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, 2000

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 - $64,785,516,000**

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

March 19, 2001 -- Class A Common Stock, $5 par value .... 1,342,950 shares
March 19, 2001 -- Class B Common Stock, $0.1667 par value .... 5,512,163 shares

DOCUMENTS INCORPORATED BY REFERENCE

Document	Incorporated In
Proxy Statement for Registrant's Annual Meeting to be held April 28, 2001	Part III

* OBH Inc., a wholly-owned subsidiary of the Registrant, issued 1% Senior Exchangeable Notes due December 2, 2001, which are registered on the New York Stock Exchange.

** This aggregate value is computed at the last sale price of the common stock on March 19, 2001. It does not include the value of Class A Common Stock (530,743 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 nationwide on a primary basis and worldwide on 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. Over the last five years, Berkshire's insurance operations have expanded significantly as a result of the January 1996 acquisition of GEICO Corporation ("GEICO Corp.") and the December 1998 acquisition of General Re Corporation ("General Re"). Historically, Berkshire's insurance businesses provided insurance and reinsurance of property and casualty risks primarily in the United States. As a result of the General Re acquisition, Berkshire's insurance operations 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 underwriting of 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.

Most primary insurers are required to obtain regulatory approval of the policy forms issued and premium rates charged to policyholders. Reinsurers are normally not required to obtain such approvals. States regulate the payment of dividends by insurance companies to their shareholders. Dividends of extraordinary amounts are subject to prior regulatory approval.

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.

In 1998, the NAIC adopted statutory accounting principles ("SAP") developed under its Codification Project, which was intended to bring greater uniformity in accounting practices throughout the United States. The codification guidance became effective January 1, 2001. While the codification is not expected to have significant effect on Berkshire's insurance businesses, the amount of reported regulatory capital, also known as statutory surplus, will decline due to the recognition of deferred income taxes, including tax liabilities on unrealized appreciation of investments. Previously, such liabilities were not recognized under SAP.

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.

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 companies, 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 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 has grown from $19.5 billion at December 31, 1995 to approximately $41.5 billion at December 31, 2000. As a result of the adoption of the statutory accounting codification discussed above, the aggregate statutory surplus is expected to decline to about $33 billion as of January 1, 2001. 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.

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 Corp. and its subsidiaries, (2) Berkshire Hathaway Reinsurance Group, (3) Berkshire Hathaway Direct Insurance Group, and (4) General Re and its subsidiaries. Additional information related to each of these four underwriting units follows.

GEICO CORP. -- GEICO Corp. is headquartered in Chevy Chase, Maryland and its principal insurance subsidiaries include: Government Employees Insurance Company ("GEICO"), GEICO General Insurance Company ("GEICO General"), GEICO Indemnity Company ("GI"), and GEICO Casualty Company ("GEICO Casualty"). These companies offer primarily private passenger automobile insurance to individuals in 48 states and the District of Columbia. Since being acquired by Berkshire, premium volume has grown as a result of significantly higher advertising expenditures and competitive premium rates. As a consequence, voluntary automobile policies in-force have grown by approximately 100% since 1995. To facilitate servicing in-force policy growth, GEICO opened sales and claims service centers in several new locations during 1998 and 1999. Collectively, GEICO Corp. companies are currently the sixth largest auto insurer, in terms of premium volume, in the United States.

GEICO, founded in 1936, is a multiple-line property and casualty insurer engaged primarily in writing private passenger automobile insurance for preferred-risk government employees and military personnel. Prior to 1996, GEICO also wrote homeowners, fire and boat owners insurance. Since then, GEICO substantially exited these markets. GEICO also writes small amounts of personal umbrella insurance for qualified applicants. GEICO General writes private passenger automobile insurance for preferred-risk drivers not associated with the government or military. GI writes standard-risk private passenger automobile and motorcycle insurance. GEICO Casualty writes non-standard risk private passenger automobile insurance. Each of these companies 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.

Seasonal variations in GEICO Corp.'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 and, to a diminishing degree, homeowners claims.

ITEM 1. BUSINESS (CONTINUED)

INSURANCE AND REINSURANCE BUSINESSES (CONTINUED)

GEICO CORPORATION (CONTINUED)

GEICO Corp. companies compete 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 Corp. companies 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 Corp. companies place great emphasis on customer satisfaction. GEICO Corp. companies' 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 the GEICO Corp. companies is a material asset and protects its name and other service marks through appropriate registrations.

BERKSHIRE HATHAWAY REINSURANCE GROUP -- The Berkshire Hathaway Reinsurance Group ("BHRG") operates from offices located in Stamford, Connecticut. National Indemnity Company, the legal entity through which most of BHRG's reinsurance is underwritten, 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.

During the past five 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 its extraordinary financial strength, 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.

In recent years, BHRG's non-catastrophe reinsurance business has derived primarily from a relatively small number of excess policies written for major

U.S. insurers and reinsurers. For instance, BHRG has entered into several retroactive reinsurance contracts over the past three years. In 2000, retroactive reinsurance accounted for 84% of the total premium volume generated by BHRG. 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.

Under the terms of other non-catastrophe contracts, limits of indemnification also may be subject to minimum and maximum payment amounts. Minimum amounts may arise from profit-sharing or commutation clauses 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 agreements 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 increased investment income in future periods.

BERKSHIRE HATHAWAY DIRECT INSURANCE GROUP -- The Berkshire Hathaway Direct 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 and certain affiliates underwrite motor vehicle 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; Central States Indemnity Company of Omaha, 86.9% owned by Berkshire and located in Omaha, Nebraska, which provides credit card credit insurance marketed primarily through credit card issuers nationwide and 80.1% owned 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 midwestern United States.

On August 8, 2000, Berkshire acquired U.S. Investment Corporation ("USIC"). USIC, through its three subsidiaries led by United States Liability Insurance Company, underwrites primarily excess-and-surplus liability coverage. USIC companies are licensed in a total of 48 states and the District of Columbia.

GENERAL RE -- 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, 2000.

General Re subsidiaries currently conduct global reinsurance businesses in 71 cities throughout the world and provide reinsurance coverage in 130 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. Collectively, General Re and subsidiaries are among 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 principally treaty and facultative reinsurance that is marketed directly to clients without involving a broker or intermediary. General Re companies underwrite predominantly excess coverages for clients located throughout the United States and Canada. North American reinsurance operations are conducted primarily through GRC and National Reinsurance Company ("NRC"), both based in Stamford, Connecticut. GRC is domiciled in Delaware and licensed in the District of Columbia and all states but Hawaii, where it is an accredited reinsurer. North American property/casualty business also includes a few smaller specialty insurers.

North American property/casualty reinsurance operations generated $3,517 million in net written premiums in 2000. Casualty reinsurance represented approximately 67% of North American property/casualty net premiums written and property reinsurance represented approximately 26%.

General Re's specialty insurers include the General Star companies, which underwrite excess and surplus lines and are domiciled in Connecticut and Ohio. Also, the Genesis companies underwrite excess insurance for self-insured programs and are domiciled in Connecticut and North Dakota. Fairfield Insurance Company, a subsidiary of NRC engaged in property and casualty insurance services, is domiciled in Connecticut, and is licensed in 48 states and the District of Columbia. These businesses together represented approximately 7% of General Re's North American property/casualty net premiums written in 2000.

ITEM 1. BUSINESS (CONTINUED)

INSURANCE AND REINSURANCE BUSINESSES (CONTINUED)

INTERNATIONAL PROPERTY/CASUALTY REINSURANCE

In total, General Re operates its International property/casualty reinsurance business in 28 countries and provides reinsurance coverage in 130 countries throughout the world. In 2000, the International property/casualty operations principally wrote reinsurance in the form of treaties with lesser amounts written on a facultative basis. Approximately 73% 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 ("DP Mann"). DP Mann 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 (39.7% in 2000 and 31.6% in 1999).

In 2000, General Re's International property/casualty operations produced net written premiums totaling $3,036 million. Approximately 81% of international premiums written related to quota-share coverages and 19% were excess coverages. Property premiums written were approximately 58% of total International property/casualty premiums and casualty premiums were approximately 42%. Approximately 70% 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. Life/health net premiums written in 2000 were $2,264 million. Approximately 28% of life/health net premiums were written in Western Europe, another 57% were written in the United States 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.

INVESTMENTS -- The levels of reinsurance assumed business in recent years, plus the acquisitions of GEICO Corp. 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 $27.9 billion at the end of 2000. Float increased by about $2.6 billion upon Berkshire's acquisition of GEICO in January 1996 and another $14.9 billion upon Berkshire's acquisition of General Re in December 1998. The increases in the amounts of float plus the substantial amounts of shareholder capital devoted to insurance and reinsurance activities has generated meaningful increases in the levels of investments and investment income.

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 2000 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, approximately 18% of the capital stock of The Washington Post 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.

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

FSI and its subsidiaries engage 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.

ITEM 1. BUSINESS (CONTINUED)

NON-INSURANCE BUSINESSES OF BERKSHIRE (CONTINUED)

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 295 training devices, including 254 civil aviation simulators. FSI's training businesses are conducted primarily in the United States, with facilities located in 20 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 added to its flight services business upon the acquisition of Executive Jet, Inc. ("EJ"), in August, 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. The NetJets(R) program currently offers eleven aircraft types. EJ plans to introduce several new models in the next few years. In late 1996, EJ expanded its fractional ownership programs to Europe via a joint venture arrangement, which is 91% owned by EJ.

EJ is currently believed to be the world's largest purchaser of general aviation aircraft. The company maintained 269 aircraft in its fleet as of December 31, 2000. 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.

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 November, 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. 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. The acquisition also included WoodMarc Corporation, a manufacturer of wood furniture products with a 260,000 square foot facility in Winterset, Iowa.

R.C. Willey, founded in 1932 and based in Salt Lake City, is the dominant home furnishings retailer in Utah. R.C. Willey operates seven full retail stores, including a store that was opened in August of 1999 in Meridian, Idaho, a distribution center and three clearance facilities. These facilities -- which include more than 760,000 square feet of retail space -- are strategically located throughout northern Utah and in Meridian, Idaho. A new store is scheduled to open in Las Vegas, Nevada in late 2001. R.C. Willey serves customers in four western states.

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 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 223 retail jewelry stores in thirty-three states. Most of Helzberg's stores are located in malls or power strip centers, and operate under the name Helzberg Diamonds. On July 1, 2000, Berkshire's retail business grew again as a result of the acquisition of The Ben Bridge Corporation ("Ben Bridge Jeweler"). Ben Bridge Jeweler, based in Seattle, Washington, operates a chain of 65 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 830 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 580 Kirby authorized factory distributors in the United States.

Campbell Hausfeld manufactures a variety of products including air compressors, air tools, painting systems, pressure washers, welders and generators 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.

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. It is the only metropolitan newspaper published daily within a ten county upstate New York distribution area that comprises one of the 50 largest primary market areas in the United States.

SEE'S CANDIES produces boxed chocolates and other confectionery products with an emphasis on quality in two large kitchens in California. See's distributes its candies through its own retail stores - nearly 200 in number, located in 10 western and midwestern states, including Hawaii - and by mail order. A large volume of candy business is also recorded from direct shipments made nationwide from its California based quantity order distribution centers.

ITEM 1. BUSINESS (CONTINUED)

NON-INSURANCE BUSINESSES OF BERKSHIRE (CONTINUED)

INTERNATIONAL DAIRY QUEEN ("IDQ") was acquired by Berkshire at the beginning of 1998. IDQ 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. IDQ predominantly franchises its stores to individual owners or to territorial operators, who, in turn, franchise to individual owners. IDQ supports and promotes franchisees through product development, market testing, advertising, training and advisory services. IDQ also creates and enforces quality control standards for its stores. Additionally, IDQ sells equipment and other products used in Dairy Queen stores, either directly to the stores or to independent distributors that sell to the stores. IDQ stores are currently located in 49 states, Canada, Japan and other countries.

Berkshire owns several shoe businesses including H.H. BROWN SHOE COMPANY (acquired in 1991), LOWELL SHOE COMPANY (acquired in 1992), DEXTER SHOE COMPANY (acquired in 1993), and JUSTIN BRANDS (acquired in August 2000). Collectively, these businesses purchase, 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, including H.H. Brown, Born, Double-H Boot, Carolina, Dexter, Soft Spots, Nocona, Tony Lama and Chippewa. Shoes are primarily marketed in the United States through a variety of large and small independent retailers. In recent years, intensifying competition from importers has caused Berkshire's domestic manufacturing operations to become less competitive. At Dexter, for instance, operating losses have resulted in each of the past two years. As a result, certain domestic manufacturing facilities were closed in 2000 and others are expected to close in 2001. Future production of shoes and shoe components will increasingly derive from off-shore sources.

CORT BUSINESS SERVICES CORPORATION ("CORT") was acquired in February 2000 by an 80.1% owned subsidiary of Berkshire. CORT 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. The "rent-to-rent" segment of the furniture rental industry serves both corporate and individual customers who generally have immediate, temporary needs for office or residential merchandise. However, unlike customers in the "rent-to-own" segment, "rent-to-rent" customers typically do not seek to own such merchandise.

CORT focuses on corporate customers by offering office and residential furniture and related accessories through a direct sales force of approximately 900 salespeople and a network of 117 showrooms in 35 states and the District of Columbia. CORT maintains the showroom quality condition of its merchandise available for rent by selling its previously rented merchandise through a network of 86 company-operated clearance centers, thereby enabling the company to regularly update its inventory with new styles and new merchandise.

On August 1, 2000, Berkshire's non-insurance business activities expanded through the acquisition of Justin Industries Inc. ("Justin"). Justin operates two businesses, ACME BUILDING BRANDS ("Acme") and JUSTIN BRANDS. Justin Brands was discussed previously.

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 home builders and masonry and general contractors. Acme operates 22 brick manufacturing facilities located in 5 states and operates 12 tile distribution and 8 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") on December 18, 2000. For the year ending December 31, 2000, Benjamin Moore had net sales of approximately $820 million.

Benjamin Moore, headquartered in Montvale, New Jersey, is a leading formulator, manufacturer and retailer of a broad range of architectural and industrial coatings, available principally in the United States and Canada. Products include a broad line of coatings that 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 about two dozen registered brand names, including Regal, Moorcraft and MoorGard.

In addition, Benjamin Moore produces coatings designed to conform to the specific requirements of manufacturers, who utilize such coatings in the manufacturing process, such as various types of flexible packages, beverage and food containers, tanks, roof decking, coils, furniture and shelving, window blinds and flatwood products.

Benjamin Moore 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, 2000, 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.

Benjamin Moore substantially relies on independent dealers for distribution of its products, which provide the majority of Benjamin Moore's revenue and profits. The network consists of over 3,700 retailers with over 4,700 storefronts in the U.S. and Canada.

The coatings industry is highly competitive and has historically been subject to intense price competition. It is estimated that there are approximately 800 coatings manufacturers in the United States, many of which are small companies, which compete regionally and locally, especially with respect to lower priced coatings and custom made specialty items. Other manufacturers are large corporations, which compete on a nationwide basis.

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. Berkshire's other finance businesses include BH FINANCE LLC, BERKSHIRE HATHAWAY CREDIT CORP, BERKSHIRE HATHAWAY LIFE INSURANCE and SCOTT FETZER FINANCIAL GROUP, INC. Berkshire's other finance and financial products businesses engage in commercial real estate financing, as well as other commercial lending activities, consumer receivable financing in connection with sales of Kirby and sales of annuity contracts. The businesses also invest on a leveraged basis in financial instruments pursuant to proprietary trading strategies.

On March 14, 2000, Berkshire invested approximately $1.24 billion cash in common stock and convertible preferred stock of a newly-formed entity that merged with and into MIDAMERICAN ENERGY HOLDINGS COMPANY ("MidAmerican"). These securities possess 9.7% of the voting interest and 76% of the economic interest on a fully-diluted basis in MidAmerican. In addition, Berkshire subsidiaries acquired $455 million of 11% non-transferable trust preferred securities of MidAmerican. Additional information concerning these investments and MidAmerican's business activities is provided in Note 3 to the Registrant's Consolidated Financial Statements.

NON-INSURANCE BUSINESSES ACQUIRED IN 2001

In 2001, Berkshire consummated two additional business acquisitions. Berkshire acquired an approximately 87.3% interest in SHAW INDUSTRIES, INC. ("Shaw") on January 7, 2001 for cash of approximately $2.1 billion. Berkshire acquired JOHNS MANVILLE ("JM") on February 26, 2001 for cash of approximately $1.8 billion. Shaw and JM's results of operations will be included in Berkshire's consolidated results beginning as of the respective acquisition dates. Additional information related to each of these companies is provided below.

NON-INSURANCE BUSINESSES ACQUIRED IN 2001 (CONTINUED)

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. For the year ending December 31, 2000, Shaw had net sales of approximately $4.2 billion.

Shaw sells its wholesale products to over 53,000 retailers, distributors and commercial users throughout the United States, Canada, Mexico and Australia; 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 beginning in 2000, 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 2000, 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 in its various marketing divisions directly to retailers and distributors and to large national accounts. Shaw's 11 regional warehouse facilities and 13 redistribution centers, along with its centralized management information system, 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.

JM is a leading manufacturer of insulation and building products, with worldwide net sales in 2000 of approximately $2.3 billion. JM manufactures and markets products for building and equipment insulation, commercial and industrial roofing systems, high-efficiency filtration media, and fibers and nonwoven mats used as reinforcements in building and industrial applications. JM operates manufacturing facilities in North America, Europe and China. JM is headquartered in Denver, Colorado and has manufacturing and development facilities in locations around the United States and Canada, as well as locations in China, Germany and other locations in Europe.

Demand for JM's products are primarily driven by new residential and commercial construction activity, as well as activity in the repair, remodel and retrofit markets. Products are distributed through builders, contractors, retailers, wholesale distributors and fabricators. JM competes primarily on the basis of price, quality, breadth of product line, service and strength of fabricator and distributor networks.

Berkshire Hathaway Inc., and its subsidiaries, including Shaw and JM, employed approximately 112,000 persons on a full-time equivalent basis at December 31, 2000.

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 16 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	7,000
GEICO	Chevy Chase, MD, and other locations in New York, Georgia, Texas, California, Florida & Virginia	Offices	Owned	2,800,000
	Various locations throughout the United States	Offices and drive-in claims facilities	Leased	250,000
Berkshire Hathaway Reinsurance Group	Stamford, CT and 6 other locations in the U.S. and United Kingdom	Offices	Leased	58,000
Berkshire Hathaway Direct Insurance Group	Omaha, NE	Offices	Owned	73,000
	Omaha, NE & Wayne, PA and 11 other various locations throughout the United States & England	Offices	Leased	171,000
General Re	Cologne, Germany and various non-U.S. locations	Offices	Owned	170,000
	Stamford, CT, various U.S. and non-U.S. locations	Offices	Leased	1,403,000
Flight Services	27 U.S. States, Canada, France, Switzerland, Portugal and the United Kingdom	Offices/Training Facilities/Hangars	Owned	1,807,000
			Leased	699,000
	Oklahoma and Missouri	Mfg. plant	Owned	153,000
			Leased	120,000
Retail businesses				
Furniture	Omaha, NE, Salt Lake City, UT, Houston, TX, Avon, MA & 3 other U.S. States (27 locations)	Furniture Stores	Owned	1,742,000
		Furniture Stores	Leased	612,000
		Offices/Warehouses	Owned	2,180,000
		Offices/Warehouses	Leased	785,000
	Iowa	Mfg. plant	Owned	260,000
Jewelry	Omaha, NE, Kansas City, MO, Seattle WA and 32 other U.S. States (305 locations)	Jewelry Stores	Leased	753,000
		Offices	Owned	65,000
Scott Fetzer Companies	Cleveland, OH, & other locations in 12 U.S. states (52 locations)	Mfg. plants/ Warehouses/ Offices	Owned	2,349,000
		Warehouses/Offices	Leased	962,000
	Australia, Canada, England, Taiwan & Mexico	Warehouses/Offices	Leased	93,000
All other businesses	Various locations primarily in the U.S.	Mfg. plants/offices/ warehouses	Owned	9,992,000
		Mfg. plants/offices/ warehouses	Leased	5,274,000
	Approximately 480 locations primarily in the U.S.	Restaurants/Stores	Owned	382,000
		Restaurants/Stores	Leased	1,503,000

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	70	Chairman of the Board	1970
Marc D. Hamburg	51	Vice President	1992
Charles T. Munger	77	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:

	2000				1999			
	Class A		Class B		Class A		Class B	
	High	Low	High	Low	High	Low	High	Low
First Quarter........	$58,000	$40,800	$1,888	$1,351	$81,100	$61,900	$2,713	$2,048
Second Quarter.......	60,800	51,800	1,975	1,660	78,600	68,300	2,540	2,211
Third Quarter........	64,400	51,600	2,086	1,706	73,000	54,600	2,333	1,802
Fourth Quarter.......	71,300	53,500	2,375	1,761	66,900	52,000	2,219	1,700 1/2

SHAREHOLDERS

Berkshire had approximately 8,800 record holders of its Class A Common Stock and 14,000 record holders of its Class B Common Stock at March 2, 2001. Record owners included nominees holding at least 410,000 shares of Class A Common Stock and 5,200,000 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)

	2000	1999	1998	1997	1996
REVENUES:					
Insurance premiums earned	$ 19,343	$ 14,306	$ 5,481	$ 4,761	$ 4,118
Sales and service revenues	7,331	5,918	4,675	3,615	3,095
Interest, dividend and other investment income	2,791	2,314	1,049	916	778
Income from finance and financial products businesses	556	125	212	32	25
Realized investment gain (1)	3,955	1,365	2,415	1,106	2,484
Total revenues	$ 33,976	$ 24,028	$ 13,832	$10,430	$10,500
EARNINGS:					
Before realized investment gain	$ 936	$ 671	$ 1,277	$ 1,197	$ 884
Realized investment gain (1)	2,392	886	1,553	704	1,605
Net earnings	$ 3,328	$ 1,557	$ 2,830	$ 1,901	$ 2,489
EARNINGS PER SHARE:					
Before realized investment gain	$ 614	$ 442	$ 1,021	$ 971	$ 733
Realized investment gain (1)	1,571	583	1,241	571	1,332
Net earnings	$ 2,185	$ 1,025	$ 2,262	$ 1,542	$ 2,065
YEAR-END DATA (2):					
Total assets	$135,792	$131,416	$122,237	$56,111	$43,409
Borrowings under investment agreements and other debt (3)	2,663	2,465	2,385	2,267	1,944
Shareholders' equity	61,724	57,761	57,403	31,455	23,427
Class A equivalent common shares outstanding, in thousands	1,526	1,521	1,519	1,234	1,232
Shareholders' equity per outstanding Class A equivalent share	$ 40,442	$ 37,987	$ 37,801	$25,488	$19,011

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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.

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)		
	2000	1999	1998
Insurance - underwriting	$(1,021)	$ (897)	$ 171
Insurance - investment income	1,955	1,764	731

Non-Insurance businesses	804	518	538
Interest expense	(61)	(70)	(63)
Goodwill amortization and other purchase-accounting adjustments	(818)	(648)	(118)
Other	77	4	18
Earnings before realized investment gain	936	671	1,277
Realized investment gain	2,392	886	1,553
Net earnings	$ 3,328	$1,557	$2,830

The business segment data (Note 16 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)		
	2000	1999	1998
Underwriting gain (loss) attributable to:			
GEICO	$ (224)	$ 24	$269
General Re	(1,224)	(1,184)	--
Berkshire Hathaway Reinsurance Group	(175)	(256)	(21)
Berkshire Hathaway Direct Insurance Group	38	22	17
Underwriting gain (loss) -- pre-tax	(1,585)	(1,394)	265
Income taxes and minority interest	(564)	(497)	94
Net underwriting gain (loss)	$(1,021)	$ (897)	$171

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 Direct Insurance Group.

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 $41.5 billion at December 31, 2000. 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 is presented on the following pages.

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

INSURANCE -- UNDERWRITING (Continued)

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 are in millions)					
	2000		1999		1998	
	Amount	%	Amount	%	Amount	%
Premiums written	$5,778		$4,953		$4,182	
Premiums earned	$5,610	100.0	$4,757	100.0	$4,033	100.0
Losses and loss expenses	4,809	85.7	3,815	80.2	2,978	73.8
Underwriting expenses	1,025	18.3	918	19.3	786	19.5
Total losses and expenses	5,834	104.0	4,733	99.5	3,764	93.3
Underwriting gain (loss) -- pre-tax ..	$ (224)		$ 24		$ 269	

Premiums earned by GEICO in 2000 totaled $5,610 million, an increase of 17.9% over 1999, which, in turn exceeded premiums earned in 1998 by 17.9%. The growth in premiums earned in 2000 for voluntary auto was 18.3% reflecting an 8.5% increase in policies-in-force during the past year and increased premium rates. During 2000, in response to increased losses, GEICO implemented rate increases in many states and tightened underwriting standards. Additional rate increases will be taken, as necessary, to align rates with pricing targets. It takes six to twelve months for the full effect of a rate change to be reflected in premiums earned.

While policies-in-force grew over the last twelve months (8.2% in the preferred-risk auto market and 9.5% in the standard and nonstandard auto lines), total policies-in-force were relatively unchanged during the second half of 2000. Voluntary auto new business sales in 2000 decreased 10.6% compared to 1999 due to decreased response to advertising, increased premium rates and tightened underwriting standards. The decline in new business sales over the last half of 2000 was significant. It is currently believed that policies-in-force in the preferred-risk auto line will increase in 2001. However, policies-in-force may decline in the standard and nonstandard auto lines.

Losses and loss adjustment expenses incurred increased 26.1% to $4,809 million in 2000. GEICO's loss ratio, which measures the portion of premiums earned that is paid or reserved for losses and related claims handling expenses, was 85.7% in 2000 compared to 80.2% in 1999 and 73.8% in 1998. The increased ratio in 2000 reflects higher severity of losses related to personal injury protection coverages and increasing cost trends for medical payments and automobile repair costs. The increases in severity were greater than anticipated resulting in larger than expected underwriting losses. As mentioned previously, GEICO has filed for rate increases to reflect the increased average severity of claims.

The levels of catastrophe losses incurred in each of the past three years were relatively minor. Catastrophe losses added approximately one percentage point to the loss ratio in each of the past three years.

GEICO's insurance subsidiaries are defendants in several class action lawsuits related to the use of collision repair parts not produced by the original auto manufacturers. Management intends to vigorously defend GEICO's position over the use of these after-market parts. However, these lawsuits are in early stages of development and the ultimate outcome cannot be reasonably determined.

GEICO's underwriting expenses in 2000 increased $107 million (11.7%) over 1999, following an increase of $132 million (16.8%) in 1999 over 1998. The increases in underwriting expenses reflect increased advertising and costs related to new business growth. In 2000, these increases were somewhat offset by significantly lower employee profit sharing expense. The unit cost of acquiring new business has continued to increase significantly in 2000 reflecting higher aggregate media spending and a lower ratio of new policies generated to new policies quoted. In response to higher unit costs, GEICO expects to reduce advertising expenditures in 2001. It is anticipated that the reduction in advertising expenditures combined with the expected impact of the previously noted underwriting actions will result in underwriting results slowly improving over the next twelve months.

General Re

General Re was acquired by Berkshire effective December 21, 1998. General Re's results of operations are included in Berkshire's consolidated results beginning as of that date. The historical results for all of 1998 are presented for comparative purposes, although the full-year results are not included in Berkshire's 1998 consolidated results.

General Re and its affiliates conduct a global reinsurance business, which provides reinsurance coverage in the United States and 129 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, 2000, 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.

	2000(1) Amount	1999 Amount	1998 Amount
Premiums earned	$ 8,696	$ 6,905	$6,095
Underwriting loss -- pre-tax	$(1,224)	$(1,184)	$ (370)

(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.

Generally, underwriting conditions within the reinsurance industry during 2000 remained difficult. General Re's overall underwriting results during 2000 and 1999 were unsatisfactory in both the property/casualty and life/health reinsurance businesses. General Re management continues to take underwriting actions to address these matters with the objective of returning underwriting results to acceptable levels. Although the underwriting losses for 2000 were considerable, $239 million of the loss was attributed to a single large aggregate excess contract written in 2000. Additional information regarding this arrangement is provided in the North American property/casualty discussion.

Otherwise, General Re's results for 2000 were improved over 1999. The improvement is believed to be a result of the actions already taken both in the North American and international businesses, as well as signs of improvement in certain segments of the reinsurance market. However, the impact of underwriting initiatives on international business may take longer to become effective than on U.S. business. Absent large property/catastrophe losses or adverse development with respect to existing loss reserves, Berkshire expects that General Re's underwriting results will continue to improve in 2001. Additional information and analysis 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 years ending December 31, 2000, 1999 and 1998 are summarized below.

	2000		1999		1998	
	Amount	%	Amount	%	Amount	%
Premiums written	$3,517		$2,801		$2,707	
Premiums earned	$3,389	100.0	$2,837	100.0	$2,708	100.0
Losses and loss expenses	3,161	93.3	2,547	89.8	1,830	67.6
Underwriting expenses	854	25.2	874	30.8	857	31.6
Total losses and expenses	4,015	118.5	3,421	120.6	2,687	99.2
Underwriting gain (loss) -- pre-tax	$ (626)		$ (584)		$ 21	

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

INSURANCE -- UNDERWRITING (Continued)
General Re (Continued)

General Re's North American property/casualty operations underwrite predominantly excess reinsurance across multiple lines of business. Premiums earned in 2000 exceeded premiums earned in 1999 by $552 million or 19.5%. Premiums earned in 1999 increased over 1998 levels by $129 million or 4.8%. A single large aggregate excess reinsurance contract affected premiums earned in the past two years. This reinsurance contract accounted for earned premiums of $404 million in 2000 and $154 million in 1999. The contract was not renewed in 2001. Excluding the effects of this contract, the growth in North American premiums during 2000 was primarily due to net increases in the national accounts, excess and surplus reinsurance lines and individual risk businesses. This net growth resulted from a combination of new business, the effects of rate increases on existing business, and was partially offset by the non-renewal of significantly under-performing business. In addition, the net increase in premiums in 2000 was partially due to reductions in reinsurance premiums ceded to the Berkshire Hathaway Reinsurance Group.

Underwriting results from North American property/casualty operations for 2000 and 1999 produced underwriting losses of $626 million and $584 million, respectively. Underwriting results for 2000 include $239 million of net underwriting loss from assumption of the aggregate excess reinsurance contract referenced above. The effect of this aggregate excess reinsurance 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 net loss, it is expected to provide more than commensurate investment benefits in future years due to the large amount of float generated. Notwithstanding, this large excess contract added 5.5 points to the combined loss and expense ratio in 2000.

When the effects of the aforementioned large aggregate excess contract are excluded, General Re's North American property/casualty underwriting results improved in 2000 as compared to the results for 1999. The underwriting loss ratio declined from 121.8% in 1999 to 113.0% in 2000. The improved results in 2000 were primarily due to the initial effects of underwriting actions on both property and casualty lines. In addition, catastrophe and large property losses were less in 2000 than in 1999. Losses arising from catastrophic events and other large property losses added 3.5 points to the North American property/casualty loss and loss expense ratio for 2000, as compared to 9.4 points for 1999 and 4.1 points for 1998. While the potential for catastrophe and large property losses are factors normally considered in underwriting decisions, the timing and magnitude of such losses can cause significant volatility in periodic underwriting results.

The improvement in property lines in 2000 was partially offset by adverse development of reserves established for prior years' claims. The adverse loss development in 2000 arose primarily in the medical malpractice, commercial umbrella and casualty treaty reinsurance lines. In 1999 and 1998, General Re's North American property/casualty loss reserves experienced favorable reserve development, although the amount of favorable development in 1999 was considerably less than in 1998.

General Re's International property/casualty underwriting results for the years ending December 31, 2000, 1999 and 1998 are summarized below.

	2000(1)		2000(2)		1999		1998	
	Amount	%	Amount	%	Amount	%	Amount	%
Premiums written	$3,036		$2,505		$2,506		$2,072	
Premiums earned	$3,046	100.0	$2,478	100.0	$2,343	100.0	$2,095	100.0
Losses and loss expenses	2,577	84.6	2,091	84.4	2,041	87.1	1,514	72.3
Underwriting expenses	987	32.4	803	32.4	775	33.1	682	32.5
Total losses and expenses	3,564	117.0	2,894	116.8	2,816	120.2	2,196	104.8
Underwriting loss -- pre-tax ...	$ (518)		$ (416)		$ (473)		$ (101)	

(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 and 1998.

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

INSURANCE -- UNDERWRITING (Continued)

General Re (Continued)

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. The preceding table shows underwriting results for both the twelve month and fifteen month periods. The comparative analysis that follows excludes the additional quarter, with results for the additional three month period of 2000 discussed separately afterward.

Premiums earned in the twelve months of 2000 exceeded 1999 amounts by 5.8%, whereas 1999 premiums earned exceeded 1998 levels by 11.8%. Adjusting for the effects of overall declining foreign exchange rates, earned premiums in local currencies grew 16.7% during 2000 and 12.0% during 1999. The growth in 2000 earned premiums was primarily due to increased premiums in European markets outside Germany, premiums which became due in 2000 to reinstate coverage as a result of fourth quarter 1999 European winter storm losses, new business in South America, and the effect of increased volume and participation in DP Mann's Syndicate 435 at Lloyd's of London. This growth was partially offset by the cancellation of some significant quota-share treaties.

Underwriting results for General Re's International property/casualty segment for 2000 remained very bad. Loss and loss expense ratios for the twelve months of 2000 were 84.4% as compared to 87.1% for 1999 and 72.3% for 1998. The decrease in the loss ratio from 1999 was primarily due to lower levels of catastrophe and other large losses in 2000. The effect of catastrophes and other large property losses represented 5.9 points of the loss and loss expense ratio for 2000, compared to 5.4 points for 1999. The loss and loss expense ratio for 1999 also included approximately 4.0 points related to coverages for the motion picture business, which has since been discontinued. In 1998, catastrophe losses represented 1.3 points. Due to the large amount of property business written in the International property/casualty operations, periodic underwriting results can be volatile.

The International property/casualty business generated an underwriting loss of $102 million during the additional quarter being reported in the 2000 financial statements (three month period ended December 31, 2000). The results were adversely affected by two catastrophes involving flood losses in the United Kingdom and Italy, totaling $25 million.

General Re's Global life/health underwriting results for the years ending December 31, 2000, 1999 and 1998 are summarized below.

	2000(1)		2000(2)		1999		1998	
	Amount	%	Amount	%	Amount	%	Amount	%
Premiums written	$2,263		$1,781		$1,736		$1,305	
Premiums earned	$2,261	100.0	$1,773	100.0	$1,725	100.0	$1,292	100.0
Losses and loss expenses	1,869	82.6	1,473	83.1	1,434	83.2	1,263	97.8
Underwriting expenses	472	20.9	384	21.6	418	24.2	319	24.6
Total losses and expenses	2,341	103.5	1,857	104.7	1,852	107.4	1,582	122.4
Underwriting loss -- pre tax	$ (80)		$ (84)		$ (127)		$ (290)	

(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 and 1998.

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, with results for that period discussed separately afterward.

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

INSURANCE -- UNDERWRITING (Continued)
General Re (Continued)

Global life/health premiums earned in 2000 increased 2.8% over 1999 amounts. Premiums earned in 1999 increased 33.5% over 1998 levels. Adjusting both the 2000 and 1999 periods for the effects of run-off business written by a former London-based managing underwriter, Global life/health earned premiums increased 9.8% in 2000 and 20.3% in 1999. The increase in earned premiums in 2000 is primarily due to increases in the U.S. individual health segment and reduced retrocessions of business.

The Global life/health operations produced improved but still unsatisfactory underwriting results for 2000. Underwriting results weakened in the international life/health business, while the U.S. life/health operations continued to show improvement. Of the $84 million Global life/health underwriting loss in 2000, $23 million was attributable to the U.S. operations and $61 million was incurred in the international operations. The U.S. life segment produced modest underwriting profits in 2000 and a significantly reduced loss in its health operations. Results in the international life operations deteriorated from 1999, primarily due to losses on personal accident and pension lines of business.

Underwriting results for the additional quarter of 2000 produced a small profit of $4 million. While all segments showed improvement, the U.S. individual life and international health segments both produced underwriting profits during the quarter. The improvement in the U.S. individual life segment was primarily due to reduced mortality and better persistency.

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. Dollar amounts are in millions.

	2000		1999		1998	
	Amount	%	Amount	%	Amount	%
Premiums written	$4,724		$2,410		$986	
Premiums earned	$4,705	100.0	$2,382	100.0	$939	100.0
Losses and loss expenses	4,766	101.3	2,573	108.0	765	81.5
Underwriting expenses	114	2.4	65	2.7	195	20.7
Total losses and expenses	4,880	103.7	2,638	110.7	960	102.2
Underwriting loss -- pre-tax	$ (175)		$ (256)		$(21)	

Premiums earned from retroactive reinsurance contracts were $3,944 million in 2000, $1,508 million in 1999 and $343 million in 1998. In 2000, premiums of $2,438 million were derived from a single contract. Generally, retroactive reinsurance contracts indemnify the ceding company, subject to aggregate loss limits, with respect to insured loss events that are attributed to insurance contracts written in the past, usually many years ago. Many of these contracts may give rise to considerable amounts of environmental and latent injury claims.

It is generally expected that losses ultimately paid under retroactive contracts will exceed the premiums received, in some cases by a wide margin. Premiums are based in part on time-value-of-money concepts because loss payments may occur over lengthy time periods. However, retroactive contracts do not significantly impact reported earnings in the year of inception. Consistent with Berkshire's accounting policy, the excess of the estimated ultimate losses payable over the premiums received is established as a deferred charge and amortized against income over the estimated future claim settlement periods. Although Berkshire expects that these contracts will produce significant underwriting losses over time, the business is accepted due to the exceptional levels of policyholder float generated.

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

INSURANCE -- UNDERWRITING (Continued)

Berkshire Hathaway Reinsurance Group (Continued)

Net underwriting losses with respect to retroactive reinsurance contracts were $191 million in 2000, $97 million in 1999 and $90 million in 1998. The net underwriting losses from this business reflect the amortization of deferred charges on retroactive reinsurance as well as the accretion of discounted structured settlement liabilities. The amortization and accretion charges are reported as losses incurred and, because there are no offsetting premiums, as underwriting losses. Due to the magnitude of the retroactive reinsurance contracts entered into during the past two years, deferred charges increased significantly. Consequently, as a result of the periodic amortization of deferred charges, underwriting losses are expected to increase in future periods.

Premiums earned from non-catastrophe reinsurance contracts totaled $447 million in 2000, $560 million in 1999 and $310 million in 1998. In each of the last three years, the premiums earned from this business were derived predominantly from a small number of sizable contracts. Premiums earned in 2000 and 1999 included $58 million and $113 million, respectively, from contracts with General Re's North American property/casualty operations.

Net underwriting losses from the non-catastrophe reinsurance business were $167 million in 2000, $355 million in 1999 and $86 million in 1998. BHRG incurred a net loss of approximately $186 million from a single aggregate excess contract during the fourth quarter of 2000. In 1999, BHRG had net underwriting losses of $220 million from a similar single excess contract. As with retroactive reinsurance contracts, the premiums established for non-catastrophe reinsurance contracts are based on time-value-of-money concepts because loss payments are expected to occur over lengthy time periods. Loss reserves for this business are established without such time discounting but, unlike retroactive reinsurance contracts, no deferred charges are established. Consequently, significant underwriting losses can result. This business is accepted because of the large amounts of float that is produced. It is anticipated that Berkshire will derive significant economic benefits over the lengthy period of time that the float is available for investment.

Premiums earned from catastrophe excess contracts were $314 million in 2000 and 1999 and $286 million in 1998. Competition within the catastrophe reinsurance markets remains intense, which in many instances, makes premium rates inadequate or coverage conditions unacceptable. As a result, BHRG has accepted relatively few new arrangements. However, it is expected that this business will still produce meaningful amounts of earned premiums during 2001.

Net underwriting gains from catastrophe reinsurance were $183 million in 2000, $196 million in 1999 and $155 million in 1998. Catastrophe losses incurred in each of the past three years were relatively minor. Significant exposure to losses remains with respect to contracts that are in-force at year-end 2000, especially with respect to a major earthquake in California or a major hurricane affecting the U.S. Future periodic underwriting results of this business are subject to extreme volatility. However, Berkshire's management is willing to accept volatility in reported results, provided there is a reasonable prospect of long-term profitability.

Berkshire Hathaway Direct Insurance Group

The Berkshire Hathaway Direct Insurance Group is comprised of a wide variety of smaller property/casualty businesses. These businesses include: National Indemnity Company's traditional commercial motor vehicle and specialty risk operations ("NICO"); several companies collectively referred to as the "homestate" operations, which provide primarily standard commercial coverages to insureds and Central States Indemnity Company ("CSI"), a provider of credit card credit insurance to individuals nationwide through financial institutions. In August 2000, this group of businesses was expanded as a result of Berkshire's acquisition of United States Investment Corporation ("USIC"), whose insurance subsidiaries underwrite specialty insurance coverage in the United States.

Collectively, direct insurance businesses produced earned premiums of $332 million in 2000, $262 million in 1999 and $328 million in 1998. In 2000, premiums earned increased primarily due to the inclusion of USIC and to comparatively greater amounts earned by CSI. The decrease in premiums earned in 1999 compared to 1998 was principally attributed to lower premiums at CSI. Net underwriting gains of the direct businesses totaled $38 million in 2000, $22 million in 1999 and $17 million in 1998. The increase in underwriting profits in 2000 over 1999 was primarily due to underwriting gains from USIC and an increase in underwriting gains at NICO.

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

INSURANCE -- INVESTMENT INCOME

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

	(dollars in millions)		
	2000	1999	1998
Investment income before taxes	$2,787	$2,482	$974
Applicable income taxes and minority interest	832	718	243
Investment income after taxes and minority interest	$1,955	$1,764	$731

Investment income before taxes from the insurance operations increased in 2000 by $305 million (12.3%) over 1999. The increase in investment income in 2000 as compared to 1999 is due to greater amounts of taxable interest and dividend income, partially offset by reduced tax exempt interest. Approximately one-third of the total increase in pre-tax investment income in 2000 was attributed to the inclusion of the fifth quarter of General Re's International property/casualty and Global life/health operations, as previously discussed. Investment income in 1999 includes income of General Re's insurance operations, which were acquired by Berkshire in December 1998.

At December 31, 2000, cash and invested assets totaled approximately $76.5 billion, an increase of approximately $4.1 billion from December 31, 1999. Insurance invested assets grew by about $25 billion in 1998 as a result of the General Re acquisition.

Berkshire's insurance businesses generate large amounts of investment income derived from shareholder capital, as well as policyholder float. Float represents an estimate of the amount of funds ultimately payable to policyholders that is available for investment. Float denotes the sum of net loss and loss adjustment expense reserves, unearned premiums, and funds held under reinsurance agreements, less premiums receivable, deferred acquisition costs, deferred charges on retroactive reinsurance and prepaid income taxes. The aggregate float was approximately $27.9 billion at December 31, 2000 and $25.3 billion at December 31, 1999. Most of the increase in float during 2000 was generated by BHRG.

Income taxes and minority interest as a percentage of investment income before taxes were 29.9% for 2000, 28.9% for 1999 and 24.9% for 1998. The increase in the rates reflects an increase in the proportion of taxable interest income relative to the amounts of dividend and tax exempt interest, which are effectively taxed at lower rates.

NON-INSURANCE BUSINESSES

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

(dollars in millions)

	2000		1999		1998	
	Amount	%	Amount	%	Amount	%
Revenues	$7,886	100	$6,042	100	$4,865	100
Cost and expenses	6,595	84	5,205	86	4,005	82
Operating profit	1,291	16	837	14	860	18
Income taxes and minority interest	487	6	319	5	322	7
Contribution to net earnings	$ 804	10	$ 518	9	$ 538	11

A comparison of revenues and operating profits between 2000, 1999 and 1998 for the non-insurance businesses follows.

(dollars in millions)

	Revenues			Operating Profits			Operating Profit as a % of Revenues		
Non-Insurance Businesses	2000	1999	1998	2000	1999	1998	2000	1999	1998
Flight Services	2,279	1,856	858	213	225	181	9	12	21
Retail businesses	1,864	1,402	1,213	175	130	110	9	9	9
Scott Fetzer Companies	963	1,021	1,002	122	147	137	13	14	14
Other businesses	2,780	1,763	1,792	781	335	432	28	19	24
	$7,886	$6,042	$4,865	$1,291	$837	$860			

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

NON-INSURANCE BUSINESSES (Continued)

2000 compared to 1999

Revenues from Berkshire's numerous and diverse non-insurance businesses of $7,886 million in 2000 increased $1,844 million (30.5%) from the prior year. The aggregate operating profits from these businesses of $1,291 million in 2000 increased $454 million (54.2%). Revenues and operating results for Berkshire's non-insurance business activities will change considerably in 2001. Just prior to the end of 2000, Berkshire acquired Benjamin Moore, a leading formulator and manufacturer of architectural and industrial coatings. Additionally, during the first two months of 2001, Berkshire acquired 87.3% of Shaw Industries, the world's largest producer of tufted broadloom carpet and rugs and Johns Manville, a leading producer of insulation and building products. These three businesses generated approximately $7 billion in sales revenues in 2000.

The following is a discussion of significant matters impacting comparative results for the non-insurance businesses.

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 2000 increased $423 million (22.8%) over 1999. Most 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 10% in 2000 as compared to 1999, reflecting both increased training revenues and product sales. Operating profits in 2000 decreased $12 million (5.3%) as compared to 1999. Increased operating profits at FlightSafety were more than offset by reduced operating profits at Executive Jet. Executive Jet's results in 2000 and 1999 reflect operating losses related to expansion into Europe as well as significantly higher operating costs incurred to generate future domestic growth.

Retail Businesses

These businesses include four independently managed retailers of home furnishings (Nebraska Furniture Mart, R.C. Willey Home Furnishings, Star Furniture and Jordan's Furniture) and three independently managed retailers of fine jewelry (Borsheim's, Helzberg's Diamond Shops and Ben Bridge Jeweler). Two of these businesses were acquired during the past two years (Jordan's Furniture - November, 1999 and Ben Bridge Jeweler - July, 2000). Revenues of these businesses in 2000 increased $462 million (33.0%) as compared to 1999 and operating profits in 2000 increased $45 million (34.6%) as compared to 1999. Approximately 70% of the increase in revenues and 80% of the increase in operating profits in 2000 was due to the inclusion of the results of Jordan's for the full year in 2000 and to the inclusion of Ben Bridge from the date of its acquisition.

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. These three businesses normally produce approximately 60% of the revenues and 65% of the operating profits of Scott Fetzer. Revenues in 2000 from Scott Fetzer's businesses decreased $58 million (5.7%) as compared to 1999. Operating profits in 2000 declined $25 million (17.0%) as compared to 1999. The decline in revenues was due primarily to lower sales of power generators at Campbell Hausfeld and lower unit sales at Kirby. In 1999, sales of generators were unusually high due in part to Year 2000 concerns. In addition to the impact on operating profits from the aforementioned revenue declines, the decline in operating profits was also due in part to reduced profits at World Book.

Other Businesses

Other businesses conduct a broad range of activities. A brief description of the most significant of the activities conducted by this diverse group of non-insurance businesses is provided in Note 16 to the accompanying Consolidated Financial Statements. During 2000, Berkshire acquired three businesses that are currently included in this group (CORT Business Services, acquired in February, 2000; Justin Brands and Acme Building Brands, acquired in August, 2000; and Benjamin Moore, acquired in December, 2000).

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

NON-INSURANCE BUSINESSES (Continued)

Other Businesses (Continued)

Revenues in 2000 of this group of businesses increased approximately $1,017 million (57.7%) over 1999. Operating profits of these businesses in 2000 exceeded 1999 by $446 million (133%). Approximately $600 million of the increase in revenues and $85 million of the increase in operating profits was attributed to the aforementioned business acquisitions. In addition, a significant increase in net revenues and operating profits was generated by Berkshire's finance and financial products businesses. The increase in operating profits of the finance and financial products businesses in 2000 was produced primarily from realized gains on a large portfolio of fixed maturity securities acquired in 1999 pursuant to a proprietary trading strategy. These securities were disposed of during 2000. Partially offsetting the realized gains on trading securities in 2000 were operating losses at GRS.

1999 compared to 1998

Revenues from the non-insurance businesses increased $1,177 million (24.2%) in 1999 as compared to 1998. Operating profits of $837 million during 1999 decreased $23 million (2.7%) from the comparable 1998 amount. The most significant factor giving rise to the revenue increase was the inclusion of Executive Jet for a full year in 1999 versus just under five months during 1998. Operating profits increased at Berkshire's Flight Services, Retail and Scott Fetzer business segments. However, more than offsetting these increases was a decline of $87 million in operating profits from Berkshire's finance and financial products businesses.

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. The increase in 2000 as compared to 1999 is primarily due to the inclusion of a charge of $219 million related to the write-off of goodwill related to Dexter Shoe (see Note 1(g) to the Consolidated Financial Statements). The significant increase in such charges during 1999 as compared to 1998 periods is primarily due to the acquisition of General Re at the end of 1998.

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, principally GEICO and General Re. 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 $680 million at December 31, 2000, $940 million at December 31, 1999 and $1.2 billion at December 31, 1998.

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 equity prices and interest rates and to a lesser degree financial products. The following sections address the significant market risks associated with Berkshire's business activities.

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

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 2000 and 1999, approximately 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.

In addition to its equity investments, Berkshire's obligations with respect to the 1% Senior Exchangeable Notes are subject to equity price risks. See Note 10 to the Consolidated Financial Statements for information regarding the Exchange Notes. The Exchange Notes had a carrying value of $235 million at December 31, 2000 and $449 million at December 31, 1999. For purposes of this discussion, these amounts have been deducted from the fair value of equity securities.

The table below summarizes Berkshire's equity price risks as of December 31, 2000 and 1999 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, 2000	$37,384	30% increase	$48,599	11.7
		30% decrease	26,170	(11.7)
As of December 31, 1999	$37,323	30% increase	$48,520	12.4
		30% decrease	26,126	(12.4)

INTEREST RATE RISK

This section discusses interest rate risks associated with Berkshire's financial assets and liabilities, other than those of its finance and financial products businesses, which are discussed later. Berkshire's management prefers to invest in equity securities or to acquire entire businesses based upon the principles discussed in the preceding 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.

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

INTEREST RATE RISK (Continued)

The fair values of Berkshire's fixed maturity investments and borrowings under investment agreements 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.

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)				
	Fair Value	100 bp decrease	100 bp increase	200 bp increase	300 bp increase
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
As of December 31, 1999					
Investments in securities with fixed maturities	$30,222	$31,942	$28,483	$26,852	$25,413
Borrowings under investment agreements and other debt	1,971	2,059	1,891	1,819	1,753

FINANCIAL PRODUCTS RISK

The finance and financial products operations are subject to market risk principally through Gen Re Securities Holdings Limited ("GRS"). GRS monitors its market risk on a daily basis across all swap and option products by calculating 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 done 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, 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 2000 and $15 million in 1999. During 1999, the actual losses exceeded the market risk limit on one occasion. 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. Dollars are in millions.

	2000					1999
	Interest	Foreign Exchange Rate	Equity	Credit	All Risks	All Risks
Highest	$7	$6	$4	$3	$14	$10
Lowest	3	3	--	1	1	4
Average	5	4	1	1	4	8

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

FINANCIAL PRODUCTS RISK (Continued)

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. Since inception, GRS has not experienced any credit losses.

LIQUIDITY AND CAPITAL RESOURCES

Berkshire's balance sheet continues to reflect significant liquidity and a strong capital base. Consolidated shareholders' equity at December 31, 2000 totaled $61.7 billion. Consolidated cash and invested assets, excluding assets of finance and financial products businesses totaled approximately $77.1 billion at December 31, 2000. Berkshire has deployed about $7.7 billion in cash for business acquisitions and investments in MidAmerican during 2000 and the first two months of 2001. Cash utilized in these acquisitions was generated internally.

The net amount of borrowings under investment agreements and other debt increased $198 million during 2000. The increase was due to the inclusion of debt of subsidiaries assumed in connection with business acquisitions during 2000 and an increase in borrowings of certain Berkshire subsidiaries, partially offset by a decline in corporate debt.

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, 2000 and 1999, 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, 2000. 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, 2000 and 1999, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2000 in conformity with accounting principles generally accepted in the United States of America.

DELOITTE & TOUCHE LLP
March 5, 2001
Omaha, Nebraska

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

	DECEMBER 31, 2000	DECEMBER 31, 1999
ASSETS		
Cash and cash equivalents	$ 5,263	$ 3,835
Investments:		
Securities with fixed maturities	32,567	30,222
Equity securities	37,619	37,772
Other	1,637	1,736
Receivables	11,764	8,558
Inventories	1,275	844
Investments in MidAmerican Energy Holdings Company	1,719	--
Assets of finance and financial products businesses	16,829	24,229
Property, plant and equipment	2,699	1,903
Goodwill of acquired businesses	18,875	18,281
Other assets	5,545	4,036
	$135,792	$131,416
LIABILITIES AND SHAREHOLDERS' EQUITY		
Losses and loss adjustment expenses	$ 33,022	$ 26,802
Unearned premiums	3,885	3,718
Accounts payable, accruals and other liabilities	8,374	7,458
Income taxes, principally deferred	10,125	9,566
Borrowings under investment agreements and other debt	2,663	2,465
Liabilities of finance and financial products businesses	14,730	22,223
	72,799	72,232
Minority shareholders' interests	1,269	1,423
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	25,524	25,209
Accumulated other comprehensive income	17,543	17,223
Retained earnings	18,649	15,321
Total shareholders' equity	61,724	57,761
	$135,792	$131,416

* 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 1,526,230 shares outstanding at December 31, 2000 versus 1,520,562 shares outstanding at December 31, 1999.

See accompanying Notes to Consolidated Financial Statements

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

	YEAR ENDED DECEMBER 31,		
	2000	1999	1998
REVENUES:			
Insurance premiums earned	$ 19,343	$ 14,306	$ 5,481
Sales and service revenues	7,331	5,918	4,675
Interest, dividend and other investment income	2,686	2,314	1,049
Income from MidAmerican Energy Holdings Company	105	--	--
Income from finance and financial products businesses	556	125	212
Realized investment gain	3,955	1,365	2,415
	33,976	24,028	13,832
COST AND EXPENSES:			
Insurance losses and loss adjustment expenses	17,332	12,518	4,040
Insurance underwriting expenses	3,602	3,220	1,184
Cost of products and services sold	4,893	4,065	3,018
Selling, general and administrative expenses	1,703	1,164	1,056
Goodwill amortization	715	477	111
Interest expense	144	134	109
	28,389	21,578	9,518
EARNINGS BEFORE INCOME TAXES AND MINORITY INTEREST	5,587	2,450	4,314
Income taxes	2,018	852	1,457
Minority interest	241	41	27
NET EARNINGS	$ 3,328	$ 1,557	$ 2,830
Average common shares outstanding *	1,522,933	1,519,703	1,251,363
NET EARNINGS PER COMMON SHARE *	$ 2,185	$ 1,025	$ 2,262

* 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 $73 per share for 2000, $34 per share for 1999, and $75 per share for 1998.

See accompanying Notes to Consolidated Financial Statements

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA (Continued)

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

	YEAR ENDED DECEMBER 31,		
	2000	1999	1998
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net earnings	$ 3,328	$ 1,557	$ 2,830
Adjustments to reconcile net earnings to cash flows from operating activities:			
Realized investment gain	(3,955)	(1,365)	(2,415)
Depreciation and amortization	997	688	265
Changes in assets and liabilities before effects from business acquisitions:			
Losses and loss adjustment expenses	5,976	3,790	347
Deferred charges -- reinsurance assumed	(1,075)	(958)	(80)
Unearned premiums	97	394	179

Receivables	(3,062)	(834)	(56)
Accounts payable, accruals and other liabilities	660	(5)	4
Finance businesses trading activities	(1,126)	473	52
Income taxes	757	(1,395)	(329)
Other	350	(145)	(140)
Net cash flows from operating activities	2,947	2,200	657
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchases of securities with fixed maturities	(16,550)	(18,380)	(2,697)
Purchases of equity securities	(4,145)	(3,664)	(1,865)
Proceeds from sales of securities with fixed maturities	13,119	4,509	6,339
Proceeds from redemptions and maturities of securities with fixed maturities	2,530	2,833	2,132
Proceeds from sales of equity securities	6,870	4,355	4,868
Loans and investments originated in finance businesses	(857)	(2,526)	(1,028)
Principal collection on loans and investments originated in finance businesses	1,142	845	295
Acquisitions of businesses, net of cash acquired	(3,798)	(153)	4,971
Other	(582)	(417)	(302)
Net cash flows from investing activities	(2,271)	(12,598)	12,713
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from borrowings of finance businesses	120	736	120
Proceeds from other borrowings	681	1,118	1,266
Repayments of borrowings of finance businesses	(274)	(46)	(83)
Repayments of other borrowings	(806)	(1,333)	(1,225)
Change in short term borrowings of finance businesses	500	(311)	--
Changes in other short term borrowings	324	340	(20)
Other	(75)	(137)	3
Net cash flows from financing activities	470	367	61
Increase (decrease) in cash and cash equivalents	1,146	(10,031)	13,431
Cash and cash equivalents at beginning of year	4,458	14,489	1,058
CASH AND CASH EQUIVALENTS AT END OF YEAR *	$ 5,604	$ 4,458	$ 14,489
* Cash and cash equivalents at end of year are comprised of the following:			
Finance and financial products businesses	$ 341	$ 623	$ 907
Other	5,263	3,835	13,582
	$ 5,604	$ 4,458	$ 14,489

See accompanying Notes to Consolidated Financial Statements

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA (Continued)

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, 1997	$ 7	$ 2,316	$ 10,934	$ 18,198	
Common stock issued in connection with acquisitions of businesses	1	22,805			
Net earnings			2,830		$ 2,830
Other comprehensive income items:					
Unrealized appreciation of investments				3,011	3,011
Reclassification adjustment for appreciation included in net earnings				(2,415)	(2,415)

Income taxes and minority interests				(284)	(284)
Other comprehensive income					312
Total comprehensive income					$ 3,142
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					
Other comprehensive income items:		88			
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	
Common stock issued in connection with acquisitions of businesses		224			
Net earnings			3,328		$ 3,328
Exercise of stock options issued in connection with business acquisitions		91			
Other comprehensive income items:					
Unrealized appreciation of investments				4,410	$ 4,410
Reclassification adjustment for appreciation included in net earnings				(3,955)	(3,955)
Foreign currency translation losses				(161)	(161)
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	

See accompanying Notes to Consolidated Financial Statements

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA (Continued)

BERKSHIRE HATHAWAY INC.
AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2000

(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 16. 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.

Since acquired in December 1998, the International property/casualty and Global life/health reinsurance activities of General Re have been 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 that now permit 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. 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 classified as available-for-sale. Available-for-sale securities are stated at fair value with unrealized gains or losses, net of taxes and minority interest, 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 limited partnerships and commodities which are carried at fair value in the accompanying balance sheets. The 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 7.

(1) SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES (Continued)

(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 54% 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, 2000 and December 31, 1999.

(f) Property, plant and equipment

Property, plant and equipment is recorded at cost. Renewals and betterments are capitalized; maintenance and repairs are charged to expense as incurred. 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 10 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.

During the fourth quarter of 2000, Berkshire management concluded that an impairment of goodwill existed with respect to the investment in Dexter Shoe. For the years ended December 31, 2000 and 1999, as a result of intense competition from importers, Dexter Shoe has incurred operating losses. During 2000, certain manufacturing facilities were closed and certain other facilities are expected to close in 2001. Goodwill amortization shown in the accompanying Consolidated Statements of Earnings for 2000 includes a charge of $219 million related to the impairment.

(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 over the contract period. Consideration received for retroactive reinsurance policies, including structured settlements, 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 or merchandise 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 generally 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. The recoverability of premium acquisition costs of direct insurance businesses is determined without regard to investment income. The recoverability of premium acquisition costs from reinsurance assumed businesses, generally, reflects anticipation of investment income. The unamortized balances of deferred premium acquisition costs are included in other assets and were $916 million and $791 million at December 31, 2000 and 1999, respectively.

(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 amounts arising from certain reinsurance assumed businesses are discounted. 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 certain workers' compensation claims assumed under reinsurance contracts and liabilities assumed under structured settlement reinsurance contracts are carried in the Consolidated Balance Sheets at discounted amounts. Discounted amounts pertaining to reinsurance of certain 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 accretion of discounts is included in the Consolidated Statements of Earnings as a component of losses and loss adjustment expenses. Net discounted liabilities were $1,531 million at December 31, 2000 and $1,529 million at December 31, 1999.

(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. The unamortized balance of deferred charges is included in other assets and was $2,593 million at December 31, 2000 and $1,518 million at December 31, 1999.

(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 that will be ultimately 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 and totaled $2,997 million and $2,331 million at December 31, 2000 and 1999, respectively.

(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, 2000

In 1998, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards ("SFAS") No. 133, "Accounting for Derivative Instruments and Hedging Activities." In June 1999, the FASB issued SFAS No. 137, which delayed the effective date for implementing SFAS No. 133 until the beginning of 2001. In June 2000, the FASB issued SFAS No. 138, which amended certain provisions of SFAS No. 133 with the objective of easing the implementation difficulties expected to arise. Berkshire adopted SFAS No. 133 as amended by SFAS No. 138 as of the beginning of 2001 and does not anticipate that the adoption of these new standards will have a material effect on its financial position or results of operations.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA (Continued)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(2) SIGNIFICANT BUSINESS ACQUISITIONS

During 2000, Berkshire initiated and/or consummated eight significant business acquisitions. Six of the acquisitions were completed in 2000 and the other two were completed in early 2001. Information concerning seven of these acquisitions follows. Information concerning the other acquisition is contained in Note 3 (Investment 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 all of the outstanding shares of Ben Bridge common stock. Ben Bridge is the leading operator of upscale jewelry stores based in major shopping malls in the Western United States.

Justin Industries, Inc. ("Justin")

Effective August 1, 2000, Berkshire acquired 100% of the outstanding shares of 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 all of the outstanding shares of USIC common stock. 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 United States 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.

Shaw Industries, Inc. ("Shaw")

On October 20, 2000, Berkshire announced that it had formally entered into a merger agreement whereby it would acquire approximately 87.3% of the common stock of Shaw for $19 per share. The transaction was completed on January 8, 2001. 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.

Shaw is the world's largest manufacturer of tufted broadloom carpet and rugs for residential and commercial applications throughout the United States 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 December 19, 2000, Berkshire entered into an Agreement and Plan of Merger whereby Berkshire would acquire Johns Manville. Under the terms of the Merger Agreement, among other things, Berkshire commenced a tender offer to purchase all of the outstanding shares of Johns Manville common stock for $13 per share. The acquisition was completed on February 27, 2001.

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. Johns Manville operates manufacturing facilities in North America, Europe and China.

Berkshire paid approximately $3,830 million in cash to shareholders of Shaw and Johns Manville in connection with the acquisitions.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA (Continued)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(2) SIGNIFICANT BUSINESS ACQUISITIONS (Continued)

The results of operations for each of these entities are or will be 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 the years ended December 31, 2000 and 1999, as if each of the seven acquisitions discussed above were consummated on the same terms at the beginning of 1999. Dollars in millions except per share amounts.

	2000	1999
Total revenues	$ 41,396	$ 32,014
Net earnings	3,347	1,812
Earnings per equivalent Class A Common Share	2,195	1,189

During 1998 and 1999, Berkshire completed four significant business acquisitions. Information concerning these acquisitions follows. Effective January 7, 1998, Berkshire acquired 100% of the outstanding common stock of International Dairy Queen, Inc. ("Dairy Queen"). Dairy Queen develops, licenses and services a system of over 6,000 Dairy Queen, Orange Julius and Karmelkorn stores located throughout the United States, Canada, and other foreign countries, which feature various dairy desserts, beverages, blended fruit drinks, prepared foods, popcorn and snacks.

Effective August 7, 1998, Berkshire acquired all of the outstanding common shares of Executive Jet, Inc. ("Executive Jet"). Executive Jet is the world's leading provider of fractional ownership programs for general aviation aircraft. Executive Jet currently operates its fractional ownership programs in the United States and Europe.

Effective December 21, 1998, Berkshire acquired all of the outstanding common stock of General Re Corporation ("General Re"). Through its subsidiaries, General Re conducts global reinsurance and related risk management operations. General Re's principal U.S. subsidiary, General Reinsurance Corporation, which together with its affiliates, comprise the largest professional property and casualty reinsurance group domiciled in the United States. General Re also owns a controlling interest in Kolnische Ruckversicherungs-Gesellschaft AG ("Cologne Re"), a major international reinsurer. General Re operates in 28 countries and provides reinsurance coverage in 130 countries around the world.

In addition, General Re affiliates write excess and surplus lines insurance, provide reinsurance brokerage services, manage aviation insurance risks, act as business development consultants and reinsurance intermediaries and provide specialized investment services to the insurance industry. General Re also operates as a dealer in the swap and derivatives market through Gen Re Securities Holdings Limited (formerly General Re Financial Products Corporation).

In November 1999, Berkshire acquired Jordan's Furniture, Inc. ("Jordan's"). Jordan's operates a furniture retail business from four locations and is believed to be the largest furniture retailer in the Massachusetts and New Hampshire areas.

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.

(3) INVESTMENT IN MIDAMERICAN ENERGY HOLDINGS COMPANY

On October 24, 1999, Berkshire entered into an agreement along with Walter Scott, Jr. and David L. Sokol, to acquire MidAmerican Energy Holdings Company ("MidAmerican"). The transaction closed on March 14, 2000. Pursuant to the terms of the agreement, Berkshire invested approximately $1.24 billion in common stock and a non-dividend paying convertible preferred stock of a newly formed entity that merged with and into MidAmerican, with MidAmerican continuing as the surviving corporation. Such investment gives 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. Under certain conditions, for a period of up to seven years subsequent to the closing, Berkshire may be required to purchase up to $345 million of additional trust preferred securities. Mr. Scott, a member of Berkshire's Board of Directors, controls approximately 86% of the voting interest in MidAmerican. Mr. Sokol is the CEO of MidAmerican.

Through its retail utility subsidiaries, MidAmerican Energy in the U.S. and Northern Electric in the U.K., MidAmerican provides electric service to approximately 1.8 million customers and natural gas service to 1.1 million customers worldwide. MidAmerican owns interests in over 10,000 net megawatts of diversified power generation facilities in operation, construction and development.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA (Continued)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

Berkshire's aggregate investments in MidAmerican are included in the Consolidated Balance Sheet as Investments in MidAmerican Energy Holdings Company. Berkshire is accounting for the common and non-dividend paying convertible preferred stock pursuant to the equity method. The carrying value of these equity method investments totaled $1,264 million at December 31, 2000.

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 $66 million for the period from March 14, 2000 through December 31, 2000.

(4) INVESTMENTS IN SECURITIES WITH FIXED MATURITIES

The amortized cost and estimated fair values of investments in securities with fixed maturities as of December 31, 2000 and 1999 are as follows (in millions):

	Amortized Cost(2)	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
December 31, 2000(1)				
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

	Amortized Cost(2)	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
December 31, 1999(1)				
Bonds:				
U.S. Treasury securities and obligations of U.S. government corporations and agencies	$ 4,001	$ 3	$ (189)	$ 3,815
Obligations of states, municipalities and political subdivisions	9,029	13	(436)	8,606
Obligations of foreign governments	2,208	6	(49)	2,165
Corporate bonds	5,901	21	(237)	5,685
Redeemable preferred stocks	133	1	(5)	129
Mortgage-backed securities	10,157	7	(342)	9,822
	$ 31,429	$ 51	$ (1,258)	$ 30,222

(1) Amounts above exclude securities with fixed maturities held by finance and financial products businesses. See Note 7.

(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 $680 million at December 31, 2000 and $940 million at December 31, 1999.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA (Continued)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(4) INVESTMENTS IN SECURITIES WITH FIXED MATURITIES (Continued)

Shown below are the amortized cost and estimated fair values of securities with fixed maturities at December 31, 2000, 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	Estimated Fair Value
Due in one year or less	$ 4,557	$ 4,616
Due after one year through five years	5,665	5,613
Due after five years through ten years	4,343	4,313
Due after ten years	5,246	5,206
	19,811	19,748
Mortgage-backed securities	12,609	12,819
	$32,420	$32,567

(5) INVESTMENTS IN EQUITY SECURITIES

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

	Cost	Unrealized Gains	Fair Value
December 31, 2000			
Common stock of:			
American Express Company *	$ 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**	$37,619

	Cost	Unrealized Gains	Fair Value
December 31, 1999			
Common stock of:			
American Express Company *	$ 1,470	$ 6,932	$ 8,402
The Coca-Cola Company	1,299	10,351	11,650
The Gillette Company	600	3,354	3,954

Wells Fargo & Company	349	2,042	2,391
Other equity securities	5,956	5,419	11,375
	$ 9,674	$28,098**	$37,772

* 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, 2000. 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.

** Net of unrealized losses of $77 million and $131 million as of December 31, 2000 and 1999, respectively.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA (Continued)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(6) REALIZED INVESTMENT GAINS (LOSSES)

Realized gains (losses) from sales and redemptions of investments are summarized below (in millions):

	2000	1999	1998
Equity securities and other investments --			
Gross realized gains	$ 4,467	$ 1,507	$ 2,087
Gross realized losses	(317)	(77)	(272)
Securities with fixed maturities --			
Gross realized gains	153	39	602
Gross realized losses	(348)	(104)	(2)
	$ 3,955	$ 1,365	$ 2,415

(7) FINANCE AND FINANCIAL PRODUCTS BUSINESSES

Assets and liabilities of Berkshire's finance and financial products businesses are summarized below (in millions).

	Dec. 31, 2000	Dec. 31, 1999
ASSETS		
Cash and cash equivalents	$ 341	$ 623
Investments in securities with fixed maturities:		
Held-to-maturity, at cost (fair value $1,897 in 2000; $1,930 in 1999)	1,826	2,002
Trading, at fair value (cost $5,277 in 2000; $11,330 in 1999)	5,327	11,277
Available-for-sale, at fair value (cost $880 in 2000; $997 in 1999)	880	999
Trading account assets	5,429	5,881
Securities purchased under agreements to resell	680	1,171
Other	2,346	2,276
	$ 16,829	$ 24,229

LIABILITIES		
Securities sold under agreements to repurchase	$ 3,386	$ 10,216
Securities sold but not yet purchased	715	1,174
Trading account liabilities	4,974	5,930
Notes payable and other borrowings*	2,116	1,998
Annuity reserves and policyholder liabilities	868	843
Other	2,671	2,062
	$ 14,730	$ 22,223

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

2001	2002	2003	2004	2005
$629	$242	$651	$184	$1

Berkshire's finance and financial products businesses consist primarily of the financial products businesses of General Re, the consumer finance business of Scott Fetzer Financial Group, the real estate finance business of Berkshire Hathaway Credit Corporation, the financial instrument trading business of BH Finance and a life insurance subsidiary in the business of selling annuities. General Re's financial products businesses consist of the Gen Re Securities Holdings Limited ("GRS") group. Significant accounting policies and disclosures for these businesses are discussed below.

Investment securities (principally fixed maturity and equity investments) that are acquired for purposes 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 from trading activities are included in income from finance and financial products businesses. 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.

(7) FINANCE AND FINANCIAL PRODUCTS BUSINESSES (Continued)

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.

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.

A summary of notional amounts of derivative contracts at December 31, 2000 and 1999 is included in the table below. For these transactions, the notional amount represents the principal volume, which is referenced by the counterparties in computing payments to be exchanged, and are not indicative of the Company's exposure to market or credit risk, future cash requirements or receipts from such transactions.

	December 31, 2000 (in millions)	December 31, 1999 (in millions)
Interest rate and currency swap agreements	$651,913	$531,645
Options written	91,655	121,683
Options purchased	102,743	151,006
Financial futures contracts:		
Commitments to purchase	9,535	32,377
Commitments to sell	17,069	11,368
Forward - rate agreements	7,070	5,164
Foreign exchange spot and forward contracts	6,163	10,430

The following tables disclose the net fair value or carrying amount at December 31, 2000 and 1999 as well as the average fair value during 2000 and 1999 for each class of derivative financial contract held or issued by GRS.

	December 31, 2000		December 31, 1999	
	Asset	Liability	Asset	Liability
	(in millions)		(in millions)	
Interest rate and foreign currency swaps	$ 16,840	$ 16,312	$ 22,593	$ 22,819
Interest rate and foreign currency options	2,864	2,919	5,980	5,714
Gross fair value	19,704	19,231	28,573	28,533
Adjustment for counterparty netting	(14,275)	(14,275)	(22,692)	(22,692)
Net fair value	5,429	4,956	5,881	5,841
Security receivables/payables	--	18	--	89
Trading account assets/liabilities	$ 5,429	$ 4,974	$ 5,881	$ 5,930

	Average 2000		Average 1999	
	Asset	Liability	Asset	Liability
	(in millions)		(in millions)	
Interest rate and foreign currency swaps	$ 20,431	$ 20,533	$ 23,213	$ 23,071
Interest rate and foreign currency options	3,147	3,174	4,657	4,687
Gross fair value	23,578	23,707	27,870	27,758
Adjustment for counterparty netting	(17,960)	(17,960)	(22,579)	(22,579)
Net fair value	5,618	5,747	5,291	5,179
Security receivables/payables	98	40	85	111
Trading account assets/liabilities	$ 5,716	$ 5,787	$ 5,376	$ 5,290

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The derivative financial instruments involve, to varying degrees, elements of market, credit, and legal risks. Market risk is the possibility that future changes in market conditions may make the derivative financial instrument less valuable. 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. Legal risk arises from the uncertainty of the enforceability of the obligations of another party, including contractual provisions intended to reduce credit exposure by providing for the offsetting or netting of mutual obligations.

With respect to Berkshire's life insurance business, 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 charged against income from finance and financial products businesses.

Investments in securities with fixed maturities held by Berkshire's life insurance business are classified as held-to-maturity. Investments classified as held-to-maturity are carried at amortized cost reflecting the Company's ability and intent to hold such investments to maturity. Such items consist predominantly of mortgage loans and collateralized mortgage obligations.

(8) 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:

	2000	1999	1998
Unpaid losses and loss adjustment expenses:			
Balance at beginning of year	$ 26,802	$ 23,012	$ 6,850
Ceded liabilities and deferred charges	(3,848)	(2,727)	(754)
Net balance	22,954	20,285	6,096
Incurred losses recorded:			
Current accident year	15,252	11,275	4,235
All prior accident years	211	(192)	(195)
Total incurred losses	15,463	11,083	4,040
Payments with respect to:			
Current accident year	4,589	3,648	1,919
All prior accident years	5,890	4,532	1,834
Total payments	10,479	8,180	3,753
Unpaid losses and loss adjustment expenses:			
Net balance at end of year	27,938	23,188	6,383
Ceded liabilities and deferred charges	5,590	3,848	2,727
Foreign currency translation adjustment	(722)	(234)	--
Net liabilities assumed in connection with business acquisitions	216	--	13,902
Balance at end of year	$ 33,022	$ 26,802	$ 23,012

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

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. This amount includes amortization of deferred charges regarding retroactive reinsurance assumed and accretion of discounted liabilities. See Note 1 for additional information regarding these items. 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 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.

Berkshire continuously evaluates its liabilities and related reinsurance recoverable for environmental and latent injury claims and claim expenses, which arise from exposures in the U.S., as well as internationally. Environmental and latent injury exposures do not lend themselves to traditional methods of loss development determination and therefore reserve estimates related to these exposures may be considerably less reliable than for other lines of business (e.g., automobile). The effect of joint and several liability claims severity and a provision for inflation have been included in the loss development estimate. The Company has also established a liability for litigation costs associated with coverage disputes arising out of direct insurance policies.

The liabilities for environmental and latent injury claims and claim expenses net of related reinsurance recoverables were $4,444 million and $3,211 million, respectively, at December 31, 2000 and 1999. The liabilities recorded for environmental and latent injury claims and claim expenses are management's best estimate of future ultimate claim and claim expense payments and recoveries and are expected to develop over the next several decades.

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.

(9) INCOME TAXES

The liability for income taxes as reflected in the accompanying Consolidated Balance Sheets is as follows (in millions):

	Dec. 31, 2000	Dec. 31, 1999
Payable currently	$ 522	$ (27)
Deferred	9,603	9,593
	$ 10,125	$ 9,566

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

	2000	1999	1998
Federal	$ 2,136	$ 748	$ 1,421
State	32	43	31
Foreign	(150)	61	5
	$ 2,018	$ 852	$ 1,457
Current	$ 2,012	$ 1,189	$ 1,643
Deferred	6	(337)	(186)
	$ 2,018	$ 852	$ 1,457

(9) INCOME TAXES (Continued)

The tax effects of temporary differences that give rise to significant portions of deferred tax assets and deferred tax liabilities at December 31, 2000 and 1999 are shown below (in millions):

	2000	1999
Deferred tax liabilities:		
Relating to unrealized appreciation of investments	$ 9,571	$ 9,383
Deferred charges reinsurance assumed	916	534
Investments	441	644
Other	717	74
	11,645	10,635
Deferred tax assets:		
Unpaid losses and loss adjustment expenses	(1,061)	(697)
Unearned premiums	(227)	(205)
Other	(754)	(140)
	(2,042)	(1,042)
Net deferred tax liability	$ 9,603	$ 9,593

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

	2000	1999	1998
Earnings before income taxes	$ 5,587	$ 2,450	$ 4,314
Hypothetical amounts applicable to above computed at the federal statutory rate	$ 1,955	$ 858	$ 1,510
Decreases resulting from:			
Tax-exempt interest income	(135)	(145)	(30)
Dividends received deduction	(116)	(95)	(78)
Goodwill amortization	240	161	39
State income taxes, less federal income tax benefit	21	28	20
Foreign tax rate differential	34	45	--
Other differences, net	19	--	(4)
Total income taxes	$ 2,018	$ 852	$ 1,457

(10) BORROWINGS UNDER INVESTMENT AGREEMENTS AND OTHER DEBT

Liabilities for this balance sheet caption are as follows (in millions):

	Dec. 31, 2000	Dec. 31, 1999
Commercial paper and other short-term borrowings	$ 991	$ 484
Borrowings under investment agreements	508	613
1% Senior Exchangeable Notes due 2001 ("Exchange Notes")	235	449
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 2001 -- 2028	619	609
	$2,663	$2,465

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. The obligations are, in most instances, guaranteed by Berkshire. Berkshire affiliates have approximately $4 billion available unused lines of credit to support their short-term borrowing programs and, otherwise, provide additional liquidity.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA (Continued)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(10) 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 are redeemable prior to the contractual maturity dates.

Under certain conditions, each $1,000 par amount Exchange Note is currently exchangeable at the option of the holder or redeemable at the option of Berkshire into 59.833 shares of Citigroup common stock or at Berkshire's option, at the equivalent value in cash. The carrying value of the Exchange Notes is equal to the value of the Citigroup shares into which they can be exchanged.

Other debt includes variable and fixed rate term bonds and notes issued by a variety of Berkshire subsidiaries. These obligations generally may be redeemed 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):

2001	2002	2003	2004	2005
$1,271	$22	$46	$24	$266

(11) DIVIDEND RESTRICTIONS - INSURANCE SUBSIDIARIES

Payments of dividends by insurance subsidiaries are restricted by insurance statutes and regulations. Without prior regulatory approval, Berkshire can receive up to approximately $1.1 billion as dividends from insurance subsidiaries during 2001. During 2000, subsidiaries declared approximately $4.8 billion in dividends, of which $2 billion was paid in 2001.

Combined shareholders' equity of U.S. based property/casualty insurance subsidiaries determined pursuant to statutory accounting rules (Statutory Surplus as Regards Policyholders) was approximately $41.5 billion at December 31, 2000. This amount differs from the corresponding amount determined on the basis of GAAP. The major differences between statutory basis accounting and GAAP are that deferred income tax assets and liabilities, deferred charges-reinsurance assumed, unrealized gains and losses on investments in securities with fixed maturities and goodwill of acquired businesses are recognized under GAAP but not for statutory reporting purposes.

Effective January 1, 2001, Berkshire's insurance companies will be required to adopt several new accounting policies as a result of the completion of the Codification of Statutory Accounting Principles ("SAP") by the National Association of Insurance Commissioners. The most significant new accounting policy affecting Berkshire's insurance companies will be the requirement to record deferred income tax liabilities, including amounts related to unrealized gains in investment securities. Deferred tax liabilities were previously not recognized under SAP.

As a result, the combined statutory surplus of Berkshire's insurance businesses will decline significantly in 2001. Berkshire estimates that the combined surplus of the group would approximate $33 billion at December 31, 2000 under the new statutory accounting rules.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA (Continued)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(12) COMMON STOCK

Changes in issued and outstanding common stock of the Company during the three years ended December 31, 2000 are shown in the table below.

	Class A Common, $5 Par Value (1,650,000 shares authorized) Shares Issued	Treasury Shares	Shares Outstanding	Class B Common $0.1667 Par Value (55,000,000 shares authorized) Shares Issued and Outstanding
Balance December 31, 1997	1,366,090	168,202	1,197,888	1,087,156
Common stock issued in connection with acquisitions of businesses	168,670	(9,709)	178,379	3,174,677
Conversions of Class A common stock to Class B common stock and other	(26,732)		(26,732)	808,546
Retirement of treasury shares	(158,493)	(158,493)		
Balance December 31, 1998	1,349,535	0	1,349,535	5,070,379
Conversions of Class A common stock to Class B common stock and other	(7,872)		(7,872)	296,576
Balance December 31, 1999	1,341,663	0	1,341,663	5,366,955
Common stock issued in connection with acquisitions of businesses	3,572		3,572	1,626
Conversions of Class A common stock to Class B common stock and other	(1,331)		(1,331)	101,205
Balance December 31, 2000	1,343,904	0	1,343,904	5,469,786

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.

In connection with the General Re merger, all shares of Class A and Class B Common Stock of the Company outstanding immediately prior to the effective date of the merger were canceled and replaced with new Class A and Class B common shares and all Class A treasury shares were canceled and retired. See Note 2 for information regarding the General Re merger.

(13) FAIR VALUES OF FINANCIAL INSTRUMENTS

The estimated fair values of Berkshire's financial instruments as of December 31, 2000 and 1999, are as follows (in millions):

	Carrying Value 2000	Carrying Value 1999	Fair Value 2000	Fair Value 1999
Investments in securities with fixed maturities	$32,567	$30,222	$32,567	$30,222
Investments in equity securities	37,619	37,772	37,619	37,772
Assets of finance and financial products businesses	16,829	24,229	16,913	24,167
Borrowings under investment agreements and other debt	2,663	2,465	2,704	2,418
Liabilities of finance and financial products businesses	14,730	22,223	14,896	22,151

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.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA (Continued)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(14) LITIGATION

GEICO has been named as a defendant in a number of class action lawsuits related to the use of repair parts not produced by original equipment manufacturers in connection with settlement of collision damage claims. A number of the lawsuits have been dismissed. The remaining lawsuits are in the early stages of development and the ultimate outcome of any case cannot be reasonably determined at this time. Management intends to defend vigorously GEICO's position of recommending use of after-market parts in certain auto accident repairs.

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.

(15) 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, 2000 are summarized below. Dollars are in millions.

	Property/Casualty			Life/Health		
	2000	1999	1998	2000	1999	1998
Premiums Written: (1) (2)						
Direct	$ 6,858	$ 5,798	$ 4,503			
Assumed	11,270	7,951	1,184	$ 2,520	$ 1,981	$ 46
Ceded	(729)	(818)	(83)	(257)	(245)	(5)
	$ 17,399	$ 12,931	$ 5,604	$ 2,263	$ 1,736	$ 41
Premiums Earned: (2)						
Direct	$ 6,666	$ 5,606	$ 4,382			
Assumed	11,036	7,762	1,147	$ 2,513	$ 1,971	$ 45
Ceded	(620)	(788)	(89)	(252)	(245)	(4)
	$ 17,082	$ 12,580	$ 5,440	$ 2,261	$ 1,726	$ 41

(1) Prior to 1999, Berkshire's insurance premium revenues were predominantly derived in the United States. Insurance premiums written by geographic region (based upon the domicile of the ceding company) are summarized below.

	Property/Casualty		Life/Health	
	2000	1999	2000	1999
United States	$11,409	$ 8,862	$ 1,296	$ 970
Western Europe	5,064*	2,000	633	539
All other	926	2,069	334	227
	$17,399	$12,931	$ 2,263	$ 1,736

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

(2) See Note 1(a) for information related to General Re's international property/casualty and global life/health business.

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

	2000	1999	1998
Cash paid during the year for:			
Income taxes	$ 1,396	$ 2,215	$ 1,703
Interest of finance and financial products businesses	794	513	21
Other interest	157	136	111
Non-cash investing and financing activities:			
Liabilities assumed in connection with acquisitions of businesses	901	61	36,064
Common shares issued in connection with acquisitions of businesses	224	--	22,795
Contingent value of Exchange Notes recognized in earnings	117	87	54
Value of equity securities used to redeem Exchange Notes	278	298	344

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA (Continued)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(16) BUSINESS SEGMENT DATA

SFAS No. 131 requires certain disclosures about operating segments in a manner that is consistent with how management evaluates the performance of the segment. 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 Direct Insurance Group	Underwriting multiple lines of property and casualty insurance policies for primarily commercial accounts
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's Diamond Shops and Ben Bridge Jeweler ("Retail Businesses")	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

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 almost 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 Acme Building Brands, a manufacturer and distributor of building materials. This group of businesses also includes several independently operated finance and financial products businesses. In 2000, other businesses also include CORT Business Services, a leading national provider of rental furniture and related services and Benjamin Moore, a formulator, manufacturer and retailer of a range of architectural and industrial coatings and paints.

General Re's reinsurance business is included as a separate reportable segment beginning in 1999.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA (Continued)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(16) 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		
	2000	1999	1998
OPERATING SEGMENTS:			
Insurance group:			
Premiums earned:			
GEICO	$ 5,610	$ 4,757	$ 4,033
General Re **	8,696	6,905	--
Berkshire Hathaway Reinsurance Group	4,705	2,382	939
Berkshire Hathaway Direct Insurance Group	332	262	328
Interest, dividend and other investment income	2,810	2,500	982
Total insurance group	22,153	16,806	6,282
Flight services	2,279	1,856	858
Retail businesses	1,864	1,402	1,213
Scott Fetzer Companies	963	1,021	1,002
Other businesses	2,780	1,763	1,792
	30,039	22,848	11,147
RECONCILIATION OF SEGMENTS TO CONSOLIDATED AMOUNT:			
Realized investment gain	3,955	1,365	2,415
Other revenues	118	40	276
Purchase-accounting adjustments	(136)	(225)	(6)
	$ 33,976	$ 24,028	$ 13,832

	OPERATING PROFIT BEFORE TAXES		
	2000	1999	1998
OPERATING SEGMENTS:			
Insurance group operating profit:			
Underwriting profit (loss):			
GEICO	$ (224)	$ 24	$ 269
General Re **	(1,224)	(1,184)	--
Berkshire Hathaway Reinsurance Group	(175)	(256)	(21)
Berkshire Hathaway Direct Insurance Group	38	22	17
Interest, dividend and other investment income	2,787	2,482	974
Total insurance group operating profit	1,202	1,088	1,239
Flight services	213	225	181
Retail businesses	175	130	110
Scott Fetzer Companies	122	147	137
Other businesses	781	335	432
	2,493	1,925	2,099
RECONCILIATION OF SEGMENTS TO CONSOLIDATED AMOUNT:			
Realized investment gain	3,955	1,365	2,415
Interest expense *	(92)	(109)	(100)
Corporate and other	87	8	23
Goodwill amortization and other purchase-accounting adjustments	(856)	(739)	(123)

	$ 5,587	$ 2,450	$ 4,314

* 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.

** See Note 1(a) for additional information concerning the reporting of General Re's international property/casualty and global life/health businesses.

(16) BUSINESS SEGMENT DATA (Continued)

	CAPITAL EXPENDITURES*			DEPREC. & AMORT. OF TANGIBLE ASSETS		
OPERATING SEGMENTS:	2000	1999	1998	2000	1999	1998
Insurance group:						
GEICO	$ 29	$ 87	$101	$ 64	$ 40	$ 27
General Re	22	17	--	39	25	--
Berkshire Hathaway Reinsurance Group	--	--	--	--	--	--
Berkshire Hathaway Direct Insurance Group	4	1	1	1	1	1
Total insurance group	55	105	102	104	66	28
Flight services	472	323	213	90	77	58
Retail businesses	45	55	33	31	27	23
Scott Fetzer Companies	11	14	10	10	11	11
Other businesses	47	33	41	46	33	25
	630	530	399	281	214	145
RECONCILIATION OF SEGMENTS TO CONSOLIDATED AMOUNT:						
Corporate and other	--	--	--	--	1	2
Purchase-accounting adjustments	--	--	--	1	3	8
	$630	$530	$399	$282	$218	$155

* Excludes expenditures which were part of business acquisitions.

	IDENTIFIABLE ASSETS AT YEAR-END		
OPERATING SEGMENTS:	2000	1999	1998
Insurance group:			
GEICO	$ 10,569	$ 9,381	$ 8,663
General Re	31,594	30,168	32,011
Berkshire Hathaway Reinsurance Group	45,775	39,607	36,611
Berkshire Hathaway Direct Insurance Group	4,168	4,866	5,564
Total insurance group	92,106	84,022	82,849
Flight services	2,336	1,790	1,345
Retail businesses	1,154	906	723
Scott Fetzer Companies	295	298	242
Other businesses	18,647	24,947	17,376
	114,538	111,963	102,535
RECONCILIATION OF SEGMENTS TO CONSOLIDATED AMOUNT:			
Corporate and other	2,313	945	938
Goodwill and other purchase-accounting adjustments	18,941	18,508	18,764
	$135,792	$131,416	$122,237

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA (Continued)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(17) 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.

2000	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Revenues	$ 6,474	$ 6,553	$ 8,426	$ 12,523
Earnings:				
Excluding realized investment gain	$ 354	$ 245	$ 301	$ 36
Realized investment gain *	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 *	298	260	326	687
Net earnings	$ 531	$ 421	$ 523	$ 710
1999				
Revenues	$ 5,446	$ 5,461	$ 7,051	$ 6,070
Earnings:				
Excluding realized investment gain	$ 294	$ 299	$ 156	$ (78)
Realized investment gain *	247	273	264	102
Net earnings	$ 541	$ 572	$ 420	$ 24
Earnings per equivalent Class A common share:				
Excluding realized investment gain	$ 194	$ 197	$ 103	$ (52)
Realized investment gain *	162	179	173	69
Net earnings	$ 356	$ 376	$ 276	$ 17

* 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.

(18) SUBSEQUENT EVENT

On February 26, 2001, Berkshire and Leucadia National Corporation, through a jointly owned entity, entered into a commitment letter with FINOVA Group and its subsidiary FINOVA Capital Corporation to loan $6 billion to FINOVA Capital on a senior secured basis. The loan commitment was made in connection with a proposed restructuring of all of FINOVA Capital's outstanding bank debt and publicly traded debt securities and is subject to bankruptcy court approval and various other conditions.

The $6 billion term loan will be made by Berkadia LLC, an entity formed for this purpose and owned jointly by BH Finance, an indirect wholly-owned subsidiary of Berkshire and a wholly-owned subsidiary of Leucadia. Berkadia has received a $60 million commitment fee and, in addition to certain other fees, will receive an additional $60 million fee upon funding of the loan. Berkadia's commitment for the loan has been guaranteed by Berkshire and Leucadia and expires on August 31, 2001, or earlier, if certain conditions are not satisfied. Berkadia expects to finance its funding commitment and Berkshire will provide Berkadia's lenders with a 90% primary guarantee of such financing, with Leucadia providing a 10% primary guarantee and Berkshire providing a secondary guarantee of Leucadia's guarantee.

The term loan will be secured by all assets of FINOVA Capital and will bear interest at an annual rate equal to the greater of 9% or LIBOR plus 3%. In addition, an annual facility fee will be payable at the rate of 25 basis points on the outstanding principal amount of the term loan. After payment of accrued interest on the term loan and operating and other corporate expenses, providing for reserves and payment of accrued interest on the restructured FINOVA Group senior notes, 100% of excess cash flow and net proceeds from asset sales will be used to make mandatory prepayments of principal on the term loan without premium. Any remaining principal and accrued and unpaid interest on the term loan will be due at maturity (five years from the closing).

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA (Continued)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(19) INFORMATION ABOUT CERTAIN SUBSIDIARIES

The accompanying consolidated financial statements include the accounts of OBH Inc. (formerly Berkshire Hathaway Inc.), which became a wholly-owned subsidiary of Berkshire Hathaway Inc. upon completion of the General Re merger. The condensed consolidated balance sheets of OBH Inc. as of December 31, 2000 and 1999 are as follows (dollars in millions):

	DEC. 31, 2000	DEC. 31, 1999
ASSETS		
Cash and cash equivalents	$ 4,526	$ 2,661
Investments, primarily equity securities	48,590	48,635
Assets of finance and financial products businesses	7,326	13,369
Goodwill of acquired businesses	3,819	3,926
Other assets	12,346	7,382
	$ 76,607	$ 75,973
LIABILITIES AND SHAREHOLDER'S EQUITY		
Losses and loss adjustment expenses	$ 15,687	$ 10,637
Unearned premiums, accounts payable and other liabilities	5,369	4,743
Income taxes, principally deferred	10,139	9,689
Borrowings under investment agreements and other debt	2,249	2,156
Liabilities of finance and financial products businesses	5,678	12,094
	39,122	39,319
Total shareholder's equity	37,485	36,654
	$ 76,607	$ 75,973

The condensed consolidated statements of earnings of OBH Inc. for the years ended December 31, 2000, 1999 and 1998 are as follows (in millions):

	2000	1999	1998
REVENUES			
Insurance premiums earned	$ 10,598	$ 7,400	$ 5,300
Sales and service revenues	6,708	5,882	4,675
Investment income	1,438	1,208	1,013
Income (loss) from finance and financial products businesses	619	(21)	205
Realized investment gain	3,775	1,294	2,415
	23,138	15,763	13,608
COST AND EXPENSES			
Insurance losses, loss adjustment and underwriting expense	11,010	7,610	5,035
Cost of products and services sold	4,534	4,039	3,018
Selling, general and administrative expenses	1,843	1,256	1,148
Interest expense	109	110	109
	17,496	13,015	9,310
EARNINGS BEFORE INCOME TAXES AND MINORITY INTEREST	5,642	2,748	4,298
Income taxes and minority interests	2,190	924	1,474

NET EARNINGS	$ 3,452	$ 1,824	$ 2,824

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA (Continued)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(19) INFORMATION ABOUT CERTAIN SUBSIDIARIES (Continued)

The summarized financial data of the finance and financial products businesses (See Note 7) includes the activities conducted by the Scott Fetzer Financial Group and its subsidiaries ("SFFG"). Assets and liabilities of SFFG are summarized below (in millions).

	Dec. 31, 2000	Dec. 31, 1999
ASSETS		
Cash and cash equivalents	$ 6	$ 1
Mortgage-backed securities, installment loans and other receivables*	189	196
	$ 195	$ 197
LIABILITIES		
6 3/4% Notes, due 2001 and borrowings under investment agreements	$ 136	$ 137
Other	25	27
	$ 161	$ 164

* Other receivables include receivables from affiliates of $39 million at December 31, 2000 and $40 million at December 31, 1999.

Net income of SFFG for each of the past three years is summarized below (in millions).

	2000	1999	1998
Revenues	$ 40	$ 255	$ 211
Cost and expenses	22	301	28
Earnings (loss) before taxes	18	(46)	183
Income taxes	7	(16)	64
Net earnings (loss)	$ 11	$ (30)	$ 119

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 April 28, 2001, 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:

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

(a) 2. Financial Statement 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 58.

(b) Reports on Form 8-K

Form 8-K filed October 24, 2000. Item 5. Other Events. Report indicated that on October 19, 2000, the Registrant entered into an Agreement and Plan of Merger with Shaw Industries, Inc. ("Shaw"). In addition, certain shareholders of Shaw entered into a voting agreement with Berkshire Hathaway (the "Voting Agreement") in connection with the merger agreement.

Form 8-K/A filed November 3, 2000. Item 5. Other Events. Report provided a corrected total number of shares of Shaw Industries, Inc. ("Shaw") common stock subject to the Voting Agreement.

Form 8-K filed November 9, 2000. Item 5. Other Events. Report indicated that on November 8, 2000, the Registrant entered into an Agreement and Plan of Merger by and among Berkshire and Benjamin Moore & Co., a New Jersey corporation ("Benjamin Moore") and a wholly-owned Berkshire subsidiary.

Form 8-K filed December 22, 2000. Item 5. Other Events. Report indicated that on December 19, 2000, the Registrant entered into an Agreement and Plan of Merger, by and among Berkshire, a wholly-owned subsidiary of Berkshire ("Purchaser"), and Johns Manville Corporation ("Johns Manville").

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, 2001 /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.

/s/ Warren E. Buffett Warren E. Buffett	Chairman of the Board of Directors - Chief Executive Officer	March 29, 2001 Date
/s/ Howard G. Buffett Howard G. Buffett	Director	March 29, 2001 Date
/s/ Susan T. Buffett Susan T. Buffett	Director	March 29, 2001 Date
/s/ Charles T. Munger Charles T. Munger	Vice Chairman of the Board of Directors	March 29, 2001 Date
/s/ Malcolm G. Chace Malcolm G. Chace	Director	March 29, 2001 Date
/s/ Walter Scott, Jr. Walter Scott, Jr.	Director	March 29, 2001 Date
/s/ Ronald L. Olson Ronald L. Olson	Director	March 29, 2001 Date
/s/ Marc D. Hamburg Marc D. Hamburg	Vice President - Principal Financial Officer	March 29, 2001 Date
/s/ Daniel J. Jaksich Daniel J. Jaksich	Controller	March 29, 2001 Date

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, 2000 and 1999, and for each of the three years in the period ended December 31, 2000, and have issued our report thereon dated March 5, 2001; 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, 2001

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

Schedule I

BALANCE SHEETS

	December 31, 2000	December 31, 1999
Assets:		
Cash and cash equivalents	$ --	$ --
Investments in consolidated subsidiaries	60,876	57,761
Investments in MidAmerican Energy	1,264	--
Other assets	42	--
	$ 62,182	$ 57,761
Liabilities and Shareholders' Equity:		
Accounts payable and accrued expenses	$ 81	$ --
Income taxes	377	--
	458	--
Shareholders' equity	61,724	57,761
	$ 62,182	$ 57,761

STATEMENTS OF EARNINGS

Income items:	Year ending December 31, 2000	1999	1998
From consolidated subsidiaries:			
Interest	$ --	$ --	$ 6
Dividends	2,432	500	1,241
Undistributed earnings	842	1,057	1,626
	3,274	1,557	2,873
Income from investments in MidAmerican Energy	66	--	4
Realized investment gain (loss)	--	--	(60)
Revenues of Buffalo News	--	--	157
	3,340	1,557	2,974
Cost and expense items:			
Costs and expenses of Buffalo News	--	--	105
General and administrative	--	--	8
Interest	8	--	62
Income tax expense (benefit)	4	--	(31)
	12	--	144
Net earnings	$ 3,328	$ 1,557	$ 2,830

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,		
	2000	1999	1998
Cash flows from operating activities:			
Net earnings	$ 3,328	$ 1,557	$ 2,830
Adjustments to reconcile net earnings to cash flows from operating activities:			
Undistributed earnings of subsidiaries and MidAmerican Energy	(908)	(1,057)	(1,626)
Realized investment loss	--	--	60
Income taxes payable	377	--	(31)
Other	15	(8)	(8)
Net cash flows from operating activities	2,812	492	1,225
Cash flows from investing activities:			
Investments in and advances to subsidiaries	(1,606)	(579)	(803)
Purchases of investments	(1,285)	--	(382)
Proceeds on sales and maturities of investments	--	--	16
Net cash flows from investing activities	(2,891)	(579)	(1,169)
Cash flows from financing activities:			
Proceeds from borrowings	--	--	1,048
Repayment of borrowings	--	--	(1,476)
Other	79	87	6
Net cash flows from financing activities	79	87	(422)
Decrease in cash and cash equivalents	--	--	(366)
Cash and cash equivalents at beginning of year	--	--	366
Cash and cash equivalents at end of year	$ --	$ --	$ --
Other cash flow information:			
Income taxes paid	$ 1,264	1,185	$ 1,656
Interest paid	--	--	60

NOTE TO CONDENSED FINANCIAL INFORMATION

The condensed statements of earnings and cash flows of Berkshire Hathaway Inc. for 1998 include the earnings and cash flow data of OBH Inc. (formerly Berkshire Hathaway Inc. - parent company). OBH Inc. became a wholly-owned subsidiary of Berkshire Hathaway Inc. as of December 21, 1998 upon completion of the General Re merger. At December 31, 2000 and 1999, Berkshire Hathaway Inc.'s investment in the net assets of OBH Inc. is included in investments in consolidated subsidiaries in the condensed balance sheet. Borrowings under investment agreements and other Berkshire Hathaway Inc. debt outstanding as of the General Re merger date remain obligations of the former parent company, now OBH Inc.

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.
4.2	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 1% Senior Exchangeable Notes due December 2, 2001. Incorporated by reference to Exhibit 4 to Registration Statement No. 33-30570 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, 2000. 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,				
	2000	1999	1998	1997	1996
Net earnings	$ 3,328	$ 1,557	$ 2,830	$ 1,901	$ 2,489
Income tax expense	2,018	852	1,457	898	1,197
Minority interest in earnings	241	41	27	28	20
Earnings from investments in MidAmerican Energy	(105)	--	--	--	--
Fixed charges*	204	187	142	141	124
Earnings available for fixed charges	$ 5,686	$ 2,637	$ 4,456	$ 2,968	$ 3,830
Realized investment gain, pretax, included in Earnings available for fixed charges	$ 3,955	$ 1,365	$ 2,415	$ 1,106	$ 2,484

Fixed charges*

	2000	1999	1998	1997	1996
Interest on indebtedness (including amortization of debt discount and expense)	$ 144	$ 134	$ 109	$ 112	$ 100
Rentals representing interest	60	53	33	29	24
	$ 204	$ 187	$ 142	$ 141	$ 124
Ratio of earnings to fixed charges*	27.87x	14.10x	31.38x	21.05x	30.89x
Ratio of earnings, excluding realized investment gain, to fixed charges*	8.49x	6.80x	14.37x	13.21x	10.85x

----

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

2000	1999	1998	1997	1996
$ 774	$ 586	$ 21	$ 20	$ 30

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

	2000	1999	1998	1997	1996
Including realized investment gain	6.61x	4.17x	27.47x	18.56x	25.06x
Excluding realized investment gain	2.56x	2.40x	12.65x	11.69x	8.94x

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Exhibit 21

BERKSHIRE HATHAWAY INC.
Subsidiaries of Registrant(1)
December 31, 2000

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
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 Reinsurance Company Ltd.	United Kingdom
The Cologne & General Reinsurance Co. of Africa Ltd.	South Africa
Columbia Insurance Company	Nebraska

Continental Divide Insurance Company	Colorado
Cornhusker Casualty Company	Nebraska
Cypress Insurance Company	California
Dexter Shoe Company	Maine
DP Mann Limited	United Kingdom
Europa Ruckversicherung AG	Germany
Executive Jet, Inc.	Delaware
Fairfield Insurance Company	Connecticut
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 Re Europe Limited	United Kingdom
General Re Financial Products Corp.	Delaware
General Re Financial Products (Japan) Inc.	Delaware
General Re Financial Securities Ltd.	United Kingdom
General Re Services Corporation	Delaware
General Reinsurance Corporation	Delaware

BERKSHIRE HATHAWAY INC.
Subsidiaries of Registrant (1)
December 31, 2000

Company Name	Domicile or State of Incorporation
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
Isabela Shoe 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, Inc.	New Hampshire
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	Minnesota
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
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
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
Wesco-Financial Insurance Company	Nebraska

Wesco Holdings Midwest, Inc.	Nebraska
World Book/Scott Fetzer Company	Nebraska

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.

INDEPENDENT AUDITORS' CONSENT

We consent to the incorporation by reference in Registration Statements of Berkshire Hathaway Inc. on Form S-3 (File No. 333-31237), Form S-3 (File No. 333-62215), Form S-3 (File No. 333-68175), Form S-8 (File No. 333-18443), Form S-8 (File No. 333-70609), Form S-8 (File No. 333-62273), Form S-3 (File No. 333-41686), Form S-8 (File No. 333-43366), Form S-3 (File No. 333-44448), Form S-8 (File No. 333-53046) of our reports dated March 5, 2001, appearing in this Annual Report on Form 10-K of Berkshire Hathaway Inc. for the year ended December 31, 2000.

DELOITTE & TOUCHE LLP
Omaha, Nebraska
March 29, 2001