10-Q 1 e10-q.txt FORM 10-Q 1 FORM 10-Q SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 (Mark One) [X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 For the quarterly period ended June 30, 2000 OR [ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 For the transition period from to 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 (I.R.S. Employer Identification number) incorporation or organization) 1440 Kiewit Plaza, Omaha, Nebraska 68131 -- (Address of principal executive office) (Zip Code) (402) 346-1400 -------------- (Registrant's telephone number, including area code) -- (Former name, former address and former fiscal year, if changed since last report) 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 such filing requirements for the past 90 days. [X] [ ] YES NO Number of shares of common stock outstanding as of August 9, 2000: Class A -- 1,344,368 Class B -- 5,422,048 2 FORM 10-Q BERKSHIRE HATHAWAY INC. Q/E 6/30/00

PART I - FINANCIAL INFORMATION

PAGE NO. --------

~~ITEM 1. FINANCIAL STATEMENTS Consolidated Balance Sheets -- June 30, 2000 and December 31, 1999 2 Consolidated Statements of Earnings -- Second Quarter and First Half 2000 and 1999 3 Condensed Consolidated Statements of Cash Flows -- First Half 2000 and 1999 4 Notes to Interim Consolidated Financial Statements 5 - 10 ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS 11 - 16 PART II - OTHER INFORMATION ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS 17 ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K 17~~

1 3 FORM 10-Q BERKSHIRE HATHAWAY INC. Q/E 6/30/00 PART I FINANCIAL INFORMATION ITEM 1. FINANCIAL STATEMENTS CONSOLIDATED BALANCE SHEETS (dollars in millions except share amounts)

June 30, December 31, 2000

1999 -------- --------

~~ASSETS Cash and cash equivalents .... $ 1,907 $ 3,835 Investments: Securities with fixed maturities .... 31,559 30,222 Equity securities .... 35,624 37,772 Other .... 3,029 1,736 Receivables .... 10,074 8,558 Inventories .... 1,117 844 Assets of finance and financial products businesses .... 26,917 24,229 Property, plant and equipment .... 2,182 1,903 Goodwill of acquired businesses .... 18,285 18,281 Other assets .... 4,103 4,036 -------- -------- $134,797 $131,416 ======== ========~~

~~LIABILITIES AND SHAREHOLDERS' EQUITY Losses and loss adjustment expenses .... $ 27,131 $ 26,802 Unearned premiums .... 4,294 3,718 Accounts payable, accruals and other liabilities .... 8,556 7,458 Income taxes, principally deferred .... 8,811 9,566 Borrowings under investment agreements and other debt .. 2,446 2,465 Liabilities of finance and financial products businesses 24,671 22,223 -------- -------- 75,909 72,232 -------- -------- Minority shareholders' interests .... 1,300 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 .... 25,243 25,209 Accumulated other comprehensive income .... 15,569 17,223 Retained earnings .... 16,768 15,321 -------- -------- Total shareholders' equity~~

~~.......................... 57,588 57,761 -------- --------~~
~~$134,797 $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 1,521,347 shares outstanding at June 30, 2000 and 1,520,562 shares outstanding at December 31, 1999. See accompanying Notes to Interim Consolidated Financial Statements 2 4 FORM 10-Q BERKSHIRE HATHAWAY INC. Q/E 6/30/00 CONSOLIDATED STATEMENTS OF EARNINGS (dollars in millions except per share amounts)

Second Quarter First Half -- ----------------------- ----- -------------------- 2000 1999 2000 1999 ---------- ---------- ---------- ---------- --

~~REVENUES: Insurance premiums earned .... $ 3,408 $ 3,027 $ 6,628 $ 6,097 Sales and service revenues .... 1,685 1,428 3,287 2,769 Interest, dividend and other investment income .... 649 534 1,283 1,107 Income from finance and financial products businesses . 94 76 376 135 Realized investment gain .... 717 396 1,453 799 ---------- ---------- ---------- ---------- 6,553 5,461 13,027 10,907 ---------- ---------- ---------- ---------- COST AND EXPENSES: Insurance losses and loss adjustment expenses .... 2,975 2,356 5,652 4,797 Insurance underwriting expenses .... 796 823 1,667 1,592 Cost of products and services sold .... 1,133 997 2,221 1,931 Selling, general and administrative expenses .... 378 269 756 538 Goodwill amortization .... 123 119 245 237 Interest expense .... 34 32 67 65 ---------- ---------- ---------- ---------- 5,439 4,596 10,608 9,160 ---------- ---------- ---------- ---------- EARNINGS BEFORE INCOME TAXES AND MINORITY INTEREST ...... 1,114 865 2,419 1,747 Income taxes .... 395 291 859 618 Minority interest~~

.... 79
2 113 16 ---------- --------
-- ---------- ---------- NET
EARNINGS
....
$ 640 $ 572 $ 1,447 $
1,113 ==========
==========
==========
========== Average
shares outstanding *
.... 1,521,057
1,519,657 1,520,869
1,519,279 NET
EARNINGS PER SHARE
* .... $
421 $ 376 $ 951 $ 733
==========
==========
==========
==========

* 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 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. See accompanying Notes to Interim Consolidated Financial Statements 3 5 FORM 10-Q BERKSHIRE HATHAWAY INC. Q/E 6/30/00 CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (dollars in millions)

First Half -------------------- 2000
1999 -------- -------- Net cash flows
from operating activities
.... $ 943 $ (1,060) ---
----- -------- Cash flows from investing
activities: Purchases of investments
.... (14,508)
(13,491) Proceeds on sales and
maturities of investments ....
12,337 4,851 Loans and investments
originated in finance businesses ....
(363) (1,200) Principal collections on
loans and investments originated in
finance businesses
.... 872
498 Acquisition of businesses
.... (381) --
Other
....
(242) (207) -------- -------- Net cash
flows from investing activities
.... (2,285) (9,549) ----
---- -------- Cash flows from financing
activities: Proceeds from borrowings of
finance businesses 56 503
Proceeds from other borrowings
.... 970 971
Repayments of borrowings of finance
businesses .... (2) (53)
Repayments of other borrowings
.... (860) (907)
Other
....
(67) 24 -------- -------- Net cash flows
from financing activities
.... 97 538 -------- ----

~~---- Decrease in cash and cash equivalents .... (1,245) (10,071) Cash and cash equivalents at beginning of year* .... 4,458 14,489 -------- -- ------ Cash and cash equivalents at end of first half* .... $ 3,213 $ 4,418 ======== ======== Supplemental cash flow information: Cash paid during the period for: Income taxes .... $ 641 $ 1,757 Interest of finance and financial products businesses .... 473 71 Other interest .... 72 66 Non-cash investing activity: Liabilities assumed in connection with acquisition of businesses .... 162 -- Contingent value of Exchange Notes recognized in earnings .... 90 3 Value of equity securities used to redeem Exchange Notes .... 224 13 * Cash and cash equivalents are comprised of the following: Beginning of year -- Finance and financial products businesses .... $ 623 $ 907 Other .... 3,835 13,582 -------- -------- $ 4,458 $ 14,489 ======== ======== End of first half -- Finance and financial products businesses .... $ 1,306 $ 189 Other .... 1,907 4,229 -------- -------- $ 3,213 $ 4,418 ======== ========~~

See accompanying Notes to Interim Consolidated Financial Statements 4 6 FORM 10-Q BERKSHIRE HATHAWAY INC. Q/E 6/30/00 NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS NOTE 1. GENERAL The accompanying unaudited consolidated financial statements include the accounts of Berkshire consolidated with the accounts of all its subsidiaries. Reference is made to Berkshire's most recently issued Annual Report that included information necessary or useful to understanding of Berkshire's businesses and financial statement presentations. In particular, Berkshire's significant accounting policies and practices were presented as Note 1 to the Consolidated Financial Statements included in that Report. Financial information in this Report reflects any adjustments (consisting only of normal recurring adjustments) that are, in the opinion of management, necessary to a fair statement of results for the interim periods in accordance with generally accepted accounting principles. For a number of reasons, Berkshire's results for interim periods are not normally indicative of results to be expected for the year. The timing and magnitude of catastrophe losses incurred by insurance subsidiaries and the estimation error inherent to the process of determining liabilities for unpaid losses of insurance subsidiaries can be relatively more significant to results of interim periods than to results for a full year. Realized investment gains/losses are 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. Variations in amount and timing of realized investment gains/losses can cause significant variations in periodic net earnings. In 1998, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standard ("SFAS") No. 133, "Accounting for Derivative Instruments and Hedging Activities". SFAS No. 133 was discussed in Note 1 to the Consolidated Financial Statements in Berkshire's 1999 Annual Report. 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 will adopt 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. NOTE 2. 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"). On January 27, 2000, the transaction was approved by the shareholders of MidAmerican. All regulatory approvals were subsequently received and the transaction closed 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 transaction, 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 2.0 million customers and natural gas service to 1.2 million customers worldwide. MidAmerican manages, owns interests in and has under contract approximately 9,700 net megawatts of diversified power generation facilities in operation, construction and development. Berkshire's investments in MidAmerican common and non-dividend paying convertible preferred stock are included in the accompanying Consolidated Balance Sheet as a component of other investments. Berkshire is accounting for these investments pursuant to the equity method. Accordingly, Berkshire's proportionate share of MidAmerican's net income is included in the Consolidated Statement of Earnings as a component of interest, dividend and other investment income. The investments in MidAmerican's 11% trust preferred securities are reflected in the Consolidated Balance Sheet as a component of investments in securities with fixed maturities. Income derived from these investments is included in the Consolidated Statement of Earnings as a component of interest, dividend and other investment income. 5 7 FORM 10-Q BERKSHIRE HATHAWAY INC. Q/E 6/30/00 NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) NOTE 3. INVESTMENTS IN SECURITIES WITH FIXED MATURITIES Data with respect to investments in securities with fixed maturities (other than securities with fixed maturities held by finance and financial products businesses -- See Note 8) are shown in the tabulation below (in millions).

	June 30, 2000	December 31, 1999
Amortized cost	$ 32,254	$ 31,429
Gross unrealized gains	100	51
Gross unrealized losses	(795)	(1,258)
Estimated fair value	$ 31,559	$ 30,222

NOTE 4. INVESTMENTS IN EQUITY SECURITIES Data with respect to investments in equity securities are shown in the tabulation below (in millions).

	June 30, 2000	December 31, 1999
Total cost	$ 10,572	$ 9,674
Gross unrealized gains	25,379	28,229
Gross unrealized losses	(327)	(131)
Total fair value	$ 35,624	$ 37,772
Fair value:		
American Express Company	$ 7,903	$ 8,402
The Coca-Cola Company	11,487	11,650
The Gillette Company	3,354	3,954
Other equity securities	12,880	13,766
Total	$ 35,624	$ 37,772

NOTE 5. DEFERRED INCOME TAX LIABILITIES The tax effects of significant items comprising Berkshire's net deferred tax liabilities as of June 30, 2000 and December 31, 1999 are as follows (in millions):

	June 30, 2000	December 31, 1999
Deferred tax liabilities: Relating to unrealized appreciation of investments ...	$ 8,795	$ 9,383
Other ...	1,035	1,252
	9,830	10,635
Deferred tax assets ...	(1,173)	(1,042)
Net deferred tax liabilities ...	$ 8,657	$ 9,593

NOTE 6. COMMON STOCK The following table summarizes Berkshire's common stock activity during the first half of 2000.

	Class A Common Stock (1,650,000 shares authorized) Issued and Outstanding	Class B Common Stock (55,000,000 shares authorized) Issued and Outstanding
Balance at December 31, 1999 ...	1,341,663	5,366,955
Conversions of Class A Common Stock to Class B Common Stock and other	(824)	48,278
Balance at June 30, 2000 ...	1,340,839	5,415,233

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) NOTE 6. COMMON STOCK (CONTINUED) 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. 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 1,521,347 shares outstanding at June 30, 2000 and 1,520,562 shares outstanding at December 31, 1999. Each Class A Common share is entitled to one vote per share. Each Class B Common share possesses the voting rights of one-two-hundredth (1/200) of the voting rights of a

Class A share. Class A and Class B Common shares vote together as a single class.

NOTE 7. COMPREHENSIVE INCOME

Berkshire's comprehensive income for the second quarter and first half of 2000 and 1999 is shown in the table below (in millions). Other comprehensive income consists of unrealized gains and losses on investments and foreign currency translation adjustments associated with foreign-based business operations.

	Second Quarter		First Half	
	2000	1999	2000	1999
Net earnings	$ 640	$ 572	$ 1,447	$ 1,113
Other comprehensive income:				
Increase (decrease) in unrealized appreciation of investments	975	(715)	(2,561)	(821)
Applicable income taxes and minority interests	(289)	255	963	300
Foreign currency translation losses	(66)	(50)	(91)	(71)
Applicable income taxes and minority interests	15	54	35	59
	635	(456)	(1,654)	(533)
Comprehensive income	$ 1,275	$ 116	$ (207)	$ 580

NOTE 8. FINANCE AND FINANCIAL PRODUCTS BUSINESSES

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

June 30, December 31, 2000
1999 -------- ------------
~~ASSETS Cash and cash~~
~~equivalents ....~~
~~$ 1,306 $ 623 Investments in~~
~~securities with fixed maturities:~~
~~Held to maturity, at cost~~
~~.......................... 1,661 2,002~~
~~Trading, at fair value~~
~~............................. 11,059~~
~~11,277 Available for sale, at~~
~~fair value .... 776 999~~
~~Trading account assets~~
~~............................... 5,545~~
~~5,881 Securities purchased~~
~~under agreements to resell ......~~
~~2,617 1,171 Other~~
~~..~~
~~3,953 2,276 ------- -------~~
~~$26,917 $24,229 =======~~
~~======= LIABILITIES~~
~~Securities sold under~~
~~agreements to repurchase ....~~
~~$13,449 $10,216 Securities~~
~~sold but not yet purchased~~
~~................ 785 1,174 Trading~~
~~account liabilities~~
~~.......................... 5,590 5,930~~
~~Notes payable and other~~
~~borrowings .... 1,849~~
~~1,998 Annuity reserves and~~
~~policyholder liabilities .... 857~~
~~843 Other~~
~~..~~
~~2,141 2,062 ------- -------~~
~~$24,671 $22,223 =======~~
~~=======~~

7 9 FORM 10-Q BERKSHIRE HATHAWAY INC. Q/E 6/30/00 NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) NOTE 9. BUSINESS SEGMENT DATA A disaggregation of Berkshire's consolidated data for the second quarter and first half of each of the two most recent years is as follows. Amounts are in millions.

REVENUES	Second Quarter 2000	Second Quarter 1999	First Half 2000	First Half 1999
OPERATING SEGMENTS:				
Insurance: GEICO*	$ 1,383	$ 1,168	$ 2,691	$ 2,269
General Re*	1,815	1,614	3,495	3,165
Berkshire Hathaway Reinsurance Group*	141	178	305	545
Berkshire Hathaway Direct Insurance Group*	69	67	137	118
Interest, dividend and other investment income	659	598	1,313	1,201
Total insurance revenues	4,067	3,625	7,941	7,298
Buffalo News	40	39	77	76
Flight services	539	443	1,047	874
Furniture	394	209	731	400
International Dairy Queen	141	144	254	245
Jewelry	111	106	213	192
Scott Fetzer Companies	239	256	502	509
See's Candies	61	53	120	118
Shoe group	106	122	232	247
	5,698	4,997	11,117	9,959
Reconciliation of segments to consolidated amounts: Other revenues	170	142	525	260
Realized investment gain	717	396	1,453	799
Purchase-accounting-adjustments	(32)	(74)	(68)	(111)
	$ 6,553	$ 5,461	$ 13,027	$ 10,907

* Represents insurance premiums earned

OPERATING PROFIT BEFORE TAXES Second Quarter First Half ---- ------------------- -------------------- --- OPERATING SEGMENTS: 2000 1999 2000 1999 -------- -------- -------- -------- ~~Insurance: GEICO** .... $ (65) $ 20 $ (151) $ 20 General Re** .... (231) (190) (504) (326) Berkshire Hathaway Reinsurance Group** .... (68) 38 (36) 45 Berkshire Hathaway Direct Insurance Group** .... 2 (1) 1 1 Interest, dividend and other investment income .... 653 591 1,304 1,191 -------- -------- -------- -------- Total insurance operating profit .... 291 458 614 931 Buffalo News .... 14 14 26 26 Flight services .... 56 60 114 112 Furniture .... 39 20 69 35 International Dairy Queen .... 20 21 3 31 Jewelry .... 8 7 13 9 Scott Fetzer Companies .... 26 30 61 62 See's Candies .... 7 6 11 15 Shoe group .... (4) 3 (1) 9 -------- -------- -------- -------- 457 619 910 1,230 Reconciliation of segments to consolidated amounts: Realized investment gain .... 717 396 1,453 799 Interest expense *** .... (23) (28) (47) (56) Corporate and other .... 119 91 417 152 Goodwill amortization and other purchase-accounting-adjustments .. (156) (213) (314) (378) -------- -------- -------- -------- $ 1,114 $ 865 $ 2,419 $ 1,747~~ ======== ======== ======== ========

** Represents underwriting gain (loss) *** Excludes interest expense allocated to finance businesses and certain identifiable segments 8 10 FORM 10-Q BERKSHIRE HATHAWAY INC. Q/E 6/30/00 NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) NOTE 10. BUSINESS ACQUISITIONS SUBSEQUENT TO JUNE 30, 2000 Subsequent to June 30, 2000, Berkshire consummated three business acquisitions - Ben Bridge Jeweler - ("Ben Bridge"), effective July 3, 2000; Justin Industries, Inc. ("Justin"), effective August 1, 2000; and U.S. Investment Corporation ("USIC"), effective August 8, 2000. Shareholders of these three entities received aggregate consideration of approximately $985 million, consisting of $775 million in cash and the remainder in Class A and Class B Common Stock. Ben Bridge is the leading operator of upscale jewelry stores based in major shopping malls in the Western United States. Justin includes Acme Building Brands - Acme Brick Company, a leading manufacturer of face brick; Featherlite Building Products Corporation, the leading Southwest producer of concrete masonry products; and American Tile Supply Company, a major Texas distributor of ceramic and marble floor and wall tile, and Justin Brands - Justin Boot Company(R), Nocona Boot Company(R), Tony Lama Company(R) and Chippewa Shoe Company(R). USIC is the parent of the United States Liability Insurance

Group, one of the premier U.S. writers of specialty insurance products distributed exclusively through the wholesale insurance network. NOTE 11. 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 upon completion of the General Re merger. Condensed consolidated balance sheets of OBH Inc. are as follows (dollars in millions):

June 30, 2000 Dec. 31, 1999 -- ----------- -------------

ASSETS Cash and cash equivalents .... $ 1,341 $ 2,661 Investments in equity and fixed maturity securities .... 46,670 48,635 Assets of finance and financial products businesses .... 17,236 13,369 Goodwill of acquired businesses .... 4,105 3,926 Other assets .... 9,219 7,382 ------- ------- $78,571 $75,973 ======= ======= LIABILITIES AND SHAREHOLDERS' EQUITY Losses and loss adjustment expenses .... $10,737 $10,637 Unearned premiums, accounts payable and other liabilities .... 6,162 4,743 Income taxes, principally deferred .... 8,902 9,689 Borrowings under investment agreements and other debt .... 2,143 2,156 Liabilities of finance and financial products businesses ..... 15,466 12,094 ------- ------- 43,410 39,319 ------- ------- Total shareholders' equity .... 35,161 36,654 ------- ------- $78,571 $75,973 ======= =======

Net earnings of OBH Inc. for the second quarter and first half of 2000 and 1999 are summarized below (in millions).

	Second Quarter		First Half	
	2000	1999	2000	1999
Revenues	$4,338	$3,531	$8,597	$7,065
Cost and expenses	3,233	2,672	6,294	5,440
Earnings before income taxes and minority interest	1,105	859	2,303	1,625
Income taxes and minority interest	441	288	873	546
Net earnings	$ 664	$ 571	$1,430	$1,079

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

NOTE 11. INFORMATION ABOUT CERTAIN SUBSIDIARIES (CONTINUED)

The summarized financial data of the finance and financial products businesses (See Note 8) includes the activities conducted by the Scott Fetzer Financial Group and its subsidiaries ("SFFG"). Assets and liabilities of SFFG are summarized below (in millions).

	June 30, 2000	Dec. 31, 1999
ASSETS		
Cash and cash equivalents	$ 6	$ 1
Mortgage-backed securities, installment loans and other receivables*	195	196
	$201	$197
LIABILITIES		
6-3/4% Notes, due 2001 and borrowings under investment agreements	$137	$137
Other	30	27
	$167	$164

* Includes receivables from affiliates of $41 at June 30, 2000 and $40 at December 31, 1999.

Net earnings of SFFG for the second quarter and first half are summarized below (in millions).

	Second Quarter		First Half	
	2000	1999	2000	1999
Revenues	$ 10	$ 92	$ 20	$ 107
Cost and expenses	5	72	11	126
Earnings(loss) before income taxes	5	20	9	(19)
Income taxes	2	7	3	(7)
Net earnings(loss)	$ 3	$ 13	$ 6	$ (12)

10 12 FORM 10-Q BERKSHIRE HATHAWAY INC. Q/E 6/30/00 ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS RESULTS OF OPERATIONS Net earnings for the second quarter and first half of 2000 and 1999 are disaggregated in the table that follows. Amounts are after deducting minority interests and income taxes. Dollar amounts are in millions.

	Second Quarter		First Half	
	2000	1999	2000	1999
Insurance segments - underwriting	$ (250)	$ (76)	$ (462)	$ (162)
Insurance segments - investment income	471	426	923	853
Non-insurance business segments	100	97	179	181
Interest expense	(17)	(18)	(31)	(36)
Goodwill amortization and other purchase-accounting-adjustments	(143)	(186)	(285)	(335)
Other	84	56	275	92
Earnings before realized investment gain	245	299	599	593
Realized investment gain	395	273	848	520
Net earnings	$ 640	$ 572	$ 1,447	$ 1,113

INSURANCE SEGMENTS -- UNDERWRITING A summary follows of underwriting results from Berkshire's insurance segments for the second quarter and first half of 2000 and 1999. Dollar amounts are in millions.

Second Quarter First Half ------------
--------- --------------------- 2000
1999 2000 1999 ------- ------- ------
- ------- Underwriting gain (loss)
attributable to: GEICO
....
$ (65) $ 20 $ (151) $ 20 General Re
....
(231) (190) (504) (326) Berkshire
Hathaway Reinsurance Group
.... (68) 38 (36) 45
Berkshire Hathaway Direct Insurance
Group .... 2 (1) 1 1 ------
- ------- ------- ------- Pre-tax
underwriting loss
.... (362)
(133) (690) (260) Income taxes and
minority interest ....
(112) (57) (228) (98) ------- ------- -
------ ------- Net underwriting loss
.... $ (250) $
(76) $ (462) $ (162) =======
======= ======= =======

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. GEICO CORPORATION GEICO Corporation through its affiliates ("GEICO") provides private passenger auto insurance to customers in 48 states and the District of Columbia. GEICO policies are marketed mainly through direct response methods, in which insureds apply directly to the company for insurance coverage 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 provide high value to policyholders. 11 13 FORM 10-Q BERKSHIRE HATHAWAY INC. Q/E 6/30/00 ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS INSURANCE SEGMENTS - UNDERWRITING (CONTINUED) GEICO's pre-tax underwriting results for the second quarter and first half of 2000 and 1999 are summarized in the table below. Dollar amounts are in millions.

SECOND
QUARTER
FIRST
HALF -----
--------- ---
------- 2000
1999 2000
1999 ---- --
-- ---- ----
Amount %
Amount %
Amount %
Amount % -
------ -----
------- -----
------- -----
------- -----
Premiums
earned
.... $
1,383 100.0
$ 1,168
100.0 $
2,691 100.0
$ 2,269
100.0 ------

Losses and loss expenses ...	1,192	86.2	921	78.9	2,323	86.3	1,816	80.0
Underwriting expenses	256	18.5	227	19.4	519	19.3	433	19.1
Total losses and expenses ..	1,448	104.7	1,148	98.3	2,842	105.6	2,249	99.1
Underwriting gain (loss) ...	$ (65)		$ 20		$ (151)		$ 20	

Premiums earned in the second quarter of 2000 were $1,383 million, up 18.4% from $1,168 million in 1999. For the first half of 2000, premiums earned were $2,691 million, up 18.6% from $2,269 million in 1999. The growth in first half premiums earned for voluntary auto was 19.4% reflecting an 18.0% increase in policies-in-force during the past year. In response to increased losses in 2000, GEICO has implemented rate increases and additional increases are expected in many states during the remainder of the year. However, it takes six to twelve months for the full effect of rate increases to be reflected in premiums earned. Policy growth over the last twelve months was 14.3% in the preferred-risk auto market and 33.2% in the standard and nonstandard auto lines. Voluntary auto new business sales increased 7.3% over 1999. Additional growth in policies-in-force is expected over the remainder of the year, but it is anticipated that the rate of growth will continue to decline from the growth rates experienced in recent years. Losses and loss adjustment expenses incurred increased 29.4% to $1,192 million in the second quarter of 2000 and 27.9% to $2,323 million in the first half of 2000. GEICO's loss ratio was 86.3% in the first half of 2000 compared to 80.0% a year ago. The increased loss ratio reflects higher frequency and severity for both auto damage and personal injury protection coverages. The increases in claim costs during 2000 were greater than anticipated and resulted in larger than expected underwriting losses. Catastrophe losses contributed slightly over one percentage point to the loss ratio in both 2000 and 1999. Underwriting expenses incurred during the second quarter of 2000 increased $29 million (12.8%) over 1999. In the first half of 2000, underwriting expenses increased $86 million (19.9%) over 1999. The increases reflect additional advertising and other costs related to new business growth, partially offset by reduced employee profit sharing expense. The unit cost of acquiring new business has increased significantly in 2000 reflecting higher costs and a lower closure ratio. GEICO and its affiliates 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. GENERAL RE General Re and its affiliates conduct a global reinsurance business with operations in the United States and 125 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 and global life/health operations are conducted primarily through Germany-based Cologne Re and its subsidiaries. At June 30, 2000, General Re had an 88% economic ownership interest in Cologne Re. Underwriting conditions within the reinsurance industry during 2000 remain difficult, although there are signs of improvement in certain markets. General Re's overall underwriting results during the first half of 2000 were unsatisfactory in both the property and casualty and life and health businesses and reflected the effects of inadequate rates charged in recent years on many lines of business. General Re management continues to take actions to address these matters with the objective of returning underwriting results to acceptable levels. Due to the inherent time lag between when pricing decisions are made and when the effects of such decisions are evident in the financial statements, overall underwriting results are likely to remain unsatisfactory during the remainder of 2000. However, absent a mega-catastrophe, Berkshire expects that General Re's underwriting results will be improved during the second half of 2000 as compared to the first half of 2000. The underwriting results of each General Re business segment follow. Dollar amounts are in millions. 12 14 FORM 10-Q BERKSHIRE HATHAWAY INC. Q/E 6/30/00 ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (CONTINUED) INSURANCE SEGMENTS - UNDERWRITING (CONTINUED) North American property/casualty

	Second Quarter				First Half			
	2000		1999		2000		1999	
	Amount	%	Amount	%	Amount	%	Amount	%
Premiums earned	$739	100.0	$635	100.0	$ 1,408	100.0	$ 1,267	100.0
Losses and loss expenses	612	82.8	451	71.0	1,182	83.9	858	67.7
Underwriting expenses	197	26.7	228	35.9	383	27.2	482	38.1

~~Total losses and expenses .... 809 109.5 679 106.9 1,565 111.1 1,340 105.8~~ ---- ===== ---- ===== ------- ===== ---- --- =====

~~Underwriting loss .... $(70) $(44) $ (157) $ (73)~~ ==== ==== ======== ========

North American property/casualty operations underwrite predominantly excess reinsurance across multiple lines of business. For the second quarter and first half of 2000, premiums earned from North American reinsurance businesses exceeded amounts earned during the 1999 periods by $104 million (16.4%) and $141 million (11.1%), respectively. The most significant increases occurred in the national multi-line, excess and surplus reinsurance lines and individual risk businesses. In addition, premiums earned in 2000 reflected reductions in ceded reinsurance premiums principally related to amounts ceded to members of the Berkshire Hathaway Reinsurance Group. The North American property/casualty operations produced net underwriting losses of $70 million and $157 million for the second quarter and first half of 2000, respectively. These underwriting results compare unfavorably to underwriting results for the same periods of 1999. During the first half of 2000, adverse reserve development (reserve increases) of prior years' claim estimates emerged, primarily in the medical malpractice and commercial umbrella reinsurance lines. Underwriting results in 1999 periods benefited from reductions (or favorable development) of loss reserves established for previous years. In addition, underwriting results in 2000 periods were adversely affected by increased losses with respect to casualty lines. Partially offsetting the deterioration in the casualty business were improved property reinsurance results, which benefited from lower claims experience and the initial effects of underwriting actions in under-performing areas. Losses arising from catastrophic events and other large property losses added 5.2 points to the North American property/casualty loss and loss expense ratio for the first half of 2000, as compared to 7.6 points for the same period of 1999. Although underwriting results have been and continue to remain unsatisfactory, the North American property/casualty underwriting results for the second quarter improved from the first quarter of 2000. In the absence of major catastrophe losses over the remainder of 2000, underwriting results for the full year are expected to be better than 1999. International property/casualty

Second Quarter First Half -------- ------ ------ ---- 2000 1999 2000 1999 Amount % Amount % Amount % Amount % - ---- ----- -- --- ----- --- --- ----- --- ---- -----

~~Premiums earned .... $ 617 100.0 $ 571 100.0 $1,228 100.0 $ 1,114 100.0~~ ---- ----- - ---- ----- --

~~---- ----- --~~
~~----- -----~~
~~Losses and loss expenses 547 88.7 470 82.3 1,110 90.4 894 80.2~~
~~Underwriting expenses ... 195 31.6 198 34.7 409 33.3 374 33.6 ---~~
~~-- ----- ---- ------ ----- ------ ----- -- -----~~
~~Total losses and expenses 742 120.3 668 117.0 1,519 123.7 1,268 113.8~~
~~-----~~
===== ---- - ===== --- --- ===== - ------ =====
~~Underwriting loss .... $(125) $ (97) $ (291) $ (154)~~
===== ===== ====== =======

The international property/casualty operations write quota-share and excess reinsurance on risks around the world. Premiums earned for the second quarter and first half of 2000 increased over 1999 levels by 8.1% and 10.2%, respectively. Adjusting for the effect of foreign exchange, earned premiums in local currencies grew 19.0% during the second quarter and 21.4% for first half of 2000, respectively. The growth in earned premiums was primarily due to premiums due from cedants to reinstate coverage as a result of fourth quarter 1999 European winter storm losses and growth in both proportional and non-proportional casualty businesses. Premium growth also resulted from new business in South America and from DP Mann's Syndicate 435 at Lloyd's of London. Second quarter and first half 2000 underwriting results of the international property/casualty segment remained very poor. The increase in the loss ratio for the first half of 2000 was primarily due to continued adverse development from the December 1999 European winter storms, higher frequency of major losses, and inadequate premium rates in the international property/casualty markets. The effect of catastrophes, including development from 1999 events, and other large property losses, including the aforementioned adverse development, represented 11.1 points of the loss and loss expense ratio for the first half of 2000, compared to 2.4 points for the same period of 1999. 13 15 FORM 10-Q BERKSHIRE HATHAWAY INC. Q/E 6/30/00 ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (CONTINUED) INSURANCE SEGMENTS - UNDERWRITING (CONTINUED) Global life/health

Second Quarter First Half -------- ------ ------ ---- 2000 1999 2000 1999 ---- --

	Amount	%	Amount	%	Amount	%	Amount	%
Premiums earned	$ 459	100.0	$ 408	100.0	$859	100.0	$ 784	100.0
Losses and loss expenses ...	410	89.3	351	86.0	730	85.0	682	87.0
Underwriting expenses	85	18.5	106	26.0	185	21.5	201	25.6
Total losses and expenses ..	495	107.8	457	112.0	915	106.5	883	112.6
Underwriting loss	$ (36)		$ (49)		$(56)		$ (99)	

Global life/health net earned premiums grew 12.5% for the second quarter and 9.6% in the first half of 2000. The year-to-date growth was primarily attributable to increased growth in U.S. life and individual health business, and expansion of Asian life and Western European business. The global life/health operations produced unsatisfactory underwriting results for the first six months of 2000 and 1999. Second quarter and first half 2000 results were adversely affected by weak results in the international life segments and losses in the U.S. group health segment. BERKSHIRE HATHAWAY REINSURANCE GROUP Premiums earned by the Berkshire Hathaway Reinsurance Group ("BHRG") include amounts earned from retroactive reinsurance contracts. Such contracts, generally, indemnify ceding companies for losses in excess of specified amounts retained by the ceding company with respect to past loss events. Losses assumed are subject to aggregate limits that are often sizable in amount. Premiums earned from retroactive contracts for the first half aggregated $25 million in 2000 and $280 million in 1999. In each year, nearly all of such premiums were earned in the first quarter. In July 2000, the BHRG entered into a new retroactive reinsurance agreement that generated additional premiums of $337 million. Premiums earned from other reinsurance activities during the second quarter were $115 million in 2000 and $182 million in 1999. For the first half, other reinsurance premiums earned totaled $280 million in 2000 and $265 million in 1999. For the first half, an increase in premiums earned from catastrophe policies was offset by a decline in other reinsurance premiums, which included lower amounts assumed from contracts with General Re's North American property and casualty reinsurance businesses. Underwriting results of the BHRG include amortization of deferred charges on retroactive reinsurance contracts and accretion of discounted structured settlement liabilities. These recurring charges recognize time-value-of-money concepts that are inherent in the pricing of such contracts. It is normally anticipated that claims ultimately paid will exceed premiums received at inception. Deferred charges and discounts related to structured settlement liabilities are established at inception and subsequently charged to losses incurred over the expected claims settlement periods. Underwriting losses from structured settlement and retroactive reinsurance contracts totaled $38 million in the second quarter of 2000 and $27 million in 1999. Underwriting losses from these contracts for the first half were $79 million in 2000 and $46 million in 1999. It is expected that underwriting losses from this business over the remainder of 2000 will exceed underwriting losses in 1999 periods by a considerable margin. Nevertheless, this business is accepted because of the large amounts of policyholder float generated for investment. Other reinsurance activities produced a second quarter underwriting loss of $30 million in 2000 compared to an underwriting gain of $65 million in 1999. For the first half, underwriting gains from other reinsurance were $ 43 million in 2000 compared to $91 million in 1999. The catastrophe reinsurance business produced lower net underwriting gains due primarily to increased amounts of catastrophe losses. Underwriting gains from this business were $24 million in the second quarter and $47 million in the first half of 2000 as compared to $49 million and $63 million in the comparable 1999 periods. Other non-catastrophe reinsurance activities produced underwriting losses of $54 million for the second quarter and $4 million for the first half of 2000 compared to underwriting gains of $16 million and $28 million during the comparable 1999 periods due to lower premiums and increased losses related to contracts assumed from General Re's North American property and casualty operation. Most of the losses associated with the other non-catastrophe reinsurance activities derived from contracts that generated significant amounts of very long-term float. 14 16 FORM 10-Q BERKSHIRE HATHAWAY INC. ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Continued) INSURANCE SEGMENTS - INVESTMENT INCOME After-tax net investment income produced by Berkshire's insurance and reinsurance businesses for the second quarter and first half of 2000 and 1999 is summarized in the table below. Dollars are in millions.

	Second Quarter		First Half	
	2000	1999	2000	1999
Net investment income before taxes and minority interests ..	$653	$591	$1,304	$1,191
Taxes and minority interests	182	165	381	338
Net investment income	$471	$426	$ 923	$ 853

Pre-tax net investment income earned by Berkshire's insurance and reinsurance businesses during the second quarter and first half of 2000 exceeded amounts earned during the corresponding 1999 periods by $62 million (10.5%) and $113 million (9.5%). Berkshire's insurance and reinsurance businesses maintain considerable levels of invested assets, approximately $70 billion as of June 30, 2000. Invested assets derive from shareholder capital, including reinvested earnings from the business, as well as policyholder "float". Float represents an estimate of the net balance of funds held by the insurance group, that does not belong to shareholders. Float includes unpaid losses and loss adjustment expenses, unearned premiums and reinsurance balances held less premiums receivable, deferred acquisition costs, deferred charges related to retroactive reinsurance, reinsurance receivables and related prepaid income taxes. The aggregate amount of float at June 30, 2000 was approximately $25.8 billion, an increase of about $0.5 billion since year-end 1999. A much greater increase in float is expected during the second half of 2000. The annualized cost of float for the first half of 2000 was approximately 5.4%, down slightly from 1999's full year cost of 5.8%. Absent a mega-catastrophe, the cost of float should fall moderately during the second half. NON-INSURANCE BUSINESS SEGMENTS Results of operations of Berkshire's diverse non-insurance business segments for the second quarter and first half of 2000 and 1999 are shown in the following table. Dollar amounts are in millions.

	Second Quarter				First Half			
	2000		1999		2000		1999	
	Amount	%	Amount	%	Amount	%	Amount	%
Revenues	$1,631	100.0	$1,372	100.0	$3,176	100.0	$2,661	100.0
Costs and expenses	1,465	89.8	1,211	88.3	2,880	90.7	2,362	88.8
Earnings before taxes/minority interest	166	10.2	161	11.7	296	9.3	299	11.2
Income taxes and minority interest	66	4.1	64	4.7	117	3.7	118	4.4
Net earnings	$ 100	6.1	$ 97	7.0	$ 179	5.6	$ 181	6.8

Revenues from these several and diverse business activities during 2000's second quarter and first half were greater by $259 million (18.9%) and $515 million (19.4%), respectively than revenues during the corresponding 1999 periods. The Furniture segment accounts for a significant portion of the increase. This segment's revenues increased $185 million in the second quarter and $331 million in the first half. The inclusion of Jordan's Furniture, Inc. ("Jordan's"), acquired November 13, 1999, and CORT Business Services ("CORT"), acquired February 18, 2000, in this segment during the 2000 periods account for much of the increased Furniture segment's revenues. Jordan's is the largest furniture retailer in Massachusetts and New Hampshire. CORT is the nation's leading provider of rental furniture, accessories and related services in the "rent to rent" segment of the furniture industry. Revenues also increased significantly in the Flight services segment during both the second quarter and first half of 2000 as compared to the 1999 periods. Net earnings of these businesses were relatively unchanged both in the second quarter and first half as compared to the 1999 periods. During the second quarter, increased earnings of the Furniture segment were largely offset by reductions in the Shoe, Scott Fetzer and Flight services segments. For the first half, increased earnings of the Furniture segment were largely offset by a decline in the earnings of Dairy Queen. Dairy Queen's first half 2000 results include non-recurring pre-tax charges of approximately $27 million associated with the estimated amount to be incurred in connection with the settlement of litigation (that pre-dated Berkshire's acquisition of Dairy Queen) by certain franchisees and provisions for losses in connection with the bankruptcy of a major distributor.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (CONTINUED)

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 acquisition dates of certain businesses (principally General Re and GEICO). Other purchase-accounting-adjustments pertain primarily to the amortization of the excess of market value over historical cost of General Re's fixed maturity investments that existed at the date of the merger. Such excess is included in Berkshire's cost of the investments and is being amortized over the remaining lives of the investments. The unamortized excess remaining in the cost of fixed maturity investments totaled $824 million at June 30, 2000, compared to $1,032 million at June 30, 1999.

OTHER

Other activities not identified with business segments include a number of finance businesses conducted through several subsidiaries. Pre-tax income in the first half from finance and financial products businesses was $376 million in 2000 versus $135 million in 1999. The increased income of these businesses during 2000 as compared to 1999 was primarily attributed to net realized and unrealized gains of investments classified as held for trading purposes. The net realized and unrealized gains of these securities are included as a component of Income from finance and financial products businesses in the accompanying Consolidated Statements of Earnings. Accordingly, the level of income earned in a given period is subject to considerable volatility. REALIZED INVESTMENT GAIN/LOSS Realized investment gain/loss has been a recurring element in Berkshire's net earnings for many years. Such amounts -- recorded (1) when investments are sold; (2) other than temporarily impaired; and (3) in certain situations, as provided under GAAP, when investments are marked-to-market with a corresponding gain or loss included in earnings -- may fluctuate significantly from period to period, resulting in a meaningful effect on reported net earnings. The Consolidated Statements of Earnings include after-tax realized investment gains of $848 million and $520 million for the first half of 2000 and 1999, respectively. FINANCIAL CONDITION Berkshire's balance sheet continues to reflect significant liquidity and above average capital strength. Shareholders' equity at June 30, 2000, was $57.6 billion, or $37,853 per equivalent share of Class A Common Stock. FORWARD-LOOKING STATEMENTS Investors are cautioned that certain statements contained in this document as well as some statements in periodic press releases and some oral statements of Berkshire officials during presentations about Berkshire, 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 Berkshire 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 Berkshire, economic and market factors and the industries in which Berkshire does business, among other things. These statements are not guaranties of future performance and Berkshire 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 Berkshire'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. 16 18 FORM 10-Q BERKSHIRE HATHAWAY INC. Q/E 6/30/00 PART II OTHER INFORMATION ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS At the annual meeting of shareholders of Berkshire Hathaway Inc. ("Berkshire"), held April 29, 2000, Berkshire's shareholders reelected Berkshire's Directors in an uncontested election. Proxies for the meeting had previously been solicited pursuant to Regulation 14A under the Securities Exchange Act of 1934. Following are the votes cast in favor and against each director. There were no votes withheld, abstentions or broker non-votes.

Directors	For	Against
~~Warren E. Buffett~~	~~1,143,174~~	~~1,141~~
~~Howard G. Buffett~~	~~1,142,933~~	~~1,382~~
~~Susan T. Buffett~~	~~1,143,143~~	~~1,172~~
~~Malcolm G. Chace~~	~~1,143,134~~	~~1,181~~
~~Charles T. Munger~~	~~1,143,145~~	~~1,170~~
~~Ronald L. Olson~~	~~1,143,152~~	~~1,163~~
~~Walter Scott, Jr.~~	~~1,143,178~~	~~1,139~~

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K a. Exhibits Exhibit 27 -- Financial Data Schedule b. Reports on Form 8-K Form 8-K filed June 20, 2000 - Item 5 Other Events - Report described Agreement and Plan of Merger dated June 19, 2000 between Registrant and Justin Industries, Inc. Form 8-K/A filed June 27, 2000 - Item 5 Other Events - Amendment to Form 8-K filed June 20, 2000 to correct typographical errors in Exhibit 10.1 SIGNATURE Pursuant to the requirement 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. (Registrant) Date August 11, 2000 /s/ Marc D. Hamburg -------------------- ------------------------------ (Signature) Marc D. Hamburg, Vice President and Principal Financial Officer