Berkshire Hathaway Primary Insurance Group	Underwriting multiple lines of property and casualty insurance policies for primarily commercial accounts
Acme Building Brands, Benjamin Moore, Johns Manville and MiTek ("Building products")	Manufacturing and distribution of a variety of building materials and related products and services
Finance and financial products	Proprietary investing, real estate financing, transportation equipment leasing and risk management products
FlightSafety and Executive Jet ("Flight services")	Training to operators of aircraft and ships and providing fractional ownership programs for general aviation aircraft
Nebraska Furniture Mart, R.C. Willey Home Furnishings, Star Furniture Company, Jordan's Furniture, Borsheim's, Helzberg Diamond Shops and Ben Bridge Jeweler ("Retail")	Retail sales of home furnishings, appliances, electronics, fine jewelry and gifts
Scott Fetzer Companies	Diversified manufacturing and distribution of various consumer and commercial products with principal brand names including Kirby and Campbell Hausfeld
Shaw Industries	Manufacturing and distribution of carpet and floor coverings under a variety of brand names

Other businesses not specifically identified above consist of: Buffalo News, a daily newspaper publisher in Western New York; International Dairy Queen, which licenses and services a system of about 6,000 Dairy Queen stores; See's Candies, a manufacturer and distributor of boxed chocolates and other confectionery products; H.H. Brown Shoe, Lowell Shoe, Dexter Shoe and Justin Brands, manufacturers and distributors of footwear and CORT Business Services, a leading national provider of rental furniture and related services.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(19) BUSINESS SEGMENT DATA (Continued)

A disaggregation of Berkshire's consolidated data for each of the three most recent years is presented in the tables which follow on this and the following page. Amounts are in millions.

	REVENUES		
	2001	2000	1999
OPERATING BUSINESSES:			
Insurance group:			
Premiums earned:			
GEICO	$ 6,060	$ 5,610	$ 4,757
General Re	8,353	8,696	6,905
Berkshire Hathaway Reinsurance Group	2,991	4,712	2,387
Berkshire Hathaway Primary Insurance Group	501	325	257
Investment income	2,844	2,796	2,507
Total insurance group	20,749	22,139	16,813
Building products	3,269	178	--
Finance and financial products	519	530	117
Flight services	2,563	2,279	1,856
Retail	1,998	1,864	1,402
Scott Fetzer Companies	914	963	1,021
Shaw Industries	4,012	--	--
Other businesses	2,329	2,180	1,639
	36,353	30,133	22,848
RECONCILIATION OF SEGMENTS TO CONSOLIDATED AMOUNT:			
Realized investment gain	1,363	3,955	1,365
Other revenues	35	54	40
Eliminations	(16)	--	--
Purchase-accounting adjustments	(67)	(136)	(225)
	$ 37,668	$ 34,006	$ 24,028

	OPERATING PROFIT BEFORE TAXES		
	2001	2000	1999
OPERATING BUSINESSES:			
Insurance group operating profit:			
Underwriting profit (loss):			
GEICO	$ 221	$ (224)	$ 24
General Re	(3,671)	(1,254)	(1,184)
Berkshire Hathaway Reinsurance Group	(647)	(162)	(251)
Berkshire Hathaway Primary Insurance Group	30	25	17
Net investment income	2,824	2,773	2,489
Total insurance group operating profit (loss)	(1,243)	1,158	1,095
Building products	461	34	--
Finance and financial products	519	530	117
Flight services	186	213	225
Retail	175	175	130
Scott Fetzer Companies	129	122	147
Shaw Industries	292	--	--
Other businesses	344	326	211
	863	2,558	1,925
RECONCILIATION OF SEGMENTS TO CONSOLIDATED AMOUNT:			
Realized investment gain	1,320	3,955	1,365
Interest expense*	(92)	(92)	(109)
Corporate and other	8	22	8
Goodwill amortization and other purchase-accounting adjustments	(630)	(856)	(739)
	$ 1,469	$ 5,587	$ 2,450

* Amounts of interest expense represent interest on borrowings under investment agreements and other debt exclusive of that of finance businesses and interest allocated to certain businesses.

(19) BUSINESS SEGMENT DATA (Continued)

	CAPITAL EXPENDITURES*			DEPREC. & AMORT. OF TANGIBLE ASSETS		
	2001	2000	1999	2001	2000	1999
OPERATING BUSINESSES:						
Insurance group:						
GEICO	$ 20	$ 29	$ 87	$ 70	$ 64	$ 40
General Re	19	22	17	20	39	25
Berkshire Hathaway Reinsurance Group	--	--	--	--	--	--
Berkshire Hathaway Primary Insurance Group	3	4	1	2	1	1
Total insurance group	42	55	105	92	104	66
Building products	152	15	--	124	9	--
Finance and financial products	16	1	4	50	3	6
Flight services	408	472	323	108	90	77
Retail	76	48	55	37	33	27
Scott Fetzer Companies	6	11	14	10	10	11
Shaw Industries	71	--	--	88	--	--
Other businesses	40	28	29	34	32	27
	811	630	530	543	281	214
RECONCILIATION OF SEGMENTS TO CONSOLIDATED AMOUNT:						
Corporate and other	--	--	--	--	--	1
Purchase-accounting adjustments	--	--	--	1	1	3
	$811	$630	$530	$544	$282	$218

* Excludes expenditures which were part of business acquisitions.

	IDENTIFIABLE ASSETS AT YEAR-END		
	2001	2000	1999
OPERATING BUSINESSES:			
Insurance group:			
GEICO	$ 11,309	$ 10,569	$ 9,381
General Re	34,575	31,594	30,168
Berkshire Hathaway Reinsurance Group	38,595	45,775	39,607
Berkshire Hathaway Primary Insurance Group	3,360	4,168	4,866
Total insurance group	87,839	92,106	84,022
Building products	2,535	686	--
Finance and financial products	41,599	16,837	24,235
Flight services	2,816	2,336	1,790
Retail	1,215	1,154	906
Scott Fetzer Companies	281	295	298
Shaw Industries	1,619	--	--
Other businesses	2,406	2,388	712
	140,310	115,802	111,963
RECONCILIATION OF SEGMENTS TO CONSOLIDATED AMOUNT:			
Corporate and other	992	1,049	945
Goodwill and other purchase-accounting adjustments	21,450	18,941	18,508
	$162,752	$135,792	$131,416

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(20) QUARTERLY DATA

A summary of revenues and earnings by quarter for each of the last two years is presented in the following table. This information is unaudited. Dollars are in millions, except per share amounts.

2001	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter

Revenues	$8,142	$10,656	$ 9,310	$ 9,560
Earnings:				
Excluding realized investment gain	$ 462	$ 353	(895)(2)	$ 33
Realized investment gain(1)	144	420	216	62
Net earnings (loss)	$ 606	$ 773	$ (679)	$ 95
Earnings per equivalent Class A common share:				
Excluding realized investment gain	$ 303	$ 231	$ (586)	$ 22
Realized investment gain(1)	94	275	141	41
Net earnings (loss)	$ 397	$ 506	$ (445)	$ 63
2000				
Revenues	$6,479	$ 6,564	$ 8,434	$12,529
Earnings:				
Excluding realized investment gain	$ 354	$ 245	$ 301	$ 36
Realized investment gain(1)	453	395	496	1,048
Net earnings	$ 807	$ 640	$ 797	$ 1,084
Earnings per equivalent Class A common share:				
Excluding realized investment gain	$ 233	$ 161	$ 197	$ 23
Realized investment gain(1)	298	260	326	687
Net earnings	$ 531	$ 421	$ 523	$ 710

(1) The amount of realized gain for any given period has no predictive value and variations in amount from period to period have no practical analytical value particularly in view of the unrealized appreciation now existing in Berkshire's consolidated investment portfolio.

(2) Includes pre-tax underwriting losses of $2.275 billion related to the then estimated losses incurred in connection with the September 11th terrorist attack.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None

Part III

Except for the information set forth under the caption "Executive Officers of the Registrant" in Part I hereof, information required by this Part (Items 10, 11, 12, and 13) is incorporated by reference from the Registrant's definitive proxy statement, filed pursuant to Regulation 14A, for the Annual Meeting of Shareholders of the Registrant to be held on May 4, 2002, which meeting will involve the election of directors.

Part IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULE, AND REPORTS ON FORM 8-K

(a) 1. Financial Statements

The following consolidated financial statements, as well as the Independent Auditors' Report, are included in Part II Item 8 of this report:

(a) 2. Financial Statement Schedule

Independent Auditors' Report on Schedule

Other schedules are omitted because they are not required, information therein is not applicable, or is reflected in the Consolidated Financial Statements or notes thereto.

(a) 3. Exhibits

See the "Exhibit Index" at page 63.

(b) Reports on Form 8-K

None

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

BERKSHIRE HATHAWAY INC.

Date: March 29, 2002 /s/ Marc D. Hamburg

Marc D. Hamburg
Vice President and
Principal Financial Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Warren E. Buffett Warren E. Buffett	Chairman of the Board of Directors - Chief Executive Officer	March 29, 2002
/s/ Howard G. Buffett Howard G. Buffett	Director	March 29, 2002
/s/ Susan T. Buffett Susan T. Buffett	Director	March 29, 2002
/s/ Charles T. Munger Charles T. Munger	Vice Chairman of the Board of Directors	March 29, 2002
/s/ Malcolm G. Chace Malcolm G. Chace	Director	March 29, 2002
/s/ Walter Scott, Jr. Walter Scott, Jr.	Director	March 29, 2002
/s/ Ronald L. Olson Ronald L. Olson	Director	March 29, 2002
/s/ Marc D. Hamburg Marc D. Hamburg	Vice President - Principal Financial Officer	March 29, 2002
/s/ Daniel J. Jaksich Daniel J. Jaksich	Controller	March 29, 2002

INDEPENDENT AUDITORS' REPORT ON SCHEDULE

To the Board of Directors and Shareholders
Berkshire Hathaway Inc.

We have audited the consolidated financial statements of Berkshire Hathaway Inc. and subsidiaries as of December 31, 2001 and 2000, and for each of the three years in the period ended December 31, 2001, and have issued our report thereon dated March 5, 2002; such consolidated financial statements and report are included elsewhere in this Form 10-K. Our audits also included the financial statement schedule of Berkshire Hathaway Inc., listed in Item 14. The financial statement schedule is the responsibility of the Company's management. Our responsibility is to express an opinion based on our audits. In our opinion, such financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

DELOITTE & TOUCHE LLP
Omaha, Nebraska
March 5, 2002

BERKSHIRE HATHAWAY INC.
(Parent Company)
Condensed Financial Information
(Dollars in millions)

Schedule I

BALANCE SHEETS

	December 31, 2001	December 31, 2000
Assets:		
Cash and cash equivalents	$ 1	$ --
Investments in consolidated subsidiaries	56,561	60,876
Investments in MidAmerican Energy	1,372	1,264
Other assets	51	42
	$57,985	$62,182
Liabilities and Shareholders' Equity:		
Accounts payable and accrued expenses	$ 15	$ 81
Income taxes	20	377
	35	458
Shareholders' equity	57,950	61,724
	$57,985	$62,182

STATEMENTS OF EARNINGS

	Year ending December 31, 2001	2000	1999
Income items:			
From consolidated subsidiaries:			
Dividends	$ 4,508	$2,432	$ 500
Undistributed earnings	(3,812)	842	1,057
	696	3,274	1,557
Income from investments in MidAmerican Energy	115	66	--
Other income	5	--	--
	816	3,340	1,557
Cost and expense items:			
General and administrative	1	--	--
Interest	5	8	--
Income tax expense	15	4	--
	21	12	--
Net earnings	$ 795	$3,328	$1,557

See Note to Condensed Financial Information

BERKSHIRE HATHAWAY INC.
(Parent Company)

Condensed Financial Information
(Dollars in millions)

Schedule I (continued)

STATEMENTS OF CASH FLOWS

	Year ending December 31, 2001	2000	1999
Cash flows from operating activities:			
Net earnings	$ 795	$ 3,328	$ 1,557
Adjustments to reconcile net earnings to cash flows from operating activities:			
Undistributed earnings of subsidiaries and MidAmerican Energy	3,697	(908)	(1,057)
Income taxes payable	(357)	377	--
Other	15	15	(8)
Net cash flows from operating activities	4,150	2,812	492
Cash flows from investing activities:			
Investments in and advances to subsidiaries	(4,165)	(1,606)	(579)
Purchases of investments	(50)	(1,285)	--
Net cash flows from investing activities	(4,215)	(2,891)	(579)
Cash flows from financing activities:			
Other	66	79	87
Net cash flows from financing activities	66	79	87
Increase in cash and cash equivalents	1	--	--
Cash and cash equivalents at beginning of year	--	--	--
Cash and cash equivalents at end of year	$ 1	$ --	$ --
Other cash flow information:			
Income taxes paid	$ 1,634	$ 1,264	$ 1,185
Interest paid	1	--	--

NOTE TO CONDENSED FINANCIAL INFORMATION

Berkshire Hathaway Inc. has guaranteed certain debt obligations of its subsidiaries. As of December 31, 2001, the unpaid balance of subsidiary debt guaranteed by Berkshire totaled approximately $6.2 billion. This amount includes the outstanding bank loan of Berkadia LLC, which totaled $4.9 billion.

In addition, Berkshire has guaranteed the short term obligations of a member of its finance and financial products group with respect to securities sold under agreements to repurchase. Amounts due under such agreements totaled $20.4 billion at December 31, 2001, and were fully collateralized with mortgage-backed securities owned by that finance group member.

EXHIBIT INDEX

Exhibit No.

2.1 Agreement and Plan of Merger dated as of June 19, 1998 between Registrant and General Re Corporation.
Incorporated by reference to Annex I to Registration Statement No. 333-61129 filed on Form S-4.

3 Restated Certificate of Incorporation
Incorporated by reference to Exhibit 3.1 to Registration Statement No. 333-61129 filed on Form S-4.

3.1 By-Laws
Incorporated by reference to Exhibit 3.2 to Registration Statement No. 333-61129 filed on Form S-4.

4.1 Form of Indenture dated as of December 1, 1987 between OBH Inc. (formerly Berkshire Hathaway Inc.) and State Street Bank and Trust Company (as successor trustee to The First National Bank of Boston), trustee with respect to 9 3/4% Debentures due January 15, 2018
Incorporated by reference to Exhibit 4 to Registration Statement No. 33-19000 filed on Form S-3.

OTHER INSTRUMENTS DEFINING THE RIGHTS OF HOLDERS OF LONG-TERM DEBT OF REGISTRANT AND ITS SUBSIDIARIES ARE NOT BEING FILED SINCE THE TOTAL AMOUNT OF SECURITIES AUTHORIZED BY ALL OTHER SUCH

INSTRUMENTS DOES NOT EXCEED 10% OF THE TOTAL ASSETS OF THE REGISTRANT AND ITS SUBSIDIARIES ON A CONSOLIDATED BASIS AS OF DECEMBER 31, 2001. THE REGISTRANT HEREBY AGREES TO FURNISH TO THE COMMISSION UPON REQUEST A COPY OF ANY SUCH DEBT INSTRUMENT TO WHICH IT IS A PARTY.

12	Statement of computation of ratio of earnings to fixed charges
21	Subsidiaries of the Registrant
23	Independent Auditors' Consent

Reg S-K
Item 601
Exhibit 12

BERKSHIRE HATHAWAY INC.
Calculation of Ratio of Consolidated Earnings to Consolidated Fixed Charges
(Dollars in millions)

	Years Ended December 31,				
	2001	2000	1999	1998	1997
Net earnings	$ 795	$ 3,328	$1,557	$2,830	$1,901
Income tax expense	620	2,018	852	1,457	898
Minority interest in earnings	54	241	41	27	28
Earnings from investments in MidAmerican Energy	(165)	(105)	--	--	--
Fixed charges*	307	212	187	142	141
Earnings available for fixed charges	$ 1,611	$ 5,694	$2,637	$4,456	$2,968
Realized investment gain, pretax, included in Earnings available for fixed charges	$ 1,363	$ 3,955	$1,365	$2,415	$1,106
Fixed charges*					
Interest on indebtedness (including amortization of debt discount and expense)	$ 209	$ 144	$ 134	$ 109	$ 112
Rentals representing interest	98	68	53	33	29
	$ 307	$ 212	$ 187	$ 142	$ 141
Ratio of earnings to fixed charges*	5.25x	26.86x	14.10x	31.38x	21.05x
Ratio of earnings, excluding realized investment gain, to fixed charges*	0.81x	8.20x	6.80x	14.37x	13.21x

----

* Excludes fixed charges of finance businesses. Fixed charges of finance businesses were as follows:

2001	2000	1999	1998	1997
$762	$774	$586	$21	$20

Including fixed charges of finance businesses the ratios of earnings to fixed charges were as follows:

	2001	2000	1999	1998	1997
Including realized investment gain	2.22x	6.56x	4.17x	27.47x	18.56x
Excluding realized investment gain	0.94x	2.55x	2.40x	12.65x	11.69x

BERKSHIRE HATHAWAY INC.
Subsidiaries of Registrant (1)
December 31, 2001

Company Name	Domicile or State of Incorporation
Acme Brick Company	Delaware
Acme Building Brands, Inc.	Delaware
The Ben Bridge Corporation	Washington
Ben Bridge Jeweler, Inc.	Washington
Benjamin Moore & Co.	New Jersey
Benjamin Moore & Co., Limited	Canada
Berkadia LLC	Delaware
Berkshire Hathaway Credit Corporation	Nebraska
Berkshire Hathaway International Insurance Ltd.	United Kingdom
Berkshire Hathaway Life Insurance Company of Nebraska	Nebraska
BHG Life Insurance Company	Nebraska
BHSF, Inc.	Delaware
BH Finance LLC	Nebraska
BH Shoe Holdings, Inc.	Delaware
Blue Chip Stamps	California
Borsheim's Jewelry Company, Inc.	Nebraska
Campbell Hausfeld/Scott Fetzer Company	Delaware
Central States Indemnity Co. of Omaha	Nebraska
Central States of Omaha Companies, Inc.	Nebraska
General & Cologne Life Reinsurance Company of America	Connecticut
General & Cologne Life Reinsurance Co. of Australasia Ltd.	Australia
Cologne Reinsurance Company Ltd.	Ireland
The Cologne & General Reinsurance Co. of Africa Ltd.	South Africa
Columbia Insurance Company	Nebraska
Continental Divide Insurance Company	Colorado
Cornhusker Casualty Company	Nebraska
CORT Business Services Corporation	Delaware
Cypress Insurance Company	California
Dexter Shoe Company	Maine
Europa Ruckversicherung AG	Germany
Executive Jet, Inc.	Delaware
Fairfield Insurance Company	Connecticut
Faraday Reinsurance Company Ltd.	United Kingdom
Faraday Underwriting Limited	United Kingdom
The Fechheimer Brothers Company	Delaware
FlightSafety International Inc.	New York
GEICO Casualty Company	Maryland
GEICO Corporation	Delaware
GEICO General Insurance Company	Maryland
GEICO Indemnity Company	Maryland
GRD Corporation	Delaware
Gen Re Holdings, Inc.	Delaware
Gen Re Securities Holdings Limited	Bermuda
General Re-CKAG Reinsurance and Investment S.a r.l.	Luxembourg
General Re Corporation	Delaware
General Cologne Re UK Limited	United Kingdom
General Re Financial Products Corp.	Delaware
General Re Financial Products (Japan) Inc.	Delaware

BERKSHIRE HATHAWAY INC.
Subsidiaries of Registrant (1)
December 31, 2001

Company Name	Domicile or State of Incorporation
General Re Securities Ltd.	United Kingdom
General Re Services Corporation	Delaware
General Reinsurance Corporation	Delaware
General Star Indemnity Company	Connecticut
General Star National Insurance Company	Ohio
Genesis Indemnity Insurance Company	North Dakota
Genesis Insurance Company	Connecticut
Government Employees Insurance Company	Maryland
Helzberg's Diamond Shops, Inc.	Missouri
Herbert Clough, Inc.	New York
H. H. Brown Shoe Company, Inc.	Delaware
Homemakers Plaza, Inc.	Iowa

International Dairy Queen, Inc.	Delaware
Johns Manville Corporation	Delaware
Jordan's Furniture, Inc.	Massachusetts
Justin Brands, Inc.	Delaware
Justin Industries, Inc.	Texas
Kansas Bankers Surety Company	Kansas
Kolnische Ruck Wien	Austria
Kolnische Ruckversicherungs-Gesellschaft AG	Germany
Lowell Shoe Company	New Hampshire
MiTek, Inc.	Delaware
Mount Vernon Fire Insurance Company	Pennsylvania
National Fire & Marine Insurance Company	Nebraska
National Indemnity Company	Nebraska
National Indemnity Company of the South	Florida
National Indemnity Company of Mid-America	Iowa
National Liability and Fire Insurance Company	Connecticut
National Re Corporation	Delaware
National Reinsurance Corporation	Delaware
Nebraska Furniture Mart, Inc.	Nebraska
Oak River Insurance Company	Nebraska
OBH Inc.	Delaware
OCSAP, Ltd	Maine
Precision Steel Warehouse, Inc.	Illinois
Queen Carpet Corporation	Georgia
R.C. Willey Home Furnishings	Utah
Redwood Fire and Casualty Insurance Company	Nebraska
The Scott Fetzer Company	Delaware
Scott Fetzer Financial Group, Inc.	Delaware
See's Candies, Inc.	California
See's Candy Shops, Inc.	California
Shaw Contract Flooring Services, Inc.	Georgia
Shaw Industries, Inc.	Georgia
Star Furniture Company	Texas
U.S. Investment Corporation	Pennsylvania
United States Liability Insurance Company	Pennsylvania
U.S. Underwriters Insurance Company	North Dakota
Wesco Financial Corporation	Delaware

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Exhibit 21

BERKSHIRE HATHAWAY INC.
Subsidiaries of Registrant (1)
December 31, 2001

Company Name	Domicile or State of Incorporation
Wesco-Financial Insurance Company	Nebraska
Wesco Holdings Midwest, Inc.	Nebraska
World Book/Scott Fetzer Company	Nebraska
XTRA Corporation	Delaware

(1) Each of the named subsidiaries is not necessarily a "significant subsidiary" as defined in Rule 1-02(w) of Regulation S-X, and Berkshire has several additional subsidiaries not named above. The unnamed subsidiaries, considered in the aggregate as a single subsidiary, would not constitute a "significant subsidiary" at the end of the year covered by this report.

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Exhibit 23

INDEPENDENT AUDITORS' CONSENT

We consent to the incorporation by reference in Registration Statements of Berkshire Hathaway Inc. on Form S-3 (File No. 333-41686), Form S-3 (File No. 333-44448), Form S-3 (File No. 333-61350), Form S-3 (File No. 333-68175, Form S-8 (File No. 333-18443), Form S-8 (File No. 333-43366), Form S-8 (File No. 333-53046), Form S-8 (File No. 333-62273), Form S-8 (File No. 333-64284), Form S-8 (File No. 333-70609), Form S-8 (File No. 333-74312), Form S-8 (File No. 333-75612) of our reports dated March 5, 2002, appearing in this Annual Report on Form 10-K of Berkshire Hathaway Inc. for the year ended December 31, 2001.

DELOITTE & TOUCHE LLP
Omaha, Nebraska
March 29, 2002