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SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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FORM 10-K

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

For the fiscal year ended December 31, 1989. Commission File No. ~~0-7413~~ 1-10125

BERKSHIRE HATHAWAY INC. 10e
(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:

(Title of each class)	(Name of each exchange on which registered)
Common Stock, $5.00 Par Value	New York Stock Exchange
Zero Coupon Convertible Subordinated Notes Due 2004	New York Stock Exchange

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

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months, and (2) has been subject to the filing requirements for the past 90 days. Yes X No__

State the aggregate market value of the voting stock held by non-affiliates of the Registrant $4,265,000,000*

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

March 20, 1990 -- common stock, $5 par value . . . . 1,146,441 shares

DOCUMENTS INCORPORATED BY REFERENCE

RECEIVED
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Document	Incorporated In
Portions of Registrant's Annual Report for year ended December 31, 1989	Part I, II, and IV
Proxy Statement for Registrants' Annual Meeting	art III

* This aggregate value is compu[illegible] sale price of the common stock on March 20, 1990. It does not include the value of 550,000 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.

(Page 1) A

Exhibit Index on Pages 17 and 18

Item 1. Business

Berkshire Hathaway Inc. and its subsidiaries engage in a number of diverse business activities. The most important of these is the property and casualty insurance and reinsurance business conducted nationwide through a number of subsidiaries. Investment portfolios of insurance subsidiaries include meaningful ownership percentages of other publicly traded companies.

Additionally, Berkshire Hathaway publishes the *Buffalo News*, a daily and Sunday newspaper circulated in upstate New York, and a number of Berkshire subsidiaries conduct substantial business activities unrelated to the insurance business. These include: the manufacture and distribution of *Fechheimer Bros.* uniforms, of *Kirby* home cleaning systems and of *See's* fine chocolate candy; also, the publication and distribution of *World Book* encyclopedias and other reference materials; and the retailing of home furnishings.

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

Property and Casualty Insurance and Reinsurance Business

At December 31, 1989, 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". Significant amounts of income are generated by investment activity of the Berkshire Hathaway Insurance Group.

An important strategy pursued by the Berkshire Hathaway Insurance Group members, believed to differentiate them from their insurance and reinsurance 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 0.06:1, 0.14:1 and 0.27:1 for 1989, 1988, and 1987, respectively, compared with ratios of 1.52:1, 1.70:1 and 1.86:1 for those respective periods for the domestic property and casualty insurance industry (based on statistics published by A.M. Best & Company). Berkshire views this significant capital strength as capacity to be utilized under circumstances when better-than-industry-average results may be expected.

Extreme variations have occurred in annual premium volume of the Berkshire Hathaway Insurance Group. These fluctuations have been influenced by the members' varying degree of participation in major quota share reinsurance treaties, and by changes from year to year in industry economics. Improved prices (higher premium rates) normally accompany perceptions of limited industry insuring capacity, such as prevailed in 1986. Pricing competition in the industry intensified in 1987 and 1988 when perceptions of tight capacity diminished. Competition remained intense in 1989. The response of Insurance Group members to what they have viewed as increasingly underpriced offerings has been to underwrite a decreasing number of risks, i.e., to shrink premium volume.

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 underwriting,
(ii) Reinsurance assumed, excluding structured settlements and portfolio reinsurance, and
(iii) Structured settlements and portfolio reinsurance.

(i) Primary or direct insurance underwriting.

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 coverages (e.g., directors and officers liability, product liability) for especially large or otherwise unusual risks. The principal subsidiaries that utilize this marketing approach are National Indemnity, National Fire and Marine Insurance Company ("National Fire"), National Liability and Fire Insurance Company ("National Liability"), and Columbia Insurance Company ("Columbia"). National Indemnity, National Fire, and Columbia are Nebraska domiciled insurers. National Liability is an Illinois domiciled company. Business for those companies is underwritten from offices in Omaha and New York City. The Group's New York City office at 84 William Street was opened in 1986.

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 Overland Park, Kansas, and Continental Divide Insurance Company in Englewood, Colorado.

Cypress Insurance Company, a Berkshire subsidiary purchased in December, 1977, from its headquarters in Pasadena, California, provides worker's compensation coverages and related risk control services principally to California employers.

(ii) Reinsurance assumed, excluding structured settlements and portfolio reinsurance.

The Berkshire Hathaway Insurance Group underwrites various types of property/casualty reinsurance. Premiums earned by this subsegment for each of the past three years were predominantly derived from major quota-share reinsurance arrangements. The most significant such arrangement, now expired, was with the Fireman's Fund Insurance Companies ("FFC"), through which the Insurance Group reinsured 7% of all property and casualty insurance risks underwritten by FFC pursuant to a contract effective from September 1, 1985 to August 31, 1989. The arrangement produced earned premiums for the Berkshire Hathaway Insurance Group of $131 million, $216 million and $254 million in 1989, 1988, and 1987, respectively. The Insurance Group remains liable for run-off of its share of the losses and loss expenses covered by the FFC contract, and will invest resulting float for many years while run-off occurs.

Subsidiaries currently involved in reinsurance assumed activities include National Indemnity, Columbia Insurance Company and Wesco-Financial Insurance Company. (The latter company is a subsidiary of Wesco Financial Corporation, a publicly traded and 80.1% owned subsidiary of Berkshire.) A reinsurance underwriting office for the Insurance Group is maintained at 84 William Street in New York City.

(iii) Structured settlements and portfolio reinsurance.

Berkshire Hathaway Insurance Group members assume liabilities of other insurers for periodic payments of settled claims ("Structured Settlements"). These reinsurance contracts generally provide payments to claimants extending over periods of many years. Activities in this area by the Insurance Group commenced in 1982.

The capital strength of the Berkshire Hathaway Insurance Group also 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.

Both the structured settlement and loss portfolio type of reinsurance contracts are accepted with the expectation of incurring 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

Registrant's six non-insurance "reportable business segments" are described below.

Encyclopedias, Other Reference Materials – *World Book* encyclopedias as well as volumes of *Childcraft* and *Early World of Learning*, a preschool educational program, are among the products of this segment. Revised editions of the encyclopedia are composed and published annually. In the first quarter of each year, an updating *World Book* yearbook is marketed by mail to owners of earlier editions. Otherwise, products are marketed primarily by the direct sales method to schools, libraries and individual households by a commissioned sales force of thousands located through the United States, Canada, Australia, Britain and Ireland, and in 40 other countries through 33 distributors. In 1989, *World Book* entered the electronic information market by introducing the encyclopedia text in ("CD-ROM") compact disc read only memory format. CD-ROM, a descendant of the audio compact disc, is capable of storing text, computer generated graphics, sound and video. The school and public library market will be the initial focus for this product.

There are six major competitors in the business of publishing and marketing encyclopedias 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.

A large portion of encyclopedia sales are made on an installment basis. Domestic and Canadian consumer receivables are financed by a wholly-owned Berkshire subsidiary.

Home Cleaning Systems – This segment of Berkshire's business is principally represented by *Kirby* cleaning systems and products, sold to approximately 700 factory distributors in the United States and foreign countries who in turn sell them to a network of area distributors and dealers. Independent dealers employ in-the-home demonstrations for direct sale to consumers. Substantially all of *Kirby*'s sales to distributors are for cash. Financing to customers of *Kirby* area distributors is offered by a wholly-owned finance subsidiary. Authorized distributors and dealers individually establish the prices at which they offer *Kirby* products. The prices tend to be somewhat higher than those for competing products provided by four major competitors. *Kirby*'s product performance and service is believed by the Company to surpass that for competing products. In late 1989, *Kirby* began the introduction of an improved model which incorporates a power-assisted drive. This was a significant model change, and management anticipates that it will stimulate demand for *Kirby* products.

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.

Candy – See's produces boxed chocolates and other confectionery products with an emphasis on quality in two large kitchens in California. See's distributes its candies through its own retail stores - over 200 in number - located in 12 western and midwestern states, including Hawaii. A meaningful volume of candy business is also recorded for direct shipments made nationwide from a seasonally-varying number of quantity order distribution centers.

Seasonality in this business is extreme. 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.

Newspaper – The Buffalo News, a division of Berkshire, publishes a Sunday edition and seven editions each weekday. It is the only metropolitan newspaper published daily within a ten county upstate New York distribution area that comprises one of the 50 largest primary market areas in the United States.

Among newspapers published in those primary markets, The Buffalo News claims the highest percentage of its area household coverage, 76% on weekdays and 83% on Sundays. Berkshire management believes the "newshole" percentage (portion of the paper devoted to news) of The Buffalo News to be greater than any other dominant newspaper of its size or larger. During 1989 this percentage was 50.1%.

Retailing of Home Furnishings – The Nebraska Furniture Mart ("NFM") operates a home furnishing retail business from a very large - over 200,000 square feet - retail outlet and sizable warehouse facilities in Omaha, Nebraska. In addition, NFM operates a detached 20,000 square foot clearance center. The business serves a trade area with a radius around Omaha of approximately 300 miles. An important feature of the business is its ability to control its costs and to produce a high business volume from offerings of significant value to its customers, while realizing highly satisfactory earnings.

Mrs. Rose Blumkin started NFM in 1937. She and members of her family owned and operated the business for more than 40 years. When Berkshire purchased its 80% interest in 1983, Mrs. Blumkin's son, Louie, and his sons retained a 20% interest and together with Mrs. Blumkin, continued managing NFM, applying business concepts producing the important feature described above. Regrettably, in May 1989, after a disagreement with her descendants about how to operate NFM's carpet department (her dominant interest in recent years), Mrs. Blumkin left NFM and, at the age of 96, started a competing home furnishings business at a nearby location. Younger members of the Blumkin family continue capably to manage NFM's operations.

Uniform Manufacturing and Distribution – The Fechheimer Brothers Company manufactures its products at plants in Kentucky, Ohio, Tennessee and Texas, for marketing through approximately three dozen company-owned retail distribution centers and by independent dealers who together serve more than 200 of the country's major metropolitan areas.

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.

In February 1989, Berkshire purchased an 80% interest in a long established, high volume retailer of fine jewelry, Borsheim's, in Omaha, Nebraska. Borsheim's was a going business in 1948 when it was purchased by Louie Friedman and his wife, Rebecca, a sister to Rose Blumkin (see "Retailing of Home Furnishings," above). Their son, Ike, and his son, daughters, and sons-in-law owned and managed the business when Berkshire made its investment in it. Those managers retained a 20% interest and, in continuing to run the business, follow the same concepts as are followed by the Blumkins. The size of this operation, like several of the Scott Fetzer operations, currently precludes its classification as a "reportable business segment" of Berkshire. However, it contributes meaningful added diversity to Berkshire's activities.

Mutual Savings and Loan Association, Pasadena, California (in addition to Wesco-Financial Insurance Company, a member of the Berkshire Hathaway Insurance Group), is wholly-owned by Wesco Financial Corporation, itself 80.1% owned by Berkshire. Mutual's assets of approximately $360 million at December 31, 1989 ranked it approximately 70th in asset size among California savings and loan associations.

Berkshire Hathaway Inc. and subsidiaries employed approximately 20,000 persons on a full-time basis at December 31, 1989. That number is substantially unchanged from one year earlier. A decrease during 1989 in the number of persons employed by the Insurance Group was offset by employees added as a result of the purchase of Borsheim's. In addition to that number of full-time employees, up to 30,000 persons may act as *World Book* sales representatives from time to time.

Additional information with respect to Berkshire's businesses

Portions of the Registrant's 1989 Annual Report (Exhibit 13) are hereby incorporated in this Item by reference as follows:

Notes to the Consolidated Financial Statements as follows:
- Note 2 – "Investment in obligations with fixed maturities" at page 32 (54)
- Note 3 – "Investments in cumulative convertible preferred stocks" at page 32 (54)
- Note 4 – "Investments in marketable equity securities" at page 33 (55)
- Note 5 – "Investment in Shares of Capital Cities/ABC, Inc." at page 33 (55)
- Note 6 – "Investment in GEICO Corporation" at page 33 (55)
- Note 15 – "Business segment data" at pages 37-39 (59) - (61)

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Item 2. Properties

The physical properties used by Registrant's significant business segments are summarized below:

Business	Location	Type of Property	Owned or Leased	Approx. Square Footage
Company Headquarters	Omaha, Nebraska	Offices	Leased	4,000
Insurance	Omaha, Nebraska	Offices	Owned	73,000
	Omaha, Nebraska and other locations in California, Colorado Kansas, and New York	Offices	Leased	93,000
Candy	Los Angeles and South San Francisco, California	Plants/Warehouses/ Offices	Owned	273,000
	California	Warehouses/Offices	Leased	250,000
	California and other locations principally in western states	Retail stores and quantity order centers (218 locations)	Leased	306,000
Newspaper	Buffalo, New York	Offices	Owned	220,000
	Buffalo, New York	Printing Plant	Owned	180,000
Retailing of Home	Omaha, Nebraska	Retail Store	Owned	274,000
Furnishings	Omaha, Nebraska	Warehouses	Owned	368,000
Encyclopedias,	Chicago, Illinois	Offices/Warehouse	Leased	265,000
Other Reference	Australia	Offices/Warehouses	Leased	38,000
Material	United Kingdom	Offices	Leased	17,000
Home Cleaning Systems	Cleveland, Ohio; Andrews, Texas; and Walnut Ridge, Arkansas	Plants/Warehouses/ Offices	Owned	399,000
	Cleveland, Ohio; and Walnut Ridge, Arkansas	Plant/Warehouse/ Offices	Leased	59,000
	Canada and England	Warehouses	Leased	31,000
Uniform Manufacturing and Distribution	Cincinnati, Ohio; Martin, Tennessee and various other U.S. locations	Plants/Warehouses/ Offices	Owned	253,000
	Hodgenville, Kentucky; San Antonio, Texas; Martin, Tennessee; and various other U.S. locations	Plants/Warehouses/ Offices	Leased	270,000
	7 U.S. locations	Retail Stores	Owned	151,000
	31 U.S. locations	Retail Stores	Leased	185,000

Item 3. Legal Proceedings

The Company is a defendant in two lawsuits growing out of its acquisition in January 1986 of The Scott & Fetzer Company ("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 filed class action complaints alleging damages and seeking other relief against Scott Fetzer, its former directors, certain other persons, 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 as a former shareholder to bring claims that are derivative in nature) on July 8, 1987. On September 1, 1988, The Court of Appeals of Ohio in Cuyahoga County reversed the trial court's dismissal. The Company appealed to the Supreme Court of Ohio, which heard argument on the appeal in November 1989 but has not yet rendered its decision. The Drumm complaint alleges that the defendants unlawfully manipulated the merger transaction for the purpose of benefitting the defendants, failed to make material disclosures to the shareholders of Scott Fetzer regarding the merger, and committed corporate waste. Plaintiff seeks injunctive relief, unspecified compensatory 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.

The Company is a defendant 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 alleged 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.

Management does not expect the outcome of the proceedings described above to be materially adverse to 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:

Name	Age	Position with Registrant	Since
Warren E. Buffett	59	Chairman of the Board	1970
Michael A. Goldberg	43	Vice President	1981
J. Verne McKenzie	61	Vice President and Secretary	1966
Charles T. Munger	66	Vice Chairman of the Board	1978

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

Part II

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

"Common Stock", appearing at page 72 of the Registrant's 1989 Annual Report, is incorporated herein by reference.

Item 6. Selected Financial Data

"Selected Financial Data for the Past Five Years", appearing at page 72 of the Registrant's 1989 Annual Report, 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 1989 Annual Report, is incorporated herein by reference.

Item 8. Financial Statements and Supplementary Data

The Consolidated Financial Statements and Notes thereto, pages 27-39 of Registrant's 1989 Annual Report, 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 April 30, 1990, which meeting will involve the election of directors.

9

Part IV

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

(a) 1. Financial Statements

The Consolidated Financial Statements, pages 27-39 of Registrant's Annual Report (Exhibit 13 to this Report) for the year ended December 31, 1989, as well as the Independent Auditors' Report, page 26, are incorporated herein by reference.

(a) 2. Financial Statement Schedules

Financial Statement Schedules	PAGE
Report of Independent Accountants Deloitte & Touche	10
Schedule I – Summary of Investments - Other than Affiliates, at December 31, 1989	11
Schedule III – Parent Company Condensed Balance Sheets as of December 31, 1989 and 1988 and Condensed Statements of Earnings and Cash Flows for the years ended 1989, 1988, and 1987.	12
Schedule X – Supplementary Income Statement Information, for the years ended 1989, 1988, and 1987	14

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"

(b) Reports on Form 8-K

1. Report filed in December, 1989 reporting pursuant to Item 5 an event that occurred December 6, 1989 (purchase for investment of 300,000 shares of a new issue of Preference Stock of Champion International Corporation.)

SIGNATURES

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

BERKSHIRE HATHAWAY INC.

Date: March 29, 1990

J. Verne McKenzie
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 Warren E. Buffett	Chairman of the Board of Directors - Chief Executive Officer	March 29, 1990 Date
J. Verne McKenzie J. Verne McKenzie	Director and Vice President - Principal Financial Officer	March 29, 1990 Date
Charles T. Munger Charles T. Munger	Vice Chairman of the Board of Directors	March 29, 1990 Date
Walt Scott Walter Scott, Jr.	Director	March 29, 1990 Date
Marc D. Hamburg Marc D. Hamburg	Treasurer - Principal Accounting Officer	March 29, 1990 Date

11

INDEPENDENT AUDITORS' REPORT ON SCHEDULES

To the Board of Directors and Shareholders
Berkshire Hathaway Inc.

We have audited the consolidated financial statements of Berkshire Hathaway Inc. and subsidiaries at December 31, 1989 and 1988, and for each of the three years in the period ended December 31, 1989 and have issued our report thereon dated March 7, 1990 (which report is incorporated by reference in this Form 10-K). In the course of our audits of such financial statements, we have also audited the schedules listed in the accompanying index at Item 14(a) of Part IV of Form 10-K. These schedules are the responsibility of the Company's management. Our responsibility is to express an opinion based on our audits. In our opinion, these schedules present fairly, in all material respects, when read in conjunction with the related consolidated financial statements, the information therein set forth.

Deloitte Touche

Deloitte & Touche

Omaha, Nebraska
March 7, 1990

12

Berkshire Hathaway Inc. and Consolidated Subsidiaries
Summary of Investments
December 31, 1989

Schedule I

	000's Omitted			
	Number of shares or par value of bonds	Cost or Adjusted Cost	Market Value	Balance Sheet Carrying Value
Obligations with Fixed Maturities:				
Bonds:				
U.S. Government and U.S. Government agencies	$ 4,460	$ 4,466	$ 4,516	$ 4,466
States, municipalities and political subdivisions	683,697	616,418	720,616	616,418
Corporate	261,749	211,513	216,148	211,513
Redeemable preferred stocks -				
Champion International Corporation*	300	300,000	300,000**	300,000
The Gillette Company*	600	600,000	600,000**	600,000
Salomon Inc.*	700	700,000	700,000**	700,000
USAir Group, Inc*	358	358,000	358,000**	358,000
Various issuers	***	5,191	6,035	5,191
Total Obligations with Fixed Maturities		$2,795,588	$2,905,315	$2,795,588
Marketable Equity Securities:				
Common Stocks:				
Banks, trusts, and insurance companies:				
GEICO Corporation*	6,850	$ 45,713	$1,044,625	$1,044,625
Others	***	75,547	103,319	103,319
Industrial and miscellaneous				
Capital Cities/ABC, Inc.*	3,000	517,500	1,692,375	1,672,794
The Coca-Cola Company*	23,350	1,023,919	1,803,787	1,801,995
The Washington Post Company*	1,728	9,731	486,366	486,366
Others	***	82,234	181,510	92,138
Nonredeemable preferred stocks -				
Various issuers	***	60,016	68,976	60,361
Total Marketable Equity Securities		$1,814,660	$5,380,958	$5,261,598

* These issues are stated separately in accordance with note 2(ii)(1) to Rule 12-02 of Regulation S-X.

** The amounts shown in this column for these issues represent their cost. There is no regular trading market for these securities but the valuation committee of Registrant's Board of Directors determined the aggregate fair value of holdings of these four issues to be not less than their aggregate cost.

*** Not meaningful

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

Schedule III

This Schedule includes the accounts of a business that was operated by a wholly-owned subsidiary of the Parent Company until March 31, 1988. On that date, that subsidiary, the Buffalo Evening News, Inc., was merged with and into the Registrant. Its business, publishing a daily and Sunday newspaper in Buffalo, New York, continues as an autonomous division of the Registrant. The merger transaction was accounted for in a manner similar to that for a pooling-of-interests. Accordingly, 1987 and 1988 data in the Statements of Earnings and Statements of Cash Flows in this Schedule are stated as if the combination occurred at the beginning of 1987.

Balance Sheets

	December 31, 1989	December 31, 1988
Assets:		
Cash and cash equivalents	$ 95,997	$ 24,838
Investments in consolidated subsidiaries	5,504,445	3,624,856
Investments - other than consolidated subsidiaries	74,977	19,688
Other assets (includes identifiable assets of the Buffalo News Division of $48,917 and $50,755 at December 31, 1989 and 1988 respectively)	68,585	55,138
	$5,744,004	$3,724,520
Liabilities and Shareholders Equity:		
Accounts payable and accrued expenses	$ 25,236	$ 20,719
Term debt and other borrowings	774,198	261,316
Income taxes	19,444	32,377
	818,878	314,412
Shareholder's equity	4,925,126	3,410,108
	$5,744,004	$3,724,520

Statements of Earnings

	1989	1988	1987
Income items:			
From consolidated subsidiaries:			
Interest	$ 62	$ 253	$ 186
Dividends	107,950	84,383	128,010
Undistributed earnings	332,314	305,167	87,890
	440,326	389,803	216,086
Interest and dividends - other investments	1,761	1,848	1,686
Revenues of Buffalo News Division	135,708	131,730	122,994
Other income	4,823	9,519	598
	582,618	532,900	341,364
Cost and expense items:			
Costs and expenses of Buffalo News Division	90,199	89,275	83,572
General and administrative	4,389	4,601	4,341
Interest	32,988	27,679	2,121
Income tax expense	7,565	12,075	16,778
	135,141	133,630	106,812
Net earnings	$447,477	$399,270	$234,552

See Note to Condensed Financial Information on following page.

(14)

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

Schedule III (continued)

See headnote on preceding page.

Statements of Cash Flows

	1989	1988	1987
Cash flows from operating activities:			
Net income	$447,477	$399,270	$234,552
Adjustments to reconcile net income to cash flows from operating activities:			
Undistributed current earnings of subsidiaries	(332,314)	(305,167)	(87,890)
Other	(19,949)	30,670	10,938
Net cash flows from operating activities	95,214	124,773	157,600
Cash flows from investing activities:			
Investments in and advances to consolidated subsidiaries	(480,795)	(285,415)	(208,318)
Purchases of investments	(104,699)	(38,934)	—
Proceeds on sales of investments	54,239	19,246	—
Net cash flows from investing activities	(531,255)	(305,103)	(208,318)
Cash flows from financing activities:			
Proceeds from borrowings	1,024,820	250,000	92,000
Repayment of borrowings	(517,620)	(52,249)	(45,384)
Net cash flows from financing activities	507,200	197,751	46,616
Increase (decrease) in cash and cash equivalents	71,159	17,421	(4,102)
Cash and cash equivalents at beginning of year	24,838	7,417	11,519
Cash and cash equivalents at end of year	$ 95,997	$ 24,838	$ 7,417
Other cash flow information:			
Income taxes paid	$162,114	$120,071	$ 89,770
Interest paid	26,904	16,503	1,548

Note to Condensed Financial Information

Principal payments on Registrant's borrowings outstanding at December 31, 1989 are required during the succeeding five years as shown in the table immediately below. Amounts are in thousands and have been determined without regard to optional repayment provisions of the governing instruments.

1990	$ 1,921
1991	1,921
1992	1,921
1993	112,753
1994	-0-

For additional information regarding Registrant's outstanding borrowings, see Note 9 to the Consolidated Financial Statements included in Registrant's 1989 Annual Report (Exhibit 13).

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:

	1989	1988	1987
Advertising	$27,477	$24,768	*
Repairs and Maintenance	$25,455	*	*

* Item did not exceed 1% of revenues

EXHIBIT INDEX

Exhibit No.	
3	Articles of Incorporation Incorporated by reference to Exhibit 3 to the Registrant's 1987 Annual Report on Form 10-K
3.1	By-Laws Incorporated by reference to Exhibit 3.1 to the Registrant's 1988 Annual Report on Form 10-K
4	Form of Indenture dated as of September 15, 1989 between Berkshire Hathaway Inc. and The First National Bank of Chicago, as Trustee, with respect to the Zero Coupon Convertible Subordinated Debentures Due 2004 Incorporated by reference to Exhibit 4 to Registration Statement No. 33-31109 filed on Form S-3
4.1	Form of Indenture dated as of December 1, 1987 between Berkshire Hathaway Inc. and The First National Bank of Boston, as trustee, with respect to 10% Debentures due January 1, 2018 and 9 3/4% Debentures due January 15, 2018 Incorporated by reference to Exhibit 4 to Registration Statement No. 33-19000 filed on Form S-3
	Other instruments defining the rights of holders of long-term debt of Registrant and its subsidiaries are not being filed since the total amount of securities authorized by all other such instruments does not exceed 10% of the total assets of the Registrant and its subsidiaries on a consolidated basis as of December 31, 1989. The Registrant hereby agrees to furnish to the Commission upon request a copy of any such debt instrument to which it is a party.
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., et al. dated January 2, 1986
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, Exhibit 19 to the Registrant's 1986 Annual Report on Form 10-K and Exhibit 19 to the Registrant's 1988 Annual Report on Form 10-K
10.3	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
10.4	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
10.5	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 Exhibit "A" and "B" to Schedule 13D filed by Warren E. Buffett, Berkshire Hathaway Inc., et al. dated October 6, 1987.

Location in Sequentially Numbered Pages

EXHIBIT INDEX (continued)

Exhibit No.

10.6 Letter Agreement between Berkshire Hathaway Inc. and The Gillette Company dated July 20, 1989 relating to the purchase by Registrant of an issue of Series B Cumulative Convertible Preferred Stock of The Gillette Company and Certificate of Designation of said Preferred Stock

Incorporated by reference to Exhibits 4(a) and 4(b) to the Registrant's Form 8-K, dated July 28, 1989

10.7 Letter Agreement between Berkshire Hathaway Inc. and USAir Group, Inc. dated August 7, 1989 relating to the purchase by Registrant of an issue of Series A Cumulative Convertible Preferred Stock of USAir Group, Inc. and Certificate of Designation of said Preferred Stock

Incorporated by reference to Exhibits 28.1 and 28.2 to the Registrant's Form 10-Q for the quarter ended June 30, 1989

10.8 Letter Agreement between Berkshire Hathaway Inc. and Champion International Corporation dated December 6, 1989 relating to the purchase by Registrant of an issue of Preference Stock of Champion International Corporation and Certificate of Amendment to the Certificate of Incorporation of Champion International Corporation fixing the designation of said Preference Stock

Incorporated by reference to Exhibit 10(a) to the Registrant's Form 8-K, dated December 14, 1989

10.9 Indemnity Agreements

Incorporated by reference to exhibit 10.7 to the Registrant's 1987 Annual Report on Form 10-K and exhibit 10.7 to the Registrant's 1988 Annual Report on Form 10-K

10.10 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

Incorporated by reference to Exhibit 10.3 to the Registrant's 1987 Annual Report on Form 10-K

11 Computation of earnings per share 14

13 Annual Report - 1989 21-93

Certain information in this Exhibit at pages 26 (48) through 44 (66), and at page 72 (94), is incorporated by reference in this Report. Otherwise, information in this Exhibit at Pages 1 (23) through 25 (47), 45 (67) through 71 (93), and Front (22) and Back (95) Inside Covers is not incorporated in this Report and shall not be deemed filed.

22 Subsidiaries of the Registrant 97

15

BERKSHIRE HATHAWAY INC.
Computation of Earnings Per Share

	Year Ended December 31,		
	1989	1988	1987
Net earnings:	$447,477,000	$399,270,000	$234,552,000
Net interest expense related to Zero Coupon Convertible Subordinated Notes Due 2004	3,751,000	—	—
Adjusted net earnings for purposes of determining earnings per share	$451,228,000	$399,270,000	$234,552,000
Weighted average common shares outstanding	1,146,441	1,146,575	1,146,909
Weighted average common equivalent shares outstanding*	10,528	—	—
Weighted average common and common equivalent shares	1,156,969	1,146,575	1,146,909
Net earnings per common and common equivalent share	$ 390.01	$ 348.23	$ 204.51

* Assumes conversion on the issue date of Registrant's Zero Coupon Convertible Subordinated Notes Due 2004, issued September 28, 1989, into 40,754 common shares.

Fully diluted earnings per share is identical to primary earnings per share inasmuch as there are no other outstanding potentially dilutive securities

BERKSHIRE HATHAWAY INC.
Subsidiaries of Registrant (1)
December 31, 1989

Company Name	State of Incorporation
BHSF Inc.	Delaware
Blue Chip Stamps	California
Borsheim Jewelry Company, Inc.	Nebraska
Campbell Hausfeld/Scott Fetzer Company	Delaware
Columbia Insurance Company	Nebraska
Continental Divide Insurance Company	Colorado
Cornhusker Casualty Company	Nebraska
Cypress Insurance Company	California
The Fechheimer Brothers Company (2)	Delaware
Kansas Fire & Casualty Company	Kansas
Mutual Savings and Loan Association	California
National Fire & Marine Insurance Company	Nebraska
National Indemnity Company	Nebraska
National Indemnity Company of Florida	Florida
National Indemnity Company of Mid-America	Minnesota
National Liability and Fire Insurance Company	Illinois
Nebraska Furniture Mart, Inc.	Nebraska
Redwood Fire and Casualty Insurance Company	Nebraska
The Scott Fetzer Company	Delaware
Scott Fetzer Financial Group, Inc.	Delaware
See's Candies, Inc.	California
See's Candy Shops, Incorporated	California
Wesco Financial Corporation	Delaware
Wesco-Financial Insurance Company	Nebraska
Wesco Holdings Midwest Inc.	Nebraska
World Book/Scott Fetzer Company	Nebraska

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

(2) The names have been omitted of 28 wholly-owned U.S. subsidiaries of The Fechheimer Brothers Company, each of whom operated in the business of uniform manufacturing and/or distribution.