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SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

MAR 23 1988

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

For the fiscal year ended December 31, 1987. Commission File No. 0-7413

BERKSHIRE HATHAWAY INC. /pe

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

04 2254452

(I.R.S. Employer
Identification No.)

1440 Kiewit Plaza, Omaha, Nebraska

(Address of principal executive office)

68131

(Zip Code)

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

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

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

Common Stock - \$5 Par Value

(Title of Class)

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 NO

State the aggregate market value of the voting stock held by non-affiliates
of the Registrant\$1,927,000,000*

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

March 22, 1988 -- common stock, \$5 par value1,147,000 shares

DOCUMENTS INCORPORATED BY REFERENCE

<u>Document</u>	<u>Incorporated In</u>
Portions of Registrant's Annual Report to the Stockholders for year ended December 31, 1987	Part I, II and IV
Proxy Statement for Registrant's Annual Meeting	Part III

BEST COPY
AVAILABLE

* This aggregate value is computed at the last sale price of the common stock on
March 22, 1988. It does not include the value of 554,000 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.

EXHIBIT INDEX
ON PAGES (23) and (24)

1 of 130
A

Part I

Item 1. Business

Berkshire Hathaway Inc. (hereinafter "Berkshire" or "Registrant"), was incorporated in Massachusetts in 1889 and reincorporated in Delaware in 1973. Berkshire's business activities, originally and for several decades, consisted of the manufacture and sale of woven textile products and ancillary activities. In 1967, after discontinuance from time to time of certain unprofitable textile manufacturing operations, Berkshire acquired two entities that were engaged in the property and casualty insurance business. Thereafter, the insurance operations were expanded, by virtually all possible means including formation from time to time of additional subsidiaries to engage in the business and by acquisition of other insurers. The property and casualty insurance and reinsurance business is now considered the most important of Berkshire's various business activities. In 1985, Berkshire entirely discontinued its manufacture of textile products, but it additionally conducts diverse non-insurance activities that are very significant to it.

Portions of the Registrant's 1987 Annual Report to the Stockholders (Exhibit 13) are hereby incorporated in this Item by reference as follows:

"Business Activities" at Page 4; ⁽⁷⁴⁾

Notes to the Consolidated Financial Statements as follows:

Note 3 - "Investment in Cumulative Convertible Preferred Stock of Salomon Inc" at Page 30 ⁽¹⁰⁰⁾

Note 4 - "Investments in Marketable Equity Securities" at Page 30 ⁽¹⁰⁰⁾

Note 5 - "Investment in shares of Capital Cities/ABC, Inc." at Page 31 ⁽¹⁰¹⁾

Note 6 - "Investment in GEICO Corporation" at Page 31 ⁽¹⁰¹⁾

Note 13 - "Interest and Dividend Income" at Page 35 ⁽¹⁰⁵⁾

Note 15 - "Business Segment Data" at Pages 36-38 ⁽¹⁰⁶⁻¹⁰⁸⁾

The following supplemental information is provided for this Item.

Property and Casualty Insurance and Reinsurance Business

At December 31, 1987, this business was conducted for Berkshire by twelve separate subsidiary corporations licensed in various jurisdictions. These twelve corporations, headed by National Indemnity Company ("National Indemnity") in Omaha, Nebraska, are hereafter collectively referred to as the "Berkshire Hathaway Insurance Group", or "Insurance Group".

An important strategy pursued by the Berkshire Hathaway Insurance Group members, in order to meaningfully differentiate Group members from their competitors, is the maintenance of capital strength that is significantly higher than normal for the industry. This strength is reflected in the Insurance Group's premium to surplus ratios of 0.27:1, 0.48:1 and 0.30:1 for 1987, 1986 and 1985, respectively which compares to an industry aggregate ratio of approximately 1.9:1 for each of those years. Berkshire views this significant capital strength as capacity to be more fully utilized under circumstances where better-than-industry-average results may be expected. For example, in 1985 and 1986, when the capital capacity of the industry was perceived as potentially inadequate, National Indemnity successfully directed its marketing focus upon large and unusual, hard-to-place risks yielding high premiums (i.e. policies with a minimum annual premium of \$1 million). Berkshire

Item 1. Business

Property and Casualty Insurance and Reinsurance Business (continued)

believes the capital strength of the Berkshire Hathaway Insurance Group also is, as it should be, a significant factor in attracting reinsurance business.

Extreme variations in annual premium volume have occurred and are expected to recur, when variations in industry economics cause changes to the offerings to Insurance Group members of acceptably priced underwriting opportunities. Such offerings declined significantly in 1987 and a fairly dramatic decline in premiums earned is expected for 1988.

The Berkshire Hathaway Insurance Group's financial results have been disaggregated in Berkshire's Business Segment Data into three subsegments as follows:

- (i) Primary or direct insurance operations,
 - (ii) Reinsurance assumed, excluding structured settlements and portfolio reinsurance, and
 - (iii) Structured settlements and portfolio reinsurance.
- (1) Primary or direct insurance operations.

Various member companies of the Berkshire Hathaway Insurance Group underwrite multiple lines of principally casualty insurance coverages for primarily commercial accounts. Marketing focus for the majority of the business is upon specific product market segments such as liability coverages for truck and bus operators and casualty coverage for especially large or otherwise unusual risks. The principal subsidiaries that utilize this marketing approach are National Indemnity, National Fire and Marine Insurance Company, and Columbia Insurance Company, all Nebraska domiciled companies headquartered in Omaha. National Indemnity and National Fire and Marine were the first insurance subsidiaries of Berkshire, having been acquired, as stated above, in 1967. Columbia Insurance Company has been a wholly-owned subsidiary of Berkshire since December, 1978. In early 1987, the Insurance Group opened an office located at 84 William Street in New York City for its Special Risks and Commercial Casualty Divisions. These operations were previously, for a short time, conducted in Omaha, Nebraska.

Primary or direct insurance operations also include those conducted by companies formed during the 1970's to underwrite standard multiple-line property and casualty insurance principally in their domiciliary state (or "Homestate"). Homestate underwriting operations are locally managed with a view to providing service that is competitively superior because of the proximity to agents and policyholders of the Homestate companies' headquarters. Homestate subsidiaries presently include Cornhusker Casualty Company in Omaha, Nebraska, Kansas Fire and Casualty Company in Topeka, Kansas, and Continental Divide Insurance Company in Englewood, Colorado.

Cypress Insurance Company, a Berkshire subsidiary purchased in December, 1977, underwrites principally workers' compensation risks, from its headquarters in Pasadena, California.

Item 1. Business

Property and Casualty Insurance and Reinsurance Business (continued)

(ii) Reinsurance Assumed, Excluding Structured Settlements and Portfolio Reinsurance.

The Berkshire Hathaway Insurance Group underwrites various types of property/casualty treaty reinsurance. Premiums earned by this subsegment for each of the past three years were predominantly derived from two major quota-share reinsurance arrangements. The larger of the two arrangements is a four-year contract with the Fireman's Fund Insurance Companies ("FFC"), effective as of September 1, 1985, by which a quota share of 7% of all property and casualty insurance risks underwritten by FFC are reinsured by the Insurance Group. During 1986 and 1987, the Insurance Group was party to another sizable quota-share reinsurance arrangement with another major insurance company. That contract expired at the end of 1987 and was not renewed. Premiums earned under that contract were approximately \$88 million in 1987 and \$85 million in 1986.

Subsidiaries currently involved in reinsurance assumed activities include National Indemnity, Columbia Insurance Company, and Wesco-Financial Insurance Company. The Insurance Group also maintains a reinsurance underwriting facility located in New York City.

(iii) Structured Settlements and Portfolio Reinsurance.

Assumption by members of the Berkshire Hathaway Insurance Group of liabilities of other insurers for periodic payments of settled claims ("Structured Settlements") was inception in 1982. These reinsurance contracts generally provide payments to claimants extending over periods of many years. The capital strength of the Berkshire Hathaway Insurance Group attracts offers for members to provide reinsurance coverages with respect to portfolios of losses of other insurers. Such coverages afford surplus aid to those insurers for their statutory reporting purposes. This business is accepted with the expectation of incurring subsequent underwriting losses, in amounts which are reasonably estimable at the inception of these contracts. Acceptance of this business nevertheless occurs after appraisal, on a proposal-by-proposal basis, of the value of the funds expected to be generated.

Non-Insurance Businesses of Berkshire

At the end of 1978, Berkshire merged into its Diversified Retailing Company, Inc. An important combined holding of the two parties to this merger was an approximate 58% ownership of Blue Chip Stamps, a Los Angeles based company operating a conventional trading stamp business. Blue Chip also owned See's Candies, The Buffalo News, and 80.1% of Wesco Financial Corporation. In mid 1983, Berkshire acquired, by merger of Blue Chip, the then outstanding minority interest in Blue Chip. Also in 1983, after the Blue Chip merger, Berkshire purchased controlling interest in Nebraska Furniture Mart, Inc., a major home furnishings retailing operation. Then, in January, 1986, Berkshire succeeded to the businesses of The Scott & Fetzer Company ("Scott Fetzer") as a result of a cash merger employing approximately \$320 million of Berkshire's funds. World Book and Kirby operations were two of the sizeable Scott Fetzer businesses involving products of considerable name recognition. Several smaller businesses are also included in Berkshire's non-insurance

Item 1. Business (continued)

Non-Insurance Businesses of Berkshire (continued)

group of companies, having been acquired by Berkshire when Scott Fetzer was acquired or in other purchase transactions.

World Book/Scott Fetzer Company, located in Chicago, Illinois, publishes and sells The World Book Encyclopedia, other reference works and provides educational and instructional material under the World Book, Childcraft and Early World of Learning names. Early World of Learning was first sold during 1987 and is intended to introduce youngsters to the educational skills they will need to enter school. At the end of 1987 World Book/Scott Fetzer introduced a significantly revised edition of its World Book. The new edition included a revision of over 6,000 articles and an increase in color photos from 14,000 to 24,000.

Encyclopedia sales are principally by the direct sales method in the home and to schools and libraries through a large sales force consisting of thousands of commissioned sales representatives located throughout the United States, Canada, Australia and the British Isles. There are six major competitors in this business in North America, which is World Book's principal geographic market. Berkshire's management believes World Book to be a market leader. Selling prices are generally lower than those of the competition, yet its customer service program is believed to be more extensive. World Book also publishes and markets annual encyclopedia supplements, as well as other publications and merchandise. Supplements are marketed primarily by direct mail in February and March of each year, thus contributing a degree of seasonality to this business.

A large portion of encyclopedia sales are made on a deferred consumer credit installment basis. The domestic accounts receivable are financed by an unconsolidated wholly-owned Berkshire subsidiary.

Manufacture and Sale of Home Cleaning Systems segment of Berkshire's business is comprised of certain Scott Fetzer operations purchased by Berkshire in January 1986. The segment is principally represented by Kirby home cleaning systems, sold to approximately 600 factory distributors who in turn sell them to a network of area distributors and dealers. They are then resold by the direct sales method through in-the-home demonstrations performed by approximately 8,000 independent dealers. Substantially all of Kirby's sales to distributors are for cash. Financing to customers of Kirby distributors is provided by an unconsolidated wholly-owned Berkshire subsidiary. Authorized distributors and dealers individually establish the prices at which Kirby products are sold to consumers. The prices tend to be somewhat higher than those for competing products provided by five major competitors. Kirby's product performance and service is believed by the Company to surpass that for competing products. Also, Kirby's warranties are considered by the Company to be superior, in that coverage thereunder extends longer. Service for Kirby products is provided by the independent distributors and Kirby's factory rebuild department. A life-time rebuilding contract is offered to new Kirby buyers. This segment also includes the Douglas Products business that manufactures specialty vacuum cleaners such as electric hand and cordless vacuum cleaners. Channels of distribution for these products include retail discount stores, catalogue showrooms, hardware stores and department stores. Additionally, Cleveland Wood Products, a manufacturer of vacuum cleaner brushes, is included in this segment.

Item 1. Business (continued)
Non-Insurance Businesses of Berkshire (continued)

See's Candy Shops, Incorporated (See's) was acquired in 1972 by Blue Chip Stamps, which was then only partially owned by Berkshire. As discussed on page 3, Blue Chip Stamps was merged into the Company in 1983, and See's is now wholly-owned by Berkshire. See's produces boxed chocolates and other confectionery products of high quality in two large kitchen facilities in California. See's is believed to be one of the largest candy manufacturers distributing at retail through its own chain of stores. It now has 208 retail shops in twelve western and midwestern states including Hawaii. Additional retailing activities are conducted from 10 quantity order centers that were in full-time operation in 1987; 14 additional quantity order centers were in temporary operation to serve peak seasonal requirements in the fourth quarter of the year.

A significant degree of seasonality exists in this business. About 50% of each year's unit sales volume is generated during the last two months of the year, when quantity sales at reduced prices to businesses and other organizations augment the extremely high December shop volume.

The Buffalo News is published by the Buffalo Evening News, Inc., a wholly-owned subsidiary of Berkshire. Berkshire plans to merge that corporation into itself early in 1988, and thereafter to directly operate the business as a division. The Buffalo News is an all-day newspaper published seven days a week, with seven editions printed each weekday. It is the only metropolitan newspaper published daily within its ten-county distribution area. Among newspapers published in the 50 largest primary market areas in the United States, the Buffalo News claims the highest percentage of area household coverage, with 78% penetration on weekdays and 83% penetration on Sundays.

Nebraska Furniture Mart Inc. conducts its retailing business in Omaha, Nebraska. It operates from a very large retail outlet which together with sizable nearby warehousing facilities permit it to serve a trade area within a radius of about 300 miles. In 1983, Berkshire purchased its 90% interest in the business from founding family members who retained a minority ownership interest in, and continue to operate, the business. Berkshire's interest in the business is only 80% for financial reporting purposes because of options outstanding to key managers. An important feature of the business is its ability to control its costs, offering significant value to its customers while realizing highly satisfactory earnings.

Other non-insurance activities not identified with Berkshire business segments include the more than one dozen diverse manufacturing businesses acquired in connection with the 1986 purchase of The Scott & Fetzer Company. The largest revenue producer of these businesses was Campbell Hausfeld/Scott Fetzer Company, which manufactures and markets a variety of products related to transmission of air and other fluids, such as air compressors, spray painting units, air receivers and high pressure sprayers and washers.

Berkshire Hathaway Inc. and subsidiaries employed approximately 19,000 persons on a full-time basis at December 31, 1987. This does not include the up-to-35,000 persons who may act as World Book sales representatives from time to time during the year.

Item 2. Properties

The physical properties used by the Registrant and its subsidiaries consist principally of offices, retail stores, plants, and warehouses. Physical properties of Registrant's significant business segments are summarized below:

<u>Business</u>	<u>Location</u>	<u>Type of Property</u>	<u>Owned or Leased</u>	<u>Approx. Square Footage</u>
Company Headquarters	Omaha, Nebraska	Offices	Leased	4,000
Insurance	Omaha, Nebraska	Offices	Owned	64,000
	Omaha, Nebraska and other locations in California, Colorado, Kansas, and New York	Offices	Leased	97,000
Candy	Los Angeles, California and South San Francisco, California	Plants/Warehouses/Offices	Owned	273,000
	California and Missouri	Warehouses/Offices	Leased	270,000
	California and other locations principally in western states	Retail stores and quantity order centers (218)	Leased	304,000
Newspaper	Buffalo, New York	Office	Owned	220,000
	Buffalo, New York	Printing Plant	Owned	180,000
Retailing of Home Furnishings	Omaha, Nebraska	Retail Store	Owned	225,000
	Omaha, Nebraska	Warehouses	Owned	343,000
Encyclopedias, Other Reference Material	Chicago, Illinois	Warehouses/Offices	Leased	256,000
Home Cleaning Systems	Cleveland, Ohio, Andrews, Texas and Walnut Ridge Arkansas	Plants/Warehouses/Offices	Owned	392,000
	Cleveland, Ohio	Plant/Warehouse/Offices	Leased	60,000
	Canada and England	Warehouses	Leased	31,000

Item 3. Legal Proceedings

Berkshire Hathaway Inc. (the "Company") has been advised that certain of the defendants in environmental litigation concerning pollution of the lower Acushnet River and New Bedford Harbor have moved for leave to file a third-party complaint for indemnity and contribution against the Company and certain other entities. Since, so far as the Company is aware, the Court has not yet acted on this motion and the Company has consequently not been served with a complaint, the Company has only very limited information about the underlying litigation or the claims that might be asserted against it. The Company is aware that the litigation, brought in the United States District Court in Massachusetts, includes cases (which have been consolidated) brought by the United States and the Commonwealth of Massachusetts against several companies (including AVX, Inc.; Belleville Industries, Inc.; Aerovox, Inc.; RTE Corporation; Cornell-Dubilier Electronics Co.; and Federal Pacific Electric Company) which are or were electronic manufacturers in the Acushnet River-New Bedford Harbor area. The lawsuit was brought by the United States pursuant to the Comprehensive Environmental Response Compensation and Liability Act of 1980, the Resources Conservation and Recovery Act of 1976, the Clean Water Act, and the River and Harbor Act of 1899. The litigation, which began in 1983, appears to have focused to date on PCB contamination allegedly resulting from activities of the electronic manufacturers. Issues of heavy metal contamination and of other types of contamination may also be involved in the litigation. The relief sought includes damages for the injury and destruction of natural resources and payment of the cost of past and future response activities dealing with contamination in the New Bedford Harbor area. The Company has learned that if it is added to the litigation, assertions against it would include some allegation that in the course of its operation of a textile mill for many years in the New Bedford area, the Company was responsible for the release of chemical wastes and hazardous substances including heavy metals into the New Bedford Harbor and so should contribute to any relief granted against the original defendants. Management believes that if the Company is added to the litigation, an outcome materially adverse to the Company is very unlikely. The Company no longer operates its textile mill, so there can be no question of costs for environmental compliance in ongoing operations.

The Company is also a defendant in two lawsuits growing out of its acquisition in January 1986 of Scott Fetzer. In John W. Drumm v. Ralph E. Schey, et al., (United States District Court, Northern District of Ohio, No. C85-3897, filed December 23, 1985), and Barnett Stepak v. Ralph E. Schey, et al. (Cuyahoga County Court of Common Pleas, No. 102973, filed December 31, 1985), two former shareholders of Scott Fetzer have brought class actions (and, in the Drumm matter, derivative claims) alleging damages and seeking other relief against Scott Fetzer and its directors and the Company resulting from the acquisition transaction. The Stepak complaint alleges that the defendants unlawfully manipulated the transaction to buy out the public shareholders at a low and unfair price, and seeks rescission of the merger transaction and unspecified compensatory or rescissionary damages. Plaintiff's complaint was dismissed pursuant to defendants' motion (brought on grounds of the exclusivity of the appraisal remedy under Ohio law and plaintiff's lack of standing) on July 8, 1987. Plaintiff's appeal of the dismissal is pending before Ohio's Eighth District Court of Appeals. The Drumm complaint alleges that the defendants unlawfully manipulated the merger transaction for the purpose of benefitting the defendants, made material non-disclosures to the shareholders of Scott Fetzer regarding the merger, and have committed corporate waste. Plaintiff seeks injunctive relief and unspecified compensatory

Item 3. Legal Proceedings (continued)

damages and \$30,000,000 in punitive damages. Defendants filed a motion to dismiss on February 13, 1986 based on lack of standing and mootness with respect to the injunctive remedy, but the Court has not yet ruled on this motion. Management does not expect either of these cases to have a material adverse effect on the Company.

The Company has recently been named in litigation relating to Salomon Inc ("Salomon") and the transactions in which Salomon repurchased a significant block of its common stock from a holder thereof and sold a new issue of preferred stock to the Company. Twenty-one derivative action lawsuits have been filed against Salomon's directors challenging these transactions and seeking damages; two of these lawsuits (Ruby Resnik v. Dwayne O. Andreas, et al., Delaware Chancery No. 9300, filed September 30, 1987 and Rodney Shields v. John H. Gutfreund, et al., United States District Court for the Southern District of New York, No. 88 Civ. 1058, filed February 12, 1988) named the Company as an additional defendant. The lawsuits allege that the Salomon directors breached their fiduciary duties to Salomon and its shareholders in connection with these transactions, and the two lawsuits naming the Company claim, in essence, that the Company participated in such breaches of duty. The complaints in these lawsuits seek damages in unspecified amounts, a declaration that the sale of preferred stock to the Company is illegal, null and void, an order requiring that the preferred stock purchased by the Company be voted in the same manner as the majority of Salomon's shares, and rescission of the transaction between Salomon and the Company.

Other 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:

<u>Name</u>	<u>Age</u>	<u>Position with Registrant</u>	<u>Held Office Since</u>
Warren E. Buffett	57	Chairman of the Board	1970
Michael A. Goldberg	41	Vice President	1981
J. Verne McKenzie	59	Vice President and Secretary	1966
Charles T. Munger	64	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 stockholders and until his respective successor is chosen and qualified or until he sooner dies, resigns, is removed or becomes disqualified. Each of the above executive officers, except Mr. Goldberg, also serves as a director of the Registrant.

Part II

Item 5. Market for Registrant's Common Stock and Related Security Holder Matters

"Common Stock Data", appearing on the inside back cover of the Registrant's 1987 Annual Report to the Stockholders, is incorporated herein by reference.

Item 6. Selected Financial Data

"Selected Financial Data for the Past Five Years", appearing at page 56 of the Registrant's 1987 Annual Report to the Stockholders, is incorporated herein by reference.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

"Management's Discussion and Analysis of Financial Condition and Results of Operations", appearing at pages 40 through 44 of the Registrant's 1987 Annual Report to the Stockholders, is incorporated herein by reference.

Item 8. Financial Statements and Supplementary Data

The Consolidated Financial Statements and Notes thereto, appearing at pages 25 through 38 of the Registrant's 1987 Annual Report to the Stockholders, are incorporated herein by reference.

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 Stockholders of the Registrant to be held on May 23, 1988, which meeting will involve the election of directors.

Part IV

Location
in Schedule
Number
Page

Item 14. Exhibits, Financial Statement Schedules, and Reports on Form 8-K

(a) 1. Financial Statements

The Consolidated Financial Statements together with the report thereon of Touche Ross & Co. dated March 8, 1988, appearing at pages 24 through 38 of the Registrant's Annual Report to the Stockholders (Exhibit 13 to this Report) for the fiscal year ended December 31, 1987 are incorporated herein by reference. (94) to (108)

Financial Statements of subsidiaries not consolidated are not required and are omitted.

(a) 2. Financial Statement Schedules

	<u>PAGE</u>
Report of Independent Accountants Touche Ross & Co.	13 (15)
Schedule I -- Summary of Investments - Other than Affiliates, at December 31, 1987	14 (16)
Schedule III -- Parent Company Statements of Changes in Financial Position, for the years ended 1987, 1986 and 1985	16 (18)
Schedule V -- Supplementary Insurance Information, for the years ended December 31, 1987, 1986 and 1985	17 (14)
Schedule VI -- Reinsurance Premiums Earned by Insurance Subsidiaries, for the years ended December 31, 1987, 1986, and 1985	18 (20)
Schedule IX -- Short-term Borrowings, for the years ended December 31, 1987, December 31, 1986, and December 28, 1985	19 (21)
Schedule X -- Supplementary Income Statement Information, for the years ended 1987, 1986 and 1985	20 (22)

Item 14. Exhibits, Financial Statement Schedules and Reports on Form 8-K (continued)

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Disclosure of the Registrant's condensed financial position at December 31, 1987 and 1986 and results of operations for 1987, 1986 and 1985 (under Schedule III requirements) appears at page 39 of the Annual Report to the Stockholders for the year ended December 31, 1987, which page is incorporated herein by reference.

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

(a) 3. Exhibits

See the "Exhibit Index" Pages (23) and (24)

(b) Report on Form 8-K

Report filed in October, 1987 reporting event that occurred on October 1, 1987 (purchase for investment of 700,000 shares of Series A Cumulative Convertible Preferred Stock of Salomon Inc)

Undertaking

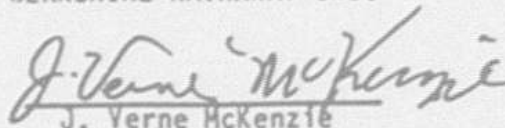
Registrant and its consolidated subsidiaries have certain outstanding term debt. The total amount of securities authorized by the instruments under which such debt was issued does not exceed 10% of the total assets of the Registrant and its subsidiaries on a consolidated basis as of December 31, 1987. The Registrant hereby agrees to furnish to the Commission upon request a copy of any debt agreement to which it is a party.

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.

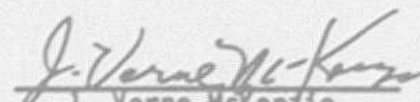
BERKSHIRE HATHAWAY INC.

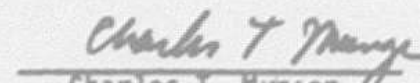
Date: March 28, 1988

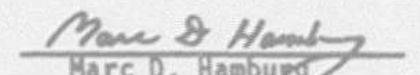

J. Verne McKenzie
Vice President and Secretary

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.


Warren E. Buffett, Chairman of the Board of Directors - Chief Executive Officer March 28, 1988
Date


J. Verne McKenzie Director and Vice President - Principal Financial Officer March 28, 1988
Date


Charles T. Munger Vice Chairman of the Board of Directors March 28, 1988
Date


Marc D. Hamburg Treasurer - Principal Accounting Officer March 28, 1988
Date

ACCOUNTANTS' REPORT ON SCHEDULES

To the Board of Directors and Stockholders
Berkshire Hathaway Inc.

In connection with our examinations of the consolidated balance sheet of Berkshire Hathaway Inc. and consolidated subsidiaries as of December 31, 1987 and 1986, and the related consolidated statements of earnings and changes in financial position for each of the three fiscal years in the period ended December 31, 1987, which report is incorporated by reference into the Berkshire Hathaway Inc. 1987 annual report on Form 10-K, we also examined the supporting schedules listed in Item 14(a) of Part IV of Form 10-K. In our opinion, these schedules present fairly, when read in conjunction with the related consolidated financial statements, the financial data required to be set forth therein.

A large, stylized handwritten signature in cursive script, which appears to read "Touche Ross & Co.", is written over the printed name of the firm.

Touche Ross & Co.
Certified Public Accountants

Omaha, Nebraska
March 8, 1988

BERKSHIRE HATHAWAY INC. AND CONSOLIDATED SUBSIDIARIES
 Summary of Investments - Other Than Affiliates
 December 31, 1987

SCHEDULE I

000s omitted.....			
Number of shares or par value of bonds	Cost or Adjusted Cost	Market Value	Balance Sheet Carrying Value	
Invested Cash:				
U.S. Treasury Bills and Notes	\$ 3,194	\$ 3,194	\$ 3,194	
Other short term investments	139,220	139,220	139,220	
Total Invested Cash	<u>\$ 142,414</u>	<u>\$ 142,414</u>	<u>\$ 142,414</u>	
Fixed Maturities:				
Bonds:				
U. S. Treasury Notes	\$ 2,149	\$ 2,194	\$ 2,208	\$ 2,194
States, municipalities and political subdivisions:				
WPPSS Project No. 1 Bonds*	138,785	99,102	132,602	99,102
WPPSS Project No. 2 Bonds*	67,545	52,378	68,022	52,378
WPPSS Project No. 3 Bonds*	112,495	88,176	114,922	88,176
Other Bonds	938,866	904,987	932,988	904,987
Corporate bonds:				
Texaco*	113,423	104,171	119,174	104,171
Other	17	17	17	17
Redeemable preferred stocks:				
Salomon Inc*	674	674,000	660,520	674,000
Other		15,689	16,081	15,689
Total Fixed Maturities		<u>\$1,940,714</u>	<u>\$2,046,534</u>	<u>\$1,940,714</u>
Preferred Stocks - other		<u>\$ 3,546</u>	<u>\$ 4,430</u>	<u>\$ 4,430</u>
Common Stocks:				
Banks, trusts and insurance companies:				
GEICO Corporation	6,850	45,713	756,925	756,925
Other		8,156	12,752	12,752
Industrial and miscellaneous:				
Capital Cities/ABC Inc.	3,000	517,500	1,035,000	1,026,375
The Washington Post Company	1,728	9,731	323,092	323,092
Other		180,130	205,251	205,192
Total Common Stocks		<u>\$ 761,230</u>	<u>\$2,333,020</u>	<u>\$2,324,336</u>

*See the following page for commentary.

BERKSHIRE HATHAWAY INC. AND CONSOLIDATED SUBSIDIARIES
Summary of Investments - Other Than Affiliates
December 31, 1987

SCHEDULE I (con't)

Comments regarding Summary of Investments:

The Washington Public Power Supply System ("WPPSS") Bonds for Projects No. 1, 2 and 3 ("Bonds") are supported by "net billing agreements" entered into by the Bonneville Power Administration ("BPA"), a unit of the United States Department of Energy. By virtue of the net billing agreements, BPA is obligated to pay the debt service on the Bonds out of its revenues in the BPA Fund which are principally derived from marketing electric power in the Pacific Northwest. Since it does not appear likely that WPPSS would be able to pay principal and interest on the Bonds from the Projects without the assistance provided by the BPA net billing agreements, and since BPA, WPPSS and the three Projects are the subjects of substantial litigation which might have the effect of interfering with BPA's support of the debt service on the Bonds, the Bonds may be subject to significantly greater than normal risk. Credit ratings with respect to these Bonds have been suspended by major rating agencies.

On April 12, 1987, Texaco Inc. ("Texaco") and two of its wholly-owned finance subsidiaries, Texaco Capital Inc. and Texaco Capital N.V., each filed a voluntary petition for relief (the "Filings") under Chapter 11 of the Bankruptcy Code with the United States Bankruptcy Court for the Southern District of New York. Commencing on such date Texaco and its above mentioned finance subsidiaries ceased interest and principal payments with respect to prepetition obligations. Berkshire's Texaco bonds are prepetition obligations, purchased flat after the Filings. Accordingly, no interest has been received or accrued by Berkshire with respect thereto.

The investment in 674,000 shares of Salomon Inc preferred stock does not include 26,000 shares held by Mutual Savings and Loan, an unconsolidated subsidiary of Berkshire.

BERKSHIRE HATHAWAY INC.
(Parent Company)
Statements of Changes in Financial Position
(dollars in thousands)

Schedule III

	<u>1987</u>	<u>1986</u>	<u>1985</u>
Funds provided:			
From operations:			
Net earnings	\$234,552	\$282,361	\$435,815
Dividends from subsidiaries in excess of current earnings	-	134,773	-
Undistributed current earnings of subsidiaries	(72,611)	-	(355,396)
(Increase) decrease in other assets	(4,195)	3,632	9,976
Increase (decrease) in accounts payable and accrued liabilities	279	(4,776)	(925)
Increase (decrease) in income tax liabilities	9,681	(84,590)	86,484
Funds provided from operations	<u>167,706</u>	<u>331,400</u>	<u>175,954</u>
Proceeds from issuance of debt	50,000	-	-
Decrease in cash and invested cash	<u>4,440</u>	<u>-</u>	<u>6,312</u>
	<u>\$222,146</u>	<u>\$331,400</u>	<u>\$182,266</u>
Funds used:			
Investment in and advances to subsidiaries	218,762	262,661	173,461
Repayment of term debt and other borrowings	3,384	62,312	8,805
Increase in cash and invested cash	<u>-</u>	<u>6,427</u>	<u>-</u>
	<u>\$222,146</u>	<u>\$331,400</u>	<u>\$182,266</u>

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BERKSHIRE HATHAWAY INC.
Supplementary Insurance Information
(dollars in thousands)

Schedule V

Business Sub-Segment	Deferred Policy Acquisition Costs	Future Claim and Loss Expenses	Unearned Premiums	Earned Premiums	Net Investment Income	Loss and Loss Adjustment Expenses Incurred	Amortized Deferred Policy Acquisition Costs	Other Underwriting Expenses	Written Premiums
<u>1987</u>									
Primary or direct insurance	\$27,417	\$ 628,077	\$230,179	\$441,635		\$338,575	\$ 92,175	\$13,600	\$ 412,748
Reinsurance assumed	29,822	488,098	111,165	372,763		287,638	112,608	262	328,011
Structured settlements and portfolio reinsurance	-	144,247	-	10,497		34,933	337	196	10,494
Totals	<u>\$57,239</u>	<u>\$1,260,422</u>	<u>\$341,344</u>	<u>\$824,895</u>	<u>\$152,483</u>	<u>\$661,146</u>	<u>\$205,120</u>	<u>\$14,058</u>	<u>\$ 751,253</u>
<u>1986</u>									
Primary or direct insurance	\$36,106	\$429,505	\$259,066	\$463,117		\$347,468	\$ 96,416	\$15,695	\$ 594,607
Reinsurance assumed	43,040	319,989	155,917	344,385		282,563	110,753	424	398,446
Structured settlements and portfolio reinsurance	-	110,734	3	16,382		25,727	552	130	16,377
Totals	<u>\$79,146</u>	<u>\$860,228</u>	<u>\$414,986</u>	<u>\$823,884</u>	<u>\$107,143</u>	<u>\$655,758</u>	<u>\$207,721</u>	<u>\$16,249</u>	<u>\$1,009,430</u>
<u>1985</u>									
Primary or direct insurance	\$22,047	\$209,237	\$127,576	\$184,333		\$140,029	\$41,789	\$10,662	\$269,056
Reinsurance assumed	29,321	114,191	101,856	82,877		85,670	26,950	230	178,502
Structured settlements and portfolio reinsurance	-	87,877	8	49,849		54,550	1,246	163	49,842
Totals	<u>\$51,368</u>	<u>\$411,305</u>	<u>\$229,440</u>	<u>\$317,059</u>	<u>\$95,217</u>	<u>\$280,249</u>	<u>\$69,985</u>	<u>\$11,055</u>	<u>\$497,400</u>

BERKSHIRE HATHAWAY INC.

Reinsurance Premiums Earned
By Insurance Subsidiaries

(dollars in thousands)

Schedule VI

	<u>Gross Amount</u>	<u>Reinsurance</u>		<u>Net Amount</u>	<u>Percentage of amount assumed to net</u>
		<u>Ceded to other Companies</u>	<u>Assumed from other Companies</u>		
<u>1987</u>					
Accident and health	\$ 9,492	\$ 9,367	\$ -	\$ 125	-
Property and liability	<u>458,038</u>	<u>29,306</u>	<u>396,038</u>	<u>824,770</u>	48.02%
Total Premium	<u>\$467,530</u>	<u>\$38,673</u>	<u>\$396,038</u>	<u>\$824,895</u>	
<u>1986</u>					
Accident and health	\$ 9,029	\$ 8,920	\$ -	\$ 109	-
Property and liability	<u>472,207</u>	<u>12,392</u>	<u>363,960</u>	<u>823,775</u>	44.18%
Total Premium	<u>\$481,236</u>	<u>\$21,312</u>	<u>\$363,960</u>	<u>\$823,884</u>	
<u>1985</u>					
Accident and health	\$ 9,546	\$ 9,442	\$ -	\$ 104	-
Property and liability	<u>189,561</u>	<u>8,882</u>	<u>136,276</u>	<u>316,955</u>	43.00%
Total Premium	<u>\$199,107</u>	<u>\$18,324</u>	<u>\$136,276</u>	<u>\$317,059</u>	

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BERKSHIRE HATHAWAY INC. AND CONSOLIDATED SUBSIDIARIES

Short-Term Borrowing
(dollars in thousands)

Schedule IX

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Category of aggregate short-term borrowings <u>CONSOLIDATED:</u>	<u>Balance at end of period</u>	<u>Weighted average interest rate at end of period</u>	<u>Maximum amount outstanding during the period</u>	<u>Average amount outstanding during the period(2)</u>	<u>Weighted average interest rate during the period(3)</u>
Year ended December 31, 1987: Borrowings from banks (1)	\$51,605	9.11%	\$81,130	\$17,730	9.69%
Year ended December 31, 1986: Borrowings from banks (1)	\$ 1,633	17.40%	\$41,971	\$ 3,616	13.64%
Year ended December 28, 1985: Borrowings from banks	\$ -	-	\$61,000	\$ 3,332	9.96%

- (1) Includes borrowings by a subsidiary from a foreign bank.
 (2) Computed on the basis of dollar days outstanding divided by 365.
 (3) Computed by dividing interest expense by average daily borrowings.

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BERKSHIRE HATHAWAY INC. AND CONSOLIDATED SUBSIDIARIES
Supplementary Income Statement Information
(dollars in thousands)

Schedule X

Certain items of expense that exceeded 1% of revenues in the Consolidated Statement of Earnings were as follows:

	<u>1987</u>	<u>1986</u>	<u>1985</u>
Advertising.....	\$23,919	\$22,616	\$ - *
Maintenance and repair.....	- *	- *	9,169

* Item did not exceed 1% of revenues

EXHIBIT INDEX

Exhibit No.

Location in
Sequentially
Numbered Pages

3	Articles of Incorporation	(25) - (30)
3.1	By-Laws	(31) - (49)
4	Instruments defining rights of security holders See Undertaking on Page 11 of this Report	
10.1	Agreement with Capital Cities Communications, Inc. dated January 2, 1986 Incorporated by reference to Exhibit "A" to Schedule 13D filed by Warren E. Buffett, Berkshire Hathaway Inc., <u>et al</u> , dated January 2, 1986	(13)
10.2	Bonus Arrangement with Michael A. Goldberg dated July 12, 1985 Incorporated by reference to Exhibit 10.2 to the Registrant's 1985 Annual Report on Form 10-K and Exhibit 19 to the Registrant's 1986 Annual Report on Form 10-K	
10.3	Whole Book Quota Share Reinsurance Agreement dated December 28, 1987 to be effective September 1, 1985 between National Indemnity Company and Fireman's Fund Insurance Company	(51) - (62)
10.4	Letter Agreement dated September 1, 1986 between Berkshire Hathaway and Trustee under indenture covering debt securities issued by Scott Fetzer Financial Group, Inc., formerly World Book Finance, Inc. Incorporated by reference to Exhibit 10.4 to the Registrant's 1986 Annual Report on Form 10-K	
10.5	Investment Agreement dated July 1, 1986, between Berkshire Hathaway and Scott Fetzer Financial Group, Inc., formerly World Book Finance, Inc. and Amendment thereto dated August 31, 1986 Incorporated by reference to Exhibit 10.5 to the Registrant's 1986 Annual Report on Form 10-K	

EXHIBIT INDEX (continued)

Exhibit No.

10.6 Letter Agreements between Berkshire Hathaway Inc. and Salomon Inc dated September 27, 1987 and September 28, 1987 relating to the purchase by Registrant of an Issue of Series A Cumulative Convertible Preferred Stock of Salomon Inc and Certificate of Designation of said Preferred Stock Incorporated by reference to Exhibits "A" and "B" to Schedule 13D filed by Warren E. Buffett, Berkshire Hathaway Inc., et al, dated October 6, 1987.

10.7 Indemnity Agreements

13 Annual Report to the Stockholders - 1987
Certain information in this Exhibit at page 4, pages 24 through 44, page 56, and the inside back cover is incorporated by reference in this Report. Information in this Exhibit at inside front cover, Pages 1 through 3, 5 through 23, and 45 through 55 are not incorporated in this Report and shall not be deemed filed

22 Subsidiaries of the Registrant

(63) (68)

(69) (129)

(130)

BERKSHIRE HATHAWAY INC.
Amendment to Certificate of Incorporation

By vote of the Stockholders of the Corporation on May 19, 1987, Berkshire's Certificate of Incorporation was amended to eliminate, to the extent permitted by Delaware law, the personal liability of each director of the Registrant to the Registrant or any of its shareholders for monetary damages resulting from breaches of such director's fiduciary duty of care. Attached is a copy of the Certificate of Incorporation, as amended.

COMPOSITE AND CONFORMED COPY
(FOR AMENDMENTS THROUGH JUNE 8, 1987)

CERTIFICATE OF INCORPORATION
OF
BERKSHIRE HATHAWAY INC.

FIRST: The name of the Corporation is Berkshire Hathaway Inc.

SECOND: The registered office of the Corporation in the State of Delaware is located at No. 100 West 10th Street in the City of Wilmington, County of New Castle. The name and address of its registered agent is The Corporation Trust Company, No. 100 West 10th Street, Wilmington, Delaware.

THIRD: The purpose of the corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware.

FOURTH: The total number of shares of all classes of stock which the Corporation shall have authorized is one million five hundred thousand (1,500,000) shares of Common Stock, each of which shall have a par value of Five Dollars (\$5.00).

The shares of Common Stock may be issued by the Corporation from time to time for such consideration, having a value not less than par value, as may be fixed from time to time by the Board of Directors of the Corporation. Any and all shares so issued for which the consideration so fixed has been paid or delivered to the Corporation shall be deemed fully paid stock and shall not be liable to any further call or assessment thereon, and the holders of said shares shall not be liable for any further payments in respect of such shares.

Each holder of Common Stock shall be entitled to one vote for each share of Common Stock standing in his name on the books of the Corporation.

FIFTH: The names and the mailing addresses of the incorporators are:

S.E. Widdoes
100 West Tenth Street
Wilmington, Delaware 19801

W.J. Reif
100 West Tenth Street
Wilmington, Delaware 19801

J.L. Rivera
100 West Tenth Street
Wilmington, Delaware 19801

SIXTH: The following additional provisions are in furtherance and no limitation of any power, privilege or purpose conferred or permitted by law, this certificate or the by-laws:

1. Except as may be otherwise expressly required by law, to the provisions of this Certificate or the by-laws, the Board of Directors of the Corporation shall have and may exercise, transact, manage, promote and carry on all of the powers, authorities, businesses, objectives and purposes of the Corporation.

2. The election of directors need not be by ballot unless the by-laws so require.

3. The Board of Directors of the Corporation is authorized and empowered to make, alter, amend and repeal the By-laws of the Corporation in any manner not inconsistent with the laws of the State of Delaware.

4. The Board of Directors may fix from time to time the compensation of its members.

5. The corporation may indemnify or insure, or both indemnify and insure, any person who is or was a director, officer, employee or agent of the Corporation or, at its request, of another corporation, partnership, joint venture, trust or other enterprise, to the full extent provided or permitted by its by-laws, as from time to time amended, and to the full extent to which those indemnified may now or hereafter be entitled under any law, agreement, vote of stockholders or disinterested directors or otherwise.

SEVENTH: No contract or other transaction between the Corporation and any other corporation, and no act of the Corporation shall in any way be affected or invalidated by the fact that any of the directors of the Corporation are pecuniarily or otherwise interested in, or are directors or officers of such other corporation. Any director individually, or any firm of which such director may be a member, may be a party to, or may be pecuniarily or otherwise interested in any contract or transaction of the Corporation, provided that the fact that he or such firm is so interested shall be disclosed or shall have been known to the Board of Directors,

or a majority thereof; any director of the corporation, who is also a director or officer of such other corporation, or is so interested, may be counted in determining the existence of a quorum at any meeting of the Board of Directors of the Corporation which shall authorize such contract or transaction, and may vote thereat to authorize any such contract or transaction, with like force and effect, as if he were not such director or officer of such other corporation or not so interested.

EIGHTH: Any action which would otherwise be required or permitted to be taken by the vote of stockholders at a meeting thereof may instead be taken by the written consent of stockholders who would be entitled to vote upon such action if such a meeting were held having not less than the percentage of the total number of votes which would have been required to take such action at such a meeting.

NINTH: So long as there shall remain outstanding, any of the 8% Debentures due November 1, 1985 (the "Debentures") of Diversified Retailing Company, Inc. ("Diversified") issued pursuant to an Indenture (said Indenture as from time to time amended, modified and supplemented being hereinafter referred to as the "Indenture") between Diversified and Mercantile-Safe Deposit and Trust Company, as Trustee (the "Trustee") (such Debentures having been assumed by the Corporation pursuant to an Agreement and Articles of Merger with Diversified and an indenture between the Corporation and the Trustee supplementing the Indenture) and either or both of the following conditions shall occur and continue in effect:

1. The Trustee shall declare the existence of an "Event of Default" as defined in the Indenture;
or
2. The Corporation's "Adjusted Consolidated Net Worth" as defined in the Indenture shall be less than Eight Million Dollars (\$8,000,000), and shall continue to be less than Eight Million Dollars (\$8,000,000) for a period of thirty (30) days;

then the holders of the Debentures, to the exclusion of all holders of the Corporation's stock, shall be entitled to vote (i) to elect all directors, and (ii) to approve the sale, lease or other disposition of all or substantially all of the assets of the Corporation and the payment of proceeds thereof to the Corporation's creditors and the holders of the Debentures to the extent necessary to discharge the corporation's obligations as debtor to such creditors and holders. In exercising voting rights of the Debentures the registered holders shall have one vote per \$1,000 of principal amount of the Debentures. The holders of the Corporation's stock shall retain all voting rights not specifically herein transferred to holders of the Debentures

by this Article Ninth, except that no amendment of this Certificate of Incorporation may be adopted which impairs the voting rights herein granted to holders of the Debentures unless such Amendment is approved by vote of the registered holders of two-thirds of the principal amount of the Debentures then outstanding.

No exercise of the voting rights granted to the holders of the Debentures pursuant to this Article Ninth, and no legal question regarding the validity of the incumbency of the directors elected by the stockholders of the Corporation, shall impair the obligation of the Corporation or the security given by the Corporation to any bank or other party which extends credit to the corporation for value in reliance upon the action of such directors.

TENTH: No director of this Corporation shall have personal liability to the Corporation or any of its stockholders for monetary damages for breach of fiduciary duty as a director. The foregoing provision shall not eliminate or limit the liability of a director (i) for any breach of the director's duty of loyalty to the Corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the General Corporation Law of the State of Delaware or (iv) for any transaction from which the director derived an improper personal benefit. In the event that the General Corporation Law of the State of Delaware is amended after approval of this Article by the stockholders so as to authorize corporate action further eliminating or limiting the liability of directors, the liability of a director of this Corporation shall thereupon be eliminated or limited to the fullest extent permitted by the General Corporation Law of the State of Delaware, as so amended from time to time. The provisions of this Article shall not be deemed to limit or preclude indemnification of a director by the Corporation for any liability of a director which has not been eliminated by the provisions of this Article.

BERKSHIRE HATHAWAY INC.
Amendment to By-Laws

By vote of the Stockholders of the Corporation on May 19, 1987, Section 10 of the By-Laws of Berkshire Hathaway Inc. was amended to provide that the Registrant shall, to the fullest extent permitted by Delaware law, indemnify directors and officers against all liabilities incurred in their capacities as such and to provide that the Registrant may enter into Indemnity Agreements from time to time with officers, directors, employees and agents of the Registrant or of subsidiaries of the Registrant as the Board of Directors may designate. Attached is a copy of the By-Laws, as amended.

BY-LAWS

OF

BERKSHIRE HATHAWAY INC.

(as amended as of May 19, 1987)

SECTION 1

Certification of Incorporation

1.1. The nature of the business or purposes of the corporation shall be as set forth in its certificate of incorporation. These by-laws, the powers of the corporation and of its directors and stockholders, and all matters concerning the management of the business and conduct of the affairs of the corporation shall be subject to such provisions in regard thereto, if any, as are set forth in the certificate of incorporation; and the certificate of incorporation is hereby made a part of these by-laws. In these by-laws, references to the certificate of incorporation mean the provisions of the certificate of incorporation (as that term is defined in the General Corporation Law of Delaware) of the corporation as from time to time in effect, and references to these by-laws or to any requirement or provision of law mean these by-laws or such requirement or provision of law as from time to time in effect.

SECTION 2

Offices

2.1. Registered Office. The registered office of the corporation shall be in the City of Wilmington, County of New Castle, Delaware.

2.2. Other Offices. The corporation may also have an office or offices at such other place or places, either within or without the State of Delaware, as the Board of Directors of the corporation from time to time may determine or as the business of the corporation may require.

SECTION 3

Stockholders

3.1. Annual Meeting. The annual meeting of the stockholders shall be held at ten o'clock in the forenoon on the third Tuesday in May in each year, unless that day be a legal holiday at the place where the meeting is to be held, in which case the meeting shall be held at the same hour on the next succeeding day not a legal holiday, or at such other date and time as shall be designated from time to time by the board of directors and stated in the notice of the meeting, at which they shall elect a board of directors and transact such other business as may be required by law or these by-laws or as may be specified by the chairman of the board or by a majority of the directors then in office or by vote of the board of directors and of which notice was given in the notice of the meeting. Notwithstanding the foregoing, the first annual meeting of the corporation shall be held in the year 1974.

3.2. Special Meeting in Place of Annual Meeting. If the election for directors shall not be held on the day designated by these by-laws, the directors shall cause the election to be held as soon thereafter as convenient, and to that end, if the annual meeting is omitted on the day herein provided therefor or if the election of directors shall not be held thereat, a special meeting of the stockholders may be held in place of such omitted meeting or election, and any business transacted or election held at such special meeting shall have the same effect as if transacted or held at the annual meeting, and in such case all references in these by-laws to the annual meeting of the stockholders, or to the annual election of directors, shall be deemed to refer to or include such special meeting. Any such special meeting shall be called, and the purposes thereof shall be specified in the call, as provided in Section 3.3.

3.3. Special Meetings. A special meeting of the stockholders may be called at any time by the chairman of the board or by the board of directors. A special meeting of the stockholders shall be called by the secretary, or in the case of the death, absence, incapacity or refusal of the secretary, by an assistant secretary or some other officer, upon application of a majority of the directors or of one or more stockholders who are entitled to vote and who hold at least fifty percent of the capital stock issued and outstanding. Any such application shall state the purpose or purposes of the proposed meeting. Any such call shall state the place, date, hour, and purposes of the meeting.

3.4. Place of Meeting. All meetings of the stockholders for the election of directors or for any other purpose shall be held at such place within or without the State of Delaware as may be determined from time to time by the chairman of the board or the board of directors. Any adjourned session of any meeting of the stockholders shall be held at the place designated in the vote of adjournment.

3.5. Notice of Meetings. Except as otherwise provided by law, a written notice of each meeting of stockholders stating the place, day and hour thereof and, in the case of a special meeting, the purposes for which the meeting is called, shall be given not less than ten nor more than sixty days before the meeting, to each stockholder entitled to vote thereat; and to each stockholder who, by law, by the certificate of incorporation or by these by-laws, is entitled to notice, by leaving such notice with him or at his residence or usual place of business, or by depositing it in the United States mail, postage prepaid, and addressed to such stockholder at his address as it appears in the records of the corporation. Such notice shall be given by the secretary, or by an officer or person designated by the board of directors, or in the case of a special meeting by the officer calling the meeting. As to any adjourned session of any meeting of stockholders, notice of the adjourned meeting need not be given if the time and place thereof are announced at the meeting at which the adjournment was taken except that if the adjournment is for more than thirty days or if after the adjournment a new record date is set for the adjourned session, notice of any such adjourned session of the meeting shall be given in the manner heretofore described. No notice of any meeting of stockholders or any adjourned session thereof need be given to a stockholder if a written waiver of notice, executed before or after the meeting or such adjournment session by such stockholder is filed with the records of the meeting or if the stockholder attends such meeting without objecting at the beginning of the meeting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any meeting of the stockholders or any adjourned session thereof need be specified in any written waiver of notice.

3.6. Quorum of Stockholders. At any meeting of the stockholders, whether the same be an original or an adjourned session, a quorum shall consist of a majority in interest of all stock issued and outstanding and entitled to vote at the meeting, except in any case where a larger quorum is required by law, by the certificate of incorporation or by these by-laws. Any meeting may be adjourned from time to time by a majority of the votes

properly cast upon the question, whether or not a quorum is present.

3.7. Action by Vote. When a quorum is present at any meeting, whether the same be an original or an adjourned session, a plurality of the votes properly cast for election to any office shall elect to such office and a majority of the votes properly cast upon any question other than an election to an office shall decide the question, except when a larger vote is required by law, by the certificate of incorporation or by these by-laws. No ballot shall be required for any election unless requested by a stockholder present or represented at the meeting and entitled to vote in the election.

3.8. Action without Meetings. Unless otherwise provided in the certificate of incorporation, any action required or permitted to be taken by stockholders for or in connection with any corporate action may be taken without a meeting, without prior notice and without a vote, if a consent in writing, setting forth the action so taken, shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted.

If action is taken by unanimous consent of stockholders, the writing or writings comprising such unanimous consent shall be filed with the records of the meetings of stockholders.

If action is taken by less than unanimous consent of stockholders and in accordance with the foregoing, there shall be filed with the records of the meetings of stockholders the writing or writings comprising such less than unanimous consent and a certificate signed and attested to by the secretary that prompt notice was given to all stockholders of the taking of such action without a meeting and by less than unanimous written consent.

In the event that the action which is consented to is such as would have required the filing of a certificate under any of the provisions of the General Corporation Law of Delaware, if such action had been voted upon by the stockholders at a meeting thereof, the certificate filed under such provision shall state that written consent has been given under Section 228 of said General Corporation Law, in lieu of stating that the stockholders have voted upon the corporate action in question, if such last mentioned statement is required thereby.

3.9. Proxy Representation. Every stockholder may authorize another person or persons to act for him by proxy in all matters in which a stockholder is entitled to participate, whether by waiving notice of any meeting, objecting to or voting or participating at a meeting, or expressing consent or dissent without a meeting. Every proxy must be signed by the stockholder or by his attorney-in-fact. No proxy shall be voted or acted upon after three years from its date unless such proxy provides for a longer period. A duly executed proxy shall be irrevocable if it states that it is irrevocable and, if, and only as long as, it is coupled with an interest sufficient in law to support an irrevocable power. A proxy may be made irrevocable regardless of whether the interest with which it is coupled is an interest in the stock itself or an interest in the corporation generally. The authorization of a proxy may but need not be limited to specified action, provided, however, that if a proxy limits its authorization to a meeting or meetings of stockholders, unless otherwise specifically provided such proxy shall entitle the holder thereof to vote at any adjourned session but shall not be valid after the final adjournment thereof.

3.10. Votes Per Share. Unless otherwise provided in the certificate of incorporation, each stockholder shall be entitled to one vote for each share of capital stock having voting power held by such stockholder.

3.11. List of Stockholders. The officer who has charge of the stock ledger of the corporation shall prepare and make, at least ten days before every meeting of stockholders, a complete list of the stockholders entitled to vote at such meeting, arranged in alphabetical order and showing the address of each stockholder and the number of shares registered in his name. Such list shall be open to examination by any stockholder, for any purpose germane to the meeting, during ordinary business hours, for at least ten days prior to the meeting either at the place within the city where the meeting is to be held, which place should be specified in the notice of such meeting, or at the place where such meeting is to be held, and shall also be produced at the time and place of the meeting during the whole time thereof and subject to the inspection of any stockholder who may be present. The stock ledger shall be the only evidence as to who are stockholders entitled to examine such list or to vote in person or by proxy at such meeting.

SECTION 4

Board of Directors

4.1. Number. The number of directors which shall constitute the whole board shall not be less than one nor more than nine in number. The first board shall consist of four directors. Thereafter, within the limits above specified, the stockholders at the annual meeting shall determine the number of directors and shall elect the number of directors as determined. Within the foregoing limits, the number of directors may be increased at any time or from time to time by the stockholders or by the directors by vote of a majority of the directors then in office. The number of directors may be decreased to any number permitted by the foregoing at any time or from time to time either by the stockholders or by the directors by a vote of a majority of the directors then in office, but only to eliminate vacancies existing by reason of the death, resignation or removal of one or more directors. Directors need not be stockholders.

4.2. Tenure. Except as otherwise provided by law, by the certificate of incorporation or by these by-laws, each director shall hold office until his successor is elected and qualified, or until he sooner dies, resigns, is removed or becomes disqualified.

4.3. Powers. The business of the corporation shall be managed by the board of directors who shall have and may exercise all the powers of the corporation and do all such lawful acts and things as are not by law, the certificate of incorporation or these by-laws directed or required to be exercised or done by the stockholders.

4.4. Vacancies. Vacancies and any newly created directorships resulting from any increase in the number of directors may be filled by vote of the stockholders at a meeting called for the purpose, or by a majority of the directors then in office, although less than a quorum, or by a sole remaining director. When one or more directors shall resign from the board, effective at a future date, a majority of the directors then in office, including those who have resigned, shall have power to fill such vacancy or vacancies, the vote or action by writing thereon to take effect when such resignation or resignations shall become effective. The directors shall have and may exercise all their powers notwithstanding the existence of one or more vacancies in their number, subject to any requirements of law or of the certificate of incorporation or of these by-laws as to the number of directors required for a quorum or for any vote or other action.

4.5. Committees. The board of directors may, by vote of a majority of the whole board, (a) designate, change the membership of or terminate the existence of any committee or committees, each committee to consist of two or more of the directors; (b) designate one or more directors as alternate members of any such committee who may replace any absent or disqualified member at any meeting of the committee; and (c) determine the extent to which each such committee shall have and may exercise the powers of the board of directors in the management of the business and affairs of the corporation, including the power to authorize the seal of the corporation to be affixed to all papers which require it and the power and authority to declare dividends or to authorize the issuance of stock; excepting, however, such powers which by law, by the certificate of incorporation or by these by-laws they are prohibited from so delegating. In the absence or disqualification of any member of such committee and his alternate, if any, the member or members thereof present at any meeting and not disqualified from voting, whether or not constituting a quorum, may unanimously appoint another member of the board of directors to act at the meeting in the place of any such absent or disqualified member. Except as the board of directors may otherwise determine, any committee may make rules for the conduct of its business, but unless otherwise provided by the board or such rules, its business shall be conducted as nearly as may be in the same manner as is provided by these by-laws for the conduct of the business by the board of directors. Each committee shall keep regular minutes of its meetings and report the same to the board of directors upon request.

4.6. Regular Meetings. Regular meetings of the board of directors may be held without call or notice at such place within or without the State of Delaware and at such times as the board may from time to time determine, provided that notice of the first regular meeting following any such determination shall be given to absent directors. A regular meeting of the directors may be held without call or notice immediately after and at the same place as the annual meeting of the stockholders.

4.7. Special Meetings. Special meetings of the board of directors may be held at any time and at any place within or without the State of Delaware designated in the notice of the meeting, when called by the chairman of the board, or by one-third or more in number of the directors, reasonable notice thereof being given to each director by the secretary or by the chairman of the board or any one of the directors calling the meeting.

4.8. Notice. It shall be reasonable and sufficient notice to a director to send notice by mail at least

forty-eight hours or by telegram at least twenty-four hours before the meeting addressed to him at his usual or last known business or residence address or to give notice to him in person or by telephone at least twenty-four hours before the meeting. Notice of a meeting need not be given to any director if a written waiver of notice, executed by him before or after the meeting, is filed with the records of the meeting, or to any director who attends the meeting without protesting prior thereto or at its commencement the lack of notice to him. Neither notice of a meeting nor a waiver of a notice need specify the purposes of the meeting.

4.9. Quorum. Except as may be otherwise provided by law, by the certificate of incorporation or by these by-laws, at any meeting of the directors a majority of the directors then in office shall constitute a quorum; a quorum shall not in any case be less than one-third of the total number of directors constituting the whole board. Any meeting may be adjourned from time to time by a majority of the votes cast upon the question, whether or not a quorum is present, and the meeting may be held as adjourned without further notice.

4.10. Action by Vote. Except as may be otherwise provided by law, by the certificate of incorporation or by these by-laws, when a quorum is present at any meeting the vote of a majority of the directors present shall be the act of the board of directors.

4.11. Action Without a Meeting. Any action required or permitted to be taken at any meeting of the board of directors or a committee thereof may be taken without a meeting if all the members of the board or of such committee, as the case may be, consent thereto in writing, and such writing or writings are filed with the records of the meetings of the board or of such committee. Such consent shall be treated for all purposes as the act of the board or of such committee, as the case may be.

4.12. Compensation. In the discretion of the board of directors, each director may be paid such fees for his services as director and be reimbursed for his reasonable expenses incurred in the performance of his duties as director as the board of directors from time to time may determine. Nothing contained in this Section shall be construed to preclude any director from serving the corporation in any other capacity and receiving reasonable compensation therefor.

4.13. Interested Directors and Officers.

(a) No contract or transaction between the corporation and one or more of its directors or officers, or between the corporation and any other corporation, partnership, association, or other organization in which one or more of the corporation's directors or officers are directors or officers, or have a financial interest, shall be void or voidable solely for this reason, or solely because the director or officer is present at or participates in the meeting of the board or committee thereof which authorizes the contract or transaction, or solely because his or their votes are counted for such purpose, if:

(1) The material facts as to his relationship or interest and as to the contract or transaction are disclosed or are known to the board of directors or the committee, and the board or committee in good faith authorizes the contract or transaction by the affirmative votes of a majority of the disinterested directors, even though the disinterested directors be less than a quorum; or

(2) The material facts as to his relationship or interest and as to the contract or transaction are disclosed or are known to the stockholders entitled to vote thereon, and the contract or transaction is specifically approved in good faith by vote of the stockholders; or

(3) The contract or transaction is fair as to the corporation as of the time it is authorized, approved or ratified, by the board of directors, a committee thereof, or the stockholders.

(b) Common or interested directors may be counted in determining the presence of a quorum at a meeting of the board of directors or of a committee which authorizes the contract or transaction.

SECTION 5

Officers and Agents

5.1. Enumeration; Qualification. The officers of the corporation shall be a chairman of the board, a treasurer, a secretary and such other officers, if any, as the board of directors from time to time may in its discretion elect or appoint including without limitation a vice-chairman of the board, one or more vice presidents and a controller. The corporation may also have such agents, if any, as the board of directors from time to time may in its discretion choose.

Any officer may be, but none except the chairman and any vice-chairman of the board need be, a director or stockholder. Any two or more offices may be held by the same person. Any officer may be required by the board of directors to secure the faithful performance of his duties to the corporation by giving bond in such amount and with sureties or otherwise as the board of directors may determine.

5.2. Powers. Subject to law, to the certificate of incorporation and to the other provisions of these by-laws, each officer shall have, in addition to the duties and power herein set forth, such duties and powers as are commonly incident to his office and such additional duties and powers as the board of directors may from time to time designate.

5.3. Election. The officers may be elected by the board of directors at their first meeting following the annual meeting of the stockholders or at any other time. At any time or from time to time the directors may delegate to any officer their power to elect or appoint any other officer or any agents.

5.4. Tenure. Each officer shall hold office until the first meeting of the board of directors following the next annual meeting of the stockholders and until his respective successor is chosen and qualified unless a shorter period shall have been specified by the terms of his election or appointment, or in each case until he sooner dies, resigns, is removed or becomes disqualified. Each agent shall retain his authority at the pleasure of the directors, or the officer by whom he was appointed or the officer who then holds agent appointive power.

5.5. Chairman and Vice-Chairman of the Board of Directors. Except as otherwise voted by the directors, the chairman of the board shall be the chief executive officer of the corporation, he shall preside at all meetings of the stockholders and directors at which he is present and shall have such other powers and duties as the board of directors, executive committee or any other duly authorized committee shall from time to time designate.

Except as otherwise voted by the directors, the vice-chairman of the board, if any is elected or appointed, shall assume the duties and powers of the chairman of the board in his absence and shall otherwise have such duties and powers as shall be designated from time to time by the board of directors.

5.6. Vice Presidents. Any vice presidents shall have such duties and powers as shall be designated from time to

time by the board of directors or by the chairman of the board.

5.7. Treasurer and Assistant Treasurers. Except as otherwise voted by the directors, the treasurer shall be the chief financial officer of the corporation and shall be in charge of its funds and valuable papers, and shall have such other duties and powers as may be designated from time to time by the board of directors or by the chairman of the board. If no controller is elected, the treasurer shall also have the duties and powers of the controller.

Any assistant treasurers shall have such duties and powers as shall be designated from time to time by the board of directors, the chairman of the board or the treasurer.

5.8. Controller and Assistant Controllers. If a controller is elected, he shall be the chief accounting officer of the corporation and shall be in charge of its books of account and accounting records, and of its accounting procedures. He shall have such other duties and powers as may be designated from time to time by the board of directors, the chairman of the board or the treasurer.

Any assistant controller shall have such duties and powers as shall be designated from time to time by the board of directors, the chairman of the board, the treasurer or the controller.

5.9. Secretary and Assistant Secretaries. The secretary shall record all proceedings of the stockholders, of the board of directors and of committees of the board of directors in a book or series of books to be kept therefor and shall file therein all writings of, or related to action by stockholder or director consent. In the absence of the secretary from any meeting, an assistant secretary, or if there be none or he is absent, a temporary secretary chosen at the meeting, shall record the proceedings thereof. Unless a transfer agent has been appointed the secretary shall keep or cause to be kept the stock and transfer records of the corporation, which shall contain the names and record addresses of all stockholders and the number of shares registered in the name of each stockholder. He shall have such other duties and powers as may from time to time be designated by the board of directors or the chairman of the board.

Any assistant secretaries shall have such duties and powers as shall be designated from time to time by the board of directors, the chairman of the board or the secretary.

SECTION 6

Resignations and Removals

6.1. Any director or officer may resign at any time by delivering his resignation in writing to the chairman of the board or the secretary or to a meeting of the board of directors. Such resignation shall be effective upon receipt unless specified to be effective at some other time, and without in either case the necessity of its being accepted unless the resignation shall so state. A director (including persons elected by directors to fill vacancies in the board) may be removed from office with or without cause by the vote of the holders of a majority of the shares issued and outstanding and entitled to vote in the election of directors. The board of directors may at any time remove any officer either with or without cause. The board of directors may at any time terminate or modify the authority of any agent. No director or officer resigning and (except where a right to receive compensation shall be expressly provided in a duly authorized written agreement with the corporation) no director or officer removed, shall have any right to any compensation as such director or officer for any period following his resignation or removal, or any right to damages on account of such removal, whether his compensation be by the month or by the year or otherwise; unless in the case of a resignation, the directors, or in the case of a removal, the body acting on the removal, shall in their or its discretion provide for compensation.

SECTION 7

Vacancies

7.1. If the office of the chairman of the board or the treasurer or the secretary becomes vacant, the directors may elect a successor by vote of a majority of the directors then in office. If the office of any other officer becomes vacant, any person or body empowered to elect or appoint that officer may choose a successor. Each such successor shall hold office for the unexpired term, and in the case of the chairman of the board, the treasurer and the secretary until his successor is chosen and qualified, or in each case until he sooner dies, resigns, is removed or becomes disqualified. Any vacancy of a directorship shall be filled as specified in Section 4.4 of these by-laws.

SECTION 8

Capital Stock

8.1. Stock Certificates. Each stockholder shall be entitled to a certificate stating the number and the class and the designation of the series, if any, of the shares held by him, in such form as shall, in conformity to law, the certificate of incorporation and the by-laws, be prescribed from time to time by the board of directors. Such certificates shall be signed by the chairman or vice chairman of the board of directors, or a vice president and by the treasurer or an assistant treasurer or by the secretary or an assistant secretary. Any of or all the signatures on the certificate may be a facsimile. In case any officer, transfer agent, or registrar who has signed or whose facsimile signature has been placed on such certificate shall have ceased to be such officer, transfer agent, or registrar before such certificate is issued, it may be issued by the corporation with the same effect as if he were such officer, transfer agent, or registrar at the time of its issue.

8.2. Loss of Certificates. In the case of the alleged theft, loss, destruction or mutilation of a certificate of stock, a duplicate certificate may be issued in place thereof, upon such terms, including receipt of a bond sufficient to indemnify the corporation against any claim or account thereof, as the board of directors may prescribe.

SECTION 9

Transfer of Shares of Stock

9.1. Transfer on Books. Subject to the restrictions, if any, stated or noted on the stock certificate, shares of stock may be transferred on the books of the corporation by the surrender to the corporation or its transfer agent of the certificate therefor properly endorsed or accompanied by a written assignment and power of attorney properly executed, with necessary transfer stamps affixed, and with such proof of the authenticity of signature as the board of directors or the transfer agent of the corporation may reasonably require. Except as may be otherwise required by law, by the certificate of incorporation or by these by-laws, the corporation shall be entitled to treat the record holder of stock as shown on its books as the owner of such stock for all purposes, including the payment of dividends and the right to receive notice and to vote or to give any consent with respect thereto and to be held liable for such calls and assessments, if any, as may lawfully be made thereon, regardless of any transfer, pledge or other

disposition of such stock until the shares have been properly transferred on the books of the corporation.

It shall be the duty of each stockholder to notify the corporation of his post office address.

9.2. Record Date and Closing Transfer Books. In order that the corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, or to express consent to corporate action in writing without a meeting, or entitled to receive payment of any dividend or other distributions or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the board of directors may fix, in advance, a record date, which shall not be more than sixty nor less than ten days (or such longer period as may be required by law) before the date of such meeting, nor more than sixty days prior to any other action.

If no record date is fixed:

(a) The record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held.

(b) The record date for determining stockholders entitled to express consent to corporate action in writing without a meeting, when no prior action by the board of directors is necessary, shall be the day on which the first written consent is expressed.

(c) The record date for determining stockholders for any other purpose shall be at the close of business on the day on which the board of directors adopts the resolution relating thereto.

A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the board of directors may fix a new record date for the adjourned meeting.

SECTION 10

Indemnification of Directors and Officers

10.1. Right to Indemnification. Each director or officer of the corporation who was or is a party or is threatened to be made a party to or is involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (hereinafter a "proceeding"), by reason of the fact that he or she, or a person of whom he or she is the legal representative, is or was a director or officer of the corporation or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, whether the basis of such proceeding is alleged action in an official capacity or in any other capacity while serving as a director, officer, employee or agent, shall be indemnified and held harmless by the corporation to the fullest extent permitted by the laws of Delaware, as the same exist or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the corporation to provide broader indemnification rights than said law permitted the corporation to provide prior to such amendment), against all costs, charges, expenses, liabilities and losses (including attorneys' fees, judgments, fines, ERISA excise taxes or penalties and amounts paid or to be paid in settlement) reasonably incurred or suffered by such person in connection therewith and such indemnification shall continue as to a person who has ceased to be a director or officer and shall inure to the benefit of his or her heirs, executors and administrators: provided however, that except for any proceeding seeking to enforce or obtain payment under any right to indemnification by the corporation, the corporation shall indemnify any such person seeking indemnification in connection with a proceeding (or part thereof) initiated by such person only if the corporation has joined in or consented to the initiation of such proceeding (or part thereof). The corporation may, by action of its Board of Directors, either on a general basis or as designated by the Board of Directors, provide indemnification to employees and agents of the corporation, and to directors, officers, employees and agents of the Company's subsidiaries, with the same scope and effect as the foregoing indemnification of directors and officers. Notwithstanding anything in this Section 10 to the contrary, no person shall be entitled to indemnification pursuant to this Section on account of any suit in which judgment is rendered against such person for an accounting of profits made from the purchase and sale by such person of securities of the corporation pursuant to the provisions of Section 16(b) of the Securities Exchange Act of 1934.

10.2. Non-Exclusivity of Rights. The right to indemnification and the payment of expenses incurred in defending a proceeding in advance of its final disposition conferred in this Section 10 shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, provision of the certificate of incorporation, by-law, agreement, vote of stockholders or disinterested directors or otherwise. Each person who is or becomes a director or officer of the corporation shall be deemed to have served or to have continued to serve in such capacity in reliance upon the indemnity provided in this Section 10.

10.3. Insurance. The corporation may maintain insurance, at its expense, to protect itself and any director, officer, employee or agent of the corporation or another corporation, partnership, joint venture, trust or other enterprise against any such expense, liability or loss, whether or not the corporation would have the power to indemnify such person against such expense, liability or loss under the General Corporation Law of Delaware.

10.4. Expenses as a Witness. To the extent that any director, officer, employee or agent of the corporation is by reason of such position, or a position with another entity at the request of the corporation, a witness in any action, suit or proceeding, he or she shall be indemnified against all costs and expenses actually and reasonably incurred by him or her on his or her behalf in connection therewith.

10.5. Indemnity Agreements. The corporation may enter into indemnity agreements with the persons who are members of its board of directors from time to time, and with such officers, employees and agents of the corporation and with such officers, directors, employees and agents of subsidiaries as the board may designate, such indemnity agreements to provide in substance that the corporation will indemnify such persons as contemplated by this Section 10, and to include any other substantive or procedural provisions regarding indemnification as are not inconsistent with the General Corporation Law of Delaware. The provisions of such indemnity agreements shall prevail to the extent that they limit or condition or differ from the provisions of this Section 10.

10.6. Definition of Corporation. For purposes of this Section 10 reference to "the corporation" includes all constituent corporations absorbed in a consolidation or merger as well as the resulting or surviving corporation so that any person who is or was a director or officer of such a constituent corporation shall stand in the same position under the provisions of this Section with respect to the resulting or surviving corporation as he would if he had served the resulting or surviving corporation in the same capacity.

SECTION 11

Corporate Seal

11.1. The seal of the corporation shall, subject to alteration by the directors, consist of a flat-faced circular die with the word "Delaware" together with the name of the corporation and the year of its organization, cut or engraved thereon. The seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.

SECTION 12

Execution of Papers

12.1. Except as the board of directors may generally or in some particular cases authorize the execution thereof in some other manner, all deeds, leases, transfers, contracts, bonds, notes, checks, drafts and other obligations made, accepted or endorsed by the corporation shall be signed by the chairman of the board or by one of the vice presidents or by the treasurer.

SECTION 13

Fiscal Year

13.1. Except as from time to time otherwise provided by the board of directors, the fiscal year of the corporation shall end on the 31st day of December of each year.

SECTION 14

Amendments

14.1. These by-laws may be made, altered, amended or repealed by vote of a majority of the directors in office or by vote of a majority of the stock outstanding and entitled to vote. Any by-law, whether made, altered, amended or repealed by the stockholders or directors, may be altered, amended or reinstated, as the case may be, by either the stockholders or by the directors as hereinbefore provided.

BERKSHIRE HATHAWAY INC.
Subsidiaries of Registrant
December 31, 1987

<u>Company Name</u>	<u>State of Incorporation</u>
BHSF Inc.	Delaware
Blue Chip Stamps	California
Buffalo Evening News, Inc.	New York
Campbell Hausfeld/Scott Fetzer Company	Delaware
Columbia Insurance Company	Nebraska
Cornhusker Casualty Company	Nebraska
Cypress Insurance Company	California
The Fechheimer Brothers Company	Delaware
Mutual Savings and Loan Association	California
National Fire & Marine Insurance Company	Nebraska
National Indemnity Company	Nebraska
National Liability and Fire Insurance Company	Illinois
Nebraska Furniture Mart, Inc.	Nebraska
The Scott Fetzer Company	Delaware
Scott Fetzer Financial Group, Inc.	Delaware
See's Candies, Inc.	California
See's Candy Shops, Incorporated	California
Hesco Financial Corporation	Delaware
Hesco-Financial Insurance Company	Nebraska
Hesco Holdings Midwest Inc.	Nebraska
World Book/Scott Fetzer Company	Nebraska

Each of the named subsidiaries is not necessarily a "significant subsidiary" as defined in Rule 1-02(v) 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.