BERKSHIRE HATHAWAY INC /DE/ B 341200

10-K

SIC 2731 NYSE SEC# 1-10125 FOR 12/31/93

CARD0001 REC 03/30/94 @ DISCLOSURE INFO. SERVICES, INC 94519166

*** A01 ***

FILER NAME: BERKSHIRE HATHAWAY INC /DE/
CIK NUMBER: 0000109694
FORM TYPE: 10-K
FILE NUMBER: 1-10125
RECEIVED: 03/30/94
PERIOD: 12/31/93
FILM NUMBER: 94519166

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

(MARK ONE)
¢X! ANNUAL REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934 ¢FEE REQUIRED!

FOR THE FISCAL YEAR PERIOD ENDED December 31, 1993

OR

¢ ! TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(b) OF THE SECURITIES EXCHANGE ACT OF 1934 ¢NO FEE REQUIRED!

FOR THE TRANSITION PERIOD FROM _________________TO_________________

COMMISSION FILE NUMBER 1-10125

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

Delaware	04 2254452
State or other jurisdiction of incorporation or organization	(I.R.S. Employer Identification number)
1440 Kiewit Plaza, Omaha, Nebraska	68131
(Address of principal executive office)	(Zip Code)

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

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

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

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

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

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

State the aggregate market value of the voting stock held by non-affiliates of the Registrant - $10,435,387,500*

Indicate number of shares outstanding of each of the Registrant's classes of common stock:
March 30, 1994 -- common stock, $5 par value . . . . 1,177,750 shares

DOCUMENTS INCORPORATED BY REFERENCE

Document	Incorporated In

*** A03 ***

Proxy Statement for Registrant's Annual Meeting to be held April 25, 1994 | Part III

* This aggregate value is computed at the last sale price of the common stock on March 21, 1994. It does not include the value of 551,000 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.

Part I

ITEM 1. BUSINESS

Berkshire Hathaway Inc. is a holding company owning subsidiaries engaged in a number of diverse business activities. The most important of these is the property and casualty insurance business conducted nationwide on a primary or direct basis and worldwide on a reinsurance basis through a number of subsidiaries collectively referred to in this report as the Berkshire Hathaway Insurance Group.

Additionally, Berkshire Hathaway Inc. publishes the Buffalo News, a daily and Sunday newspaper in upstate New York. Other business activities conducted by non-insurance subsidiaries include publication and distribution of encyclopedias and related educational and instructional material (World Book and Childcraft products), manufacture and marketing of home cleaning systems and related accessories (sold principally under the Kirby name), manufacture and sale of boxed chocolates and other confectionery products (See's Candies), retailing of home furnishings (Nebraska Furniture Mart), manufacture and distribution of uniforms (Fechheimer Brothers Company) and manufacture, import and distribution of footwear (H. H. Brown Shoe Company, Lowell Shoe, Inc. and Dexter Shoe Company). Berkshire also owns a number of other businesses engaged in a variety of activities, as identified herein.

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

PROPERTY AND CASUALTY INSURANCE AND REINSURANCE BUSINESS

Berkshire's insurance and reinsurance business is conducted by 14 separate subsidiaries, the largest of which is National Indemnity Company ("National Indemnity") headquartered in Omaha, Nebraska.

The Berkshire Hathaway Insurance Group maintains capital strength at unparalleled high levels, significantly higher than normal in the industry. This strength differentiates Group members from their competitors. For example, in each year since 1988 the Group's ratio of net premiums written to year-end statutory surplus was 10% or less. The industry average net premiums-to-surplus ratio from 1989 through 1992 was 140% or more. The obvious margins of safety thus provided to insureds of the Group are particularly persuasive in marketing of individually negotiated insurance and reinsurance contracts.

On a primary or direct basis (policies issued in the name of, and to the insured party) several of the subsidiary members underwrite multiple lines of principally casualty coverages nationwide for primarily commercial accounts. The primary or direct business is written through insurance agents and brokers. The traditional business of National Indemnity has been largely in providing liability coverages for commercial truck and bus operators and related commercial transportation activities that require specialized underwriting knowledge and techniques. This business is referred to internally as the National Indemnity Primary Group. The Commercial Casualty Division and the Professional Liability and Special Risk Division, each with offices in Stamford, Connecticut, solicit and underwrite especially large or unusual risks. Other member companies market various commercial coverages for standard risks to principally residents of a single state. These operations are referred to as the "homestate" operations. Cypress Insurance Company, a specialty carrier domiciled in California, provides workers' compensation insurance to employers in that state.

Premium rates for the business peaked in 1986 and have generally decreased annually thereafter. Because of the lower rates, National Indemnity

Primary Group members have written substantially less of this business since 1986. Similarly, writings by the Group's homestate operations have decreased because of lower premium rates and the disciplined underwriting practices of the members that causes their rejection of underpriced risks. The aggregate amount of primary or direct insurance premiums written in recent years by these Group members has stabilized, although at less than one quarter the amount written in 1986.

ITEM 1. BUSINESS (CONTINUED)

PROPERTY AND CASUALTY INSURANCE AND REINSURANCE BUSINESS (CONTINUED)

Generally, no improvement in prices is foreseen for 1994. Except for modest increases in premium volume expected from continuing expansion of homestate operations into additional states and refocused marketing efforts in the California workers' compensation business, primary or direct business is likely to be little changed from 1993.

At the end of 1992, Berkshire acquired 82% of Central States Indemnity Co. of Omaha ("CSI"). CSI offers credit card insurance from its offices located in Omaha, Nebraska. CSI insures the credit card debt of policyholders if the policyholders become disabled or unemployed. The credit insurance is marketed to individuals through credit card issuers nationwide.

The Reinsurance Division of National Indemnity in Stamford, Connecticut provides excess of loss and quota share treaty reinsurance to other property/casualty insurers and reinsurers. Minimal organizational resources, but huge financial resources, are currently devoted to this business. In contrast to the previously discussed trend of lower primary or direct insurance underwriting activity, the amount of business derived from reinsurance activity increased significantly. The increase in reinsurance assumed premiums began in 1985, when National Indemnity entered into a contract providing reinsurance coverage to Fireman's Fund Insurance Companies ("FFIC"), for a period of four years, for 7% of FFIC's entire book of business.

In recent years, non-traditional reinsurance products -- finite-risk contracts -- have become increasingly significant in the property/casualty insurance marketplace. Those terms refer to reinsurance agreements, whose terms provide essentially traditional coverages but also may contractually establish minimum and maximum payouts by the reinsurer. Minimum payout requirements may originate in commutation clauses that call for repayments to the reinsureds, on specified dates, of sums not otherwise paid out by the reinsurer as losses. The amount of risk transferred, while significant, may be more limited than in the more traditional contracts. The concept of time-value-of-money is a more important element in the pricing and setting of terms for these contracts than for more traditional contracts. Transaction amounts are likely to be larger than for traditional transactions; for example, a single contract may relate to loss occurrences in a number of lines of business that span a number of years. Significant financial strength is a need of any prospective provider of the non-traditional products and Berkshire meets that need. Several of the reinsurance arrangements under which the Berkshire Hathaway Insurance Group provided coverages since 1989 were through finite-risk type contracts. Exemplary of such business, significant reinsurance assumed premiums were earned in those years from contracts, sizeable in amounts of coverage provided, but few in number, that indemnify other insurers and reinsurers against adverse loss development of their own loss portfolios.

During 1990, Berkshire's Insurance Group management perceived declines to be occurring in industry capacity and competition for catastrophe excess-of-loss type reinsurance coverages and consequently National Indemnity wrote coverages for a number of such risks. Management believes that in 1993 the Berkshire Hathaway Insurance Group was among the largest providers in the world of this type of coverage. The contracts may provide sizeable amounts (i.e., often in excess of $10 million) of indemnification per contract and a single event may result in payments under several contracts. This business can produce extreme volatility in reported periodic results. Accounting consequences, however, do not influence decisions of Berkshire's management with respect to this or any other business, and this fact plus the Insurance Group's above-normal-for-the-industry financial strength are believed to be the primary reasons why the Group has become a major provider of these coverages.

Recently there has been a substantial increase in catastrophe reinsurance capacity for the industry. Most of the additional capacity has arisen from equity capital raised by newly-formed entities. The increased capacity is not likely to have an impact on the Group's business during 1994. However, Berkshire management has evidence that catastrophe reinsurance prices are beginning to deteriorate. If the price deterioration continues, it may result in a reduced volume of business being written for 1995 and possibly subsequent years.

ITEM 1. BUSINESS (CONTINUED)

PROPERTY AND CASUALTY INSURANCE AND REINSURANCE BUSINESS (CONTINUED)

The increases in reinsurance assumed business in recent years have produced an exceptional increase in the amount of "float", an approximation of the net investable policyholder funds, held by the Insurance Group. The term denotes the sum of unpaid losses, unpaid loss adjustment expenses and unearned premiums, less the aggregate of premium balances receivable, amounts recoverable as reinsurance on paid and unpaid losses, deferred policy acquisition costs and deferred charges re reinsurance. Given the length of the claims payment period -- or tail -- that attaches to the reinsurance business, the increased float plus the earnings it generates will result in meaningful increases for several years in the level of the Insurance Group's investments and investment income, with some part of such increases already evident.

Investment portfolios of insurance subsidiaries include equity securities valued at approximately $12.3 billion at December 31, 1993. Included are meaningful ownership percentages of other publicly traded companies (such as approximately 48% of the outstanding capital stock of GEICO Corporation, approximately 13% of the capital stock of Capital Cities/ABC, Inc., approximately 11% of the common stock of The Gillette Company, approximately 7% of the capital stock of The Coca-Cola Company, approximately 15% of the capital stock of The Washington Post Company, approximately 12% of the common stock of Wells Fargo & Company, approximately 14% of the capital stock of General Dynamics Corporation and common and convertible preferred stock of Salomon Inc having approximately 15% of the total voting power of that company). Much information about these publicly-owned companies is available, including that released from time to time by the companies themselves.

NON-INSURANCE BUSINESSES OF BERKSHIRE

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

SHOES -- The size of this segment has increased dramatically since the end of 1992. In addition to H. H. Brown Shoe Company ("H. H. Brown") which was acquired in July 1991, this segment now includes Lowell Shoe, Inc. ("Lowell") acquired at the end of 1992, and Dexter Shoe Company ("Dexter"), acquired in November 1993. A description of each of these businesses follows.

H. H. Brown manufactures, imports and markets work, safety, outdoor, western and casual footwear. Approximately 70% of H. H. Brown's revenues are derived from sales of a wide variety of work and safety shoes and boots. They are manufactured under the H. H. Brown, Carolina, Double-H Boot and other brand names as well as under private label. H. H. Brown is the leading domestic producer of steel toe safety work shoes and maintains a significant share of other markets in which it competes, namely the western boot and casual shoe market.

In addition to manufacturing its products at three facilities located in the United States and a facility in Canada, the company sources shoes and shoe components offshore from several countries including China, Romania, India and Mexico. The company markets its products entirely within the United States and Canada through a direct sales force of just over 100. Its customer base is primarily composed of small independent retailers and wholesalers who sell to workers in a variety of industries including steel, construction, agriculture and heavy manufacturing. A significant quantity of H. H. Brown's work and military boots are sold to the United States and Canadian military, as well as to military PX's. Additionally, much of its imported footwear is sold to mass merchandisers such as K Mart, Wal Mart and Payless Shoe Co.

H. H. Brown competes in the mid-priced segment of the work boot and shoe market. The consumer is typically a middle income industrial laborer who is required by OSHA to wear a specific type of footwear. The company's competitors in this market are typically small, domestic work boot manufacturers. Management believes that its products are competitive in terms of quality and pricing.

On December 30, 1992, Berkshire acquired for cash all of the capital stock of Lowell and assets of certain entities formerly affiliated with Lowell (including a manufacturing facility located in Puerto Rico). Lowell manufactures and markets women's casual, service and nurses footwear. They market these products under the brand names Soft Spots, Day Lights and Nurse Mates.

ITEM 1. BUSINESS (CONTINUED)

NON-INSURANCE BUSINESSES OF BERKSHIRE (CONTINUED)

On November 7, 1993 Berkshire Hathaway Inc. consummated a merger with Dexter by reissuing 25,203 shares of its common stock held in treasury in exchange for 100% of the outstanding common stock of Dexter. Dexter manufactures and markets men's and women's casual footwear. All products are manufactured and sold under the trademark Dexter. The company specializes in the construction of Handsewns, Welts and Cements. The leather is purchased from domestic tanneries, and many of the other components used in the manufacturing process are made by Dexter.

Dexter has four manufacturing facilities in Maine and two located in Puerto Rico. In addition to the manufacturing facilities, Dexter operates 77 factory outlet stores which are located in Maine, New Hampshire, Vermont, New York, Florida, Alabama, Georgia, Tennessee, Nevada and Puerto Rico.

The customer base is composed of independent retailers and department stores throughout the United States. Dexter's major customers are large department stores, including J. C. Penney and Nordstroms, specialty retailers such as Famous Footwear and military PX's. Additionally, Dexter exports its products to numerous foreign countries. Dexter is recognized throughout the United States for both its dress and casual footwear and the customer is typically a middle income consumer.

ENCYCLOPEDIAS, OTHER REFERENCE MATERIALS -- World Book publishes educational products for homes, schools, and libraries. Its chief products include: The World Book Encyclopedia, the largest-selling encyclopedia in the United States; Early World of Learning, a readiness program for preschoolers, and Information Finder, a CD-ROM (compact disc read - only format) version of the encyclopedia text. These and other educational materials are marketed in the United States and Canada by a large direct-selling force. A newly copyrighted edition of The World Book Encyclopedia is published each year. Annual products such as The World Book Year Book, Science Year and The World Book Health & Medical Annual are updating publications for owners of earlier encyclopedia editions and are sold by direct mail. An international group markets these and other specially created educational products in Australia, the United Kingdom and Ireland with a commissioned sales force, and in 41 other countries through 34 distributors.

There is significant competition in the business of publishing and marketing encyclopedias in North America, World Book's principal geographic market. World Book's selling prices are generally lower than those of its principal competitor; World Book quality is thought to be superior to any other.

A large portion of encyclopedia sales is made on an installment basis. Wholly-owned Berkshire subsidiaries offer financing of domestic and certain foreign consumer receivables.

HOME CLEANING SYSTEMS -- This segment of Berkshire's business is principally represented by Kirby home cleaning systems and products, sold to approximately 700 independent authorized factory distributors in the United States and foreign countries. These factory distributors sell to the consumer or to independent authorized area distributors who sell to the consumer. Sales are made through in-the-home demonstrations by independent salespeople. Substantially all of Kirby's sales to distributors are for cash. A wholly-owned Berkshire subsidiary offers consumer financing to about 500 authorized distributors in the United States. The distributors independently establish the prices at which they offer Kirby products. Kirby and its distributors believe they offer a premium product, and it is believed that the prices are generally higher than those of most of its four major competitors. In 1992, Kirby completed the worldwide introduction of an improved model which incorporates a power-assisted drive.

This segment also includes the Douglas Products business that manufactures specialty vacuum cleaners such as electric hand held 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)

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, 72% on weekdays and 80% 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 1993 this percentage was 55%.

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. 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. On December 31, 1992, NFM acquired a 360,000 square foot building and ten acres of land located adjacent to its existing retail store and warehouse. Along with providing additional warehousing facilities, a portion of the building is being used to operate a factory outlet store for manufacturers' closeouts and discontinued product lines. A 100,000 square foot appliance and electronics superstore, to be located adjacent to the main retail store, is planned for opening in the third quarter of 1994. The new store will add such products as music compact discs and an expanded computer software line to NFM's already large selection of electronics and appliances.

UNIFORM MANUFACTURING AND DISTRIBUTION -- The Fechheimer Brothers Company manufactures its products at plants in Kentucky, Ohio, Tennessee and Texas, for marketing through about fifty company-operated retail distribution centers and by independent distributors and dealers who together serve more than 200 major metropolitan areas.

OTHER NON-INSURANCE ACTIVITIES not identified with Berkshire business segments include the more than one dozen diverse manufacturing businesses acquired with the 1986 purchase of The Scott & Fetzer Company. The largest revenue producer of these businesses is 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 and painting systems. In addition, Berkshire has an 85% interest in a long established, high volume retailer of fine jewelry, Borsheim's, in Omaha, Nebraska. 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.

Berkshire Hathaway Inc. and subsidiaries employed approximately 22,000 persons on a full-time basis at December 31, 1993. In addition to that number of full-time employees, up to 20,000 persons may act as World Book sales representatives from time to time.

ADDITIONAL INFORMATION WITH RESPECT TO BERKSHIRE'S BUSINESSES

The amounts of revenue, operating profit and identifiable assets attributable to each of the eight aforementioned business segments are included in Note 15 to Registrant's consolidated financial statements contained in Item 8, Financial Statements and Supplementary Data. Additional information regarding Registrant's investments in fixed maturity and marketable equity securities is included in Notes 3 and 4 to Registrant's consolidated financial statements.

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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
Company Headquarters	Omaha, NE	Offices
Insurance	Omaha, NE	Offices
	Omaha, NE & other locations in Arizona, California, Colorado, Kansas & Connecticut	Offices
Candy	Los Angeles, CA & South San Francisco, CA	Plants/Warehouses/ Offices
	California	Warehouses/Offices
	California & other locations principally in western states	Retail outlets and quantity order centers (216 locations)
Newspaper	Buffalo, NY	Offices
	Buffalo, NY	Printing Plant
	New York & Washington, D.C.	Offices/Warehouses
Home Furnishings	Omaha, NE	Retail Store
	Omaha, NE & Lincoln, NE	Warehouses/Offices
Encyclopedias, Other Reference Material	Elk Grove Village, IL & Addison, IL	Offices/Warehouse
	Chicago, IL & vicinity	Offices
	Australia	Offices/Warehouses
	United Kingdom	Offices
Home Cleaning Systems	Cleveland, OH, Andrews, TX & Walnut Ridge, AR	Plants/Warehouses/ Offices
	Cleveland, OH	Warehouse/Offices
	Canada & England	Warehouses/Offices
Uniforms	Cincinnati, OH & various other U.S. locations	Plants/Warehouses/ Offices
	Hodgenville, KY & various other U.S. locations	Plants/Warehouses/ Offices
	9 U.S. locations	Retail Stores
	44 U.S. locations	Retail Stores

ignificant business

Type of Property	Owned or Leased	Approx. Square Footage
Offices	Leased	4,000
Offices	Owned	73,000
Offices	Leased	78,000
Plants/Warehouses/ Offices	Owned	274,000
Warehouses/Offices	Leased	275,000
Retail outlets and quantity order centers (216 locations)	Leased	321,000
Offices	Owned	195,000
Printing Plant	Owned	150,000
Offices/Warehouses	Leased	69,000
Retail Store	Owned	319,000
Warehouses/Offices	Owned	708,000
Offices/Warehouse	Owned	100,000
Offices	Leased	70,000
Offices/Warehouses	Leased	7,000
Offices	Leased	18,000
Plants/Warehouses/ Offices	Owned	397,000
Warehouse/Offices	Leased	21,000
Warehouses/Offices	Leased	31,000
Plants/Warehouses/ Offices	Owned	223,000
Plants/Warehouses/ Offices	Leased	295,000
Retail Stores	Owned	75,000
Retail Stores	Leased	320,000

ITEM 2. PROPERTIES (CONTINUED)

Business	Location	Type of Property
Shoes	Morganton, NC, Womelsdorf, PA, Martinsburg, PA, Hudson, NH, Dexter, ME & Canada	Plants/Warehouses/ Offices
	Greenwich, CT, Commerce, CA, Morganton, NC, Skowhegan, ME, Newton, MA, Canada, Puerto Rico & Dominican Republic	Plants/Warehouses/ Offices
	50 U.S. locations	Retail Stores
	25 U.S. & Puerto Rico locations	Retail Stores

ITEM 3. LEGAL PROCEEDINGS

The Company is a defendant in litigation relating to the transactions in which Salomon Inc ("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 these lawsuits 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
Warren E. Buffett	63	Chairman of the Board
Marc D. Hamburg	44	Vice President
Charles T. Munger	70	Vice Chairman of the Board

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

Type of Property	Owned or Leased	Approx. Square Footage
Plants/Warehouses/ Offices	Owned	1,503,000
Plants/Warehouses/ Offices	Leased	887,000
Retail Stores	Owned	337,000
Retail Stores	Leased	90,000

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John H. Gutfreund, et al.,
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HOLDERS

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e President	1992
e Chairman of the Board	1978

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Directors following the
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as directors of the

Part II

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

MARKET INFORMATION

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

1993	High	Low	1992
First Quarter	$13,200	$11,350	First Quarter . . . . . .
Second Quarter	16,200	11,800	Second Quarter . . . . .
Third Quarter	17,800	15,100	Third Quarter . . . . . .
Fourth Quarter	17,800	16,200	Fourth Quarter . . . . .

SHAREHOLDERS

The Company had approximately 7,600 record holders of its common stock at March 8, 1994. Record owners included nominees holding at least 180,000 shares on behalf of beneficial-but-not-of-record owners. Management believes that the Company has more than 16,000 beneficial owners.

DIVIDENDS

Berkshire has not declared a cash dividend since 1967.

ITEM 6. SELECTED FINANCIAL DATA

SELECTED FINANCIAL DATA FOR THE PAST FIVE YEARS
(dollars in thousands, except per share data)

	1993	1992	1991
REVENUES:			
Sales and service revenues	$1,962,862	$1,774,436	$1,651,134
Insurance premiums earned	656,341	664,293	776,413
Interest and dividend income	479,806	495,409	481,793
Realized investment gain	546,422	89,937	192,478
Sundry	8,052	5,265	4,178
Total revenues	$3,653,483	$3,029,340	$3,105,996
EARNINGS:			
Before realized investment gain and cumulative effect of accounting change	$ 402,403(1)	$ 347,726	$ 315,753
Realized investment gain	356,702	59,559	124,155
Cumulative effect of change in accounting for income taxes	(70,984)	--	--
Net earnings	$ 688,121	$ 407,285	$ 439,908
EARNINGS PER SHARE:			
Before realized investment gain and cumulative effect of accounting change	$348.03	$303.29	$275.42
Realized investment gain	308.50	51.95	108.30
Cumulative effect of change in accounting			

LATED SECURITY HOLDER

ng on the New York Stock
ets forth the high and low
Stock Exchange Composite

1992	High	Low
First Quarter	$9,000	$8,575
Second Quarter	9,300	8,850
Third Quarter	9,950	9,050
Fourth Quarter	11,750	9,150

ders of its common stock at
ng at least 180,000 shares
nagement believes that the

ce 1967.

FIVE YEARS
hare data)

93	1992	1991	1990	1989
,862	$1,774,436	$1,651,134	$1,580,074	$1,526,459
,341	664,293	776,413	591,540	394,279
,806	495,409	481,793	450,295	331,452
,422	89,937	192,478	33,989	223,810
,052	5,265	4,178	3,574	7,892
,483	$3,029,340	$3,105,996	$2,659,472	$2,483,892
,403(1)	$ 347,726	$ 315,753	$ 370,745	$ 299,902
,702	59,559	124,155	23,348	147,575
,984)	--	--	--	--
,121	$ 407,285	$ 439,908	$ 394,093	$ 447,477
.03	$303.29	$275.42	$323.39	$262.46
.50	51.95	108.30	20.36	127.55

*** B09 ***

for income taxes	(61.39)	--	--
Net earnings	$595.14	$355.24	$383.72
YEAR-END DATA:			
Total assets	$19,520,469	$17,131,998	$14,461,902
Borrowings under investment agreements and other debt (2)	972,389	1,154,697	1,100,464
Shareholders' equity	10,428,374	8,896,331	7,379,918
Common shares outstanding, in thousands	1,178	1,149	1,146
Shareholders' equity per outstanding share	$ 8,854	$ 7,745	$ 6,437

(1) Includes a charge of $75,348 representing the effect of the change in federal income tax rates on deferred taxes applicable to unrealized appreciation.

(2) Excludes borrowings of commercial and consumer finance businesses.

.39)	--	--	--	--
.14	$355.24	$383.72	$343.75	$390.01
0,469	$17,131,998	$14,461,902	$10,670,423	$9,459,594
2,389	1,154,697	1,100,464	1,082,265	847,923
8,374	8,896,331	7,379,918	5,287,454	4,925,126
1,178	1,149	1,146	1,146	1,146
8,854	$ 7,745	$ 6,437	$ 4,612	$ 4,296

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r finance businesses.

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

RESULTS OF OPERATIONS

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

	(dolla
	1993
Insurance Segment:	
Underwriting	$ 19.2
Investment income	321.3
Realized investment gain	362.7
Total - Insurance Segment	703.2
Non-Insurance business segments	133.3
Other businesses	32.8
Realized investment gain (loss) not included above	(6.1)
All other except interest expense	6.8
Interest expense *	(35.6)
Earnings before effect of change in income tax rate and cumulative effect of accounting change	834.4
Effect of change in income tax rate on deferred taxes applicable to unrealized appreciation **	(75.3)
Cumulative effect of change in accounting for income taxes **	(71.0)
Net earnings	$688.1

* Interest expense incurred by commercial and consumer finance businesses is not reflected as "Interest expense" but instead is reflected in amounts shown for "Other businesses".

** For a discussion regarding these items refer to Notes 1(b) and 6 to the Consolidated Financial Statements.

The business segment data (Note 15 to the Consolidated Financial Statements) should be read in conjunction with this discussion.

INSURANCE UNDERWRITING

The after-tax figures shown above for Insurance underwriting derive from the following:

	(dolla
	1993
Underwriting gain (loss):	
Primary or direct insurance	$ 12.7
Reinsurance assumed	17.3
Underwriting gain (loss) -- pre-tax	30.0
Applicable income taxes	(10.2)
Applicable minority interest	(0.6)
After-tax underwriting gain (loss)	$ 19.2

The Berkshire Hathaway Insurance Group engages in both insurance and reinsurance of property/casualty risks. In its insurance activities, as

ANCIAL CONDITION AND

rs are disaggregated in the
rity interests and taxes.

	(dollars in millions)		
	1993	1992	1991
. . . .	$ 19.2	$(71.1)	$(77.2)
. . . .	321.3	305.8	285.1
. . . .	362.7	36.1	73.8
. . . .	703.2	270.8	281.7
. . . .	133.3	123.4	104.2
. . . .	32.8	30.7	27.6
. . . .	(6.1)	23.4	50.3
. . . .	6.8	21.9	33.3
. . . .	(35.6)	(62.9)	(57.2)
te	834.4	407.3	439.9
s	(75.3)	--	--
taxes ** . . .	(71.0)	--	--
. . . .	$688.1	$407.3	$439.9

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nsolidated Financial
discussion.

nce underwriting derive

	(dollars in millions)		
	1993	1992	1991
. . . .	$ 12.7	$ 8.0	$ (2.5)
. . . .	17.3	(117.0)	(117.1)
. . . .	30.0	(109.0)	(119.6)
. . . .	(10.2)	37.7	42.2
. . . .	(0.6)	0.2	0.2
. . . .	$ 19.2	$ (71.1)	$ (77.2)

ges in both insurance and
ance activities, as

distinguished from its reinsurance activities, its members assume risks of loss from persons primarily and directly subject to the risks. In its reinsurance activities, the members assume defined portions of similar or dissimilar risks to which other insurers and reinsurers have subjected themselves in their own insuring activities.

A significant marketing strategy followed by all Insurance Group members is the maintenance of above average capital strength. Statutory surplus as regards policyholders of the Berkshire Hathaway Insurance Group increased to approximately $11.5 billion at year-end 1993. This extraordinary capital strength creates opportunities for Berkshire Group members to negotiate and enter into contracts of insurance specially designed to meet unique needs of sophisticated insurance and reinsurance buyers.

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

INSURANCE UNDERWRITING (CONTINUED)

For purposes of this Discussion, premiums and losses and loss expenses amounts are stated net of reinsurance ceded.

Reinsurance Assumed

Underwriting results, stated on the basis of generally accepted accounting principles ("GAAP"), with respect to the reinsurance assumed business for the past three years are summarized in the following table.

(dollars

	1993		1
	Amount	%	Amoun
Premiums written	$ 534.3		$ 607.
Premiums earned	$ 448.0	100.0	$ 511.
Losses and loss expenses	356.3	79.5	589.
Underwriting expenses	74.4	16.6	38.
Total losses and expenses	430.7	96.1	628.
Underwriting gain (loss) -- pre-tax	$ 17.3		$(117.

Disaggregated data follows for these activities.

(dollars in mil

	Premiums Earned			Underwriting Gain (	
	1993	1992	1991	1993	1992
Retroactive reinsurance and structured settlements	$ 43.8	$145.5	$363.2	$(64.3)	$ (66.0)
Other reinsurance	404.2	366.0	272.2	81.6	(51.0)
	$448.0	$511.5	$635.4	$ 17.3	$(117.0)

* Net unpaid losses and loss adjustment expenses

Premiums Earned

Premiums earned from retroactive reinsurance -- coverages of past loss events -- amounted to $21 million in 1993, $144 million in 1992 and $362 million in 1991. These contracts were few in number but produced sizable premiums. Increasing competition in the retroactive reinsurance markets resulted in fewer opportunities to write such business during 1993 and 1992. In 1993, premiums earned from structured settlement contracts totalled about $22 million, reflecting increased marketing efforts which began early in the year.

Premiums earned from other reinsurance activities are principally derived from excess of loss contracts, including catastrophe policies, and quota share contracts. The increase in premiums earned in 1992 over 1991 was largely attributed to increased amounts earned under catastrophe excess of loss contracts. The increase in premiums earned in 1993 over 1992 was primarily attributed to amounts earned under quota share treaties.

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reinsurance assumed
the following table.

(dollars in millions)

	1993		1992		1991	
	Amount	%	Amount	%	Amount	%
. .	$ 534.3		$ 607.2		$ 667.0	
. .	$ 448.0	100.0	$ 511.5	100.0	$ 635.4	100.0
. .	356.3	79.5	589.7	115.3	731.9	115.2
. .	74.4	16.6	38.8	7.6	20.6	3.2
. .	430.7	96.1	628.5	122.9	752.5	118.4
. .	$ 17.3		$(117.0)		$(117.1)	

ties.

(dollars in millions)

s Earned		Underwriting Gain (Loss)			Year-End Reserves*		
92	1991	1993	1992	1991	1993	1992	1991
5.5	$363.2	$(64.3)	$ (66.0)	$ (49.0)	$1,441.0	$1,498.0	$1,573.9
6.0	272.2	81.6	(51.0)	(68.1)	1,026.7	917.2	708.3
1.5	$635.4	$ 17.3	$(117.0)	$(117.1)	$2,467.7	$2,415.2	$2,282.2

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catastrophe excess of loss
over 1992 was primarily
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Underwriting Gain/Loss

The underwriting loss from retroactive reinsurance coverages amounted to $41 million for 1993, $44 million for 1992 and $26 million for 1991, reflecting principally the amortization of deferred charges re reinsurance assumed. See Note 1(g) to the Consolidated Financial Statements for information with respect to these charges. Underwriting losses from structured settlement activities were between $22 and $23 million for each of the past three years. These losses reflect accounting procedures which employ time-value-of-money concepts -- amortization of deferred charges re reinsurance assumed and accretion of discounted structured settlement liabilities. The amortization and accretion are reported as losses incurred, and thus, because there is no related premium income, as underwriting losses. Amortization and accretion charges of about $65 million are expected in 1994.

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

INSURANCE UNDERWRITING (CONTINUED)

Reinsurance Assumed (continued)

In each of the past three years, the net underwriting results from other reinsurance activities were significantly influenced by the magnitude of losses incurred under catastrophe excess of loss contracts. In 1993, catastrophe losses incurred totalled about $14 million (deriving from a variety of loss events occurring in prior years). In 1992 and 1991, catastrophe losses incurred were about $125 million (Hurricane Andrew) and about $38 million (Typhoon Mireille), respectively. As a result, this business generated an underwriting gain of about $110 million during 1993 as compared to nearly breakeven results in the prior two years.

Little comfort should be gained from either (a) the lack of catastrophe losses in 1993 as compared with 1992 or 1991 or (b) the current expectation that the January 1994 Los Angeles earthquake will only produce a nominal loss. The underwriting gains produced by this business in any given year can be easily exceeded by losses in the next. Thus periodic underwriting results were and are expected to be subject to substantial volatility. Berkshire's management, however, is willing to accept such volatility, provided that the prospect of long term profitability is favorable.

The non-catastrophe reinsurance business produced an underwriting loss of about $28 million for 1993. In 1992 and 1991, the preponderance of net underwriting losses reported as "other reinsurance" derived from non-catastrophe contracts. Underwriting results from other reinsurance for 1991 are net of credits for favorable development totalling about $30 million with respect to liabilities under pre-1990 quota share reinsurance contracts. Underwriting results in 1993 and 1992 reflect relatively minor amounts of loss development.

In pricing most non-catastrophe reinsurance contracts, the concept of the time-value-of-money is an important consideration due to the anticipated extended claim payment period -- or "tail". This is especially true with respect to pricing reinsurance of certain casualty or liability coverages, the premiums for which are based in significant part on time discounting of expected losses. Losses and loss expenses are established for these contracts on an undiscounted basis, thus resulting in underwriting losses for financial reporting purposes. This business is accepted, nonetheless, because of the large amounts of investable policyholder funds (or "float") that it produces.

The estimated liability for unpaid losses and loss expenses from reinsurance assumed businesses, as shown in the preceding table, totalled about $2.5 billion at the end of 1993, an increase of about $1.0 billion since the end of 1990. Subsequent loss development with respect to a liability of this magnitude is another factor which may cause substantial volatility in future periodic earnings.

Primary or Direct Insurance Underwriting

A summary follows of the combined underwriting results, stated on a GAAP basis, of the Berkshire Hathaway Insurance Group's primary or direct insurance operations.

	(dollars are in mill			
	1993		1992	
	Amount	%	Amount	%
Premiums written	$208.4		$132.4	

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(dollars are in millions)

1993		1992		1991	
mount	%	Amount	%	Amount	%
208.4		$132.4		$135.5	

*** C07 ***

Premiums earned	$208.3	100.0	$152.8	100
Losses and loss expenses	99.8	47.9	98.0	64
Underwriting expenses	95.8	46.0	46.8	30
Total losses and expenses	195.6	93.9	144.8	94
Underwriting gain (loss) -- pre-tax	$ 12.7		$ 8.0	

Favorable loss development, discussed on the following pages, of beginning-of-the-year loss reserves represented respectively, 20.0%, 23.8% and 16.9% of premiums earned in 1993, 1992 and 1991. Without such credits, total losses and expenses as a percentage of premiums earned were: 1993 -- 113.9%, 1992 -- 118.6%, and 1991 -- 118.7%.

=====		======		======	
208.3	100.0	$152.8	100.0	$141.0	100.0
-----	-----	------	-----	------	-----
99.8	47.9	98.0	64.1	95.2	67.5
95.8	46.0	46.8	30.7	48.3	34.3
-----	-----	-------	-----	------	-----
195.6	93.9	144.8	94.8	143.5	101.8
-----	=====	------	=====	------	=====
12.7		$ 8.0		$ (2.5)	
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the following pages, of
ectively, 20.0%, 23.8% and
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ed were: 1993 -- 113.9%,

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

INSURANCE UNDERWRITING (CONTINUED)

Primary or Direct Insurance Underwriting (continued)

Primary or direct insurance underwriting results for 1993 include Central States Indemnity Co. of Omaha ("CSI"). Berkshire acquired 82% of CSI at the end of 1992. CSI, which underwrites credit card credit insurance for individuals, produced premiums earned of $68.5 million and a net underwriting gain of $4.9 million for 1993.

CSI's business differs substantially from the insurance business underwritten by the other members of the Insurance Group. CSI's premiums derive from a high volume of small dollar premium transactions generated through credit card issuers. CSI's underwriting expenses are normally much greater than underwriting expenses of the other Insurance Group members. On the other hand, CSI's losses and loss expenses incurred, as percentages of premiums earned are substantially lower than for the other primary or direct underwriting units. Overall, periodic underwriting results from this business are anticipated to be less volatile than the other primary or direct insurance operations.

Premiums earned by Berkshire's other primary or direct insurance businesses totalled $140 million, $153 million and $141 million for 1993, 1992 and 1991, respectively. Those businesses produced net underwriting gains of about $8 million for 1993 and 1992 compared to a loss of $2.5 million in 1991.

The other primary or direct insurance activities include the "traditional" business, directed from National Indemnity Company's Omaha offices. This business represents principally casualty coverages for commercial accounts. The commercial casualty/professional liability/specialty risk operations located in Stamford, Connecticut, enter into "tailored" insurance contracts for insureds presenting risks unusual in nature and/or especially large in amount. The homestate companies underwrite various commercial coverages for standard risks located predominantly in their home states -- Nebraska, Kansas and Colorado. In 1992, the homestate units began to expand their operations by underwriting similar risks located outside their home states. Additional expansion of the homestate business is planned in 1994. Cypress Insurance Company, a specialty carrier, underwrites workers' compensation risks in a highly competitive market environment in California.

Each of the units employ disciplined underwriting approaches. Members are encouraged to reject underpriced risks without regard to volume considerations. As a result of this strategy, during periods of abundant industry insuring capacity, as has prevailed since 1986, competitors write increasing amounts of primary or direct insurance by charging lower prices than those of the Group. Historically, these lower prices have led competitors to exit the markets as a result of incurring unacceptable losses. Management believes this situation will recur at an unpredictable future time, leading to increases of primary or direct insurance offerings to the Group. However, management does not foresee any significant changes in current market conditions which would soon reverse the current trend of lower premium volume.

Summarized below is loss and loss expense data from primary or direct insurance underwriting:

	(dollars in	
	1993	199
Unpaid losses and loss expenses at beginning of year	$563.2	$566
Incurred losses recorded:		

ANCIAL CONDITION AND

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d of lower premium volume.

data from primary or

	(dollars in millions)		
	1993	1992	1991
. . . .	$563.2	$566.9	$586.6

*** C11 ***

Current year occurrences	141.4	134.
All prior years' occurrences	(41.6)	(36.
	------	-----
	99.8	98.
	------	-----
Payments with respect to:		
Current year occurrences	32.6	42.
All prior years' occurrences	101.2	86.
	------	-----
	133.8	128.
	------	-----
Unpaid losses and loss expenses at end of year	$529.2	$536.
	======	=====

* Excludes unpaid losses and loss expenses of Central States Indemnity Co. of Omaha -- acquired by Berkshire at the end of 1992.

*** C12 ***

. . . . .	141.4	134.4	119.0
. . . . .	(41.6)	(36.4)	(23.8)
	------	------	------
	99.8	98.0	95.2
	------	------	------
. . . . .	32.6	42.1	23.3
. . . . .	101.2	86.1	91.6
	------	------	------
	133.8	128.2	114.9
	------	------	------
. . . . .	$529.2	$536.7*	$566.9
	======	======	======

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

INSURANCE UNDERWRITING (CONTINUED)

Primary or Direct Insurance Underwriting (continued)

Credits against incurred losses were recorded in each of the last three years for "all prior year occurrences." They are corrections of estimation error that are credited or charged to earnings in the year made. Relating these credits for each year to the related estimated unpaid amounts at the beginning of the respective year, the "savings" were: 1993 -- 7.4%, 1992 -- 6.4%, and 1991 -- 4.1%. The favorable development recorded in each of the most recent three years related principally to the traditional commercial automobile business of the National Indemnity Primary Group. While the trend of favorable development recognized in recent years is encouraging, the nature of estimating losses is inherently imprecise, particularly with respect to losses which are reported and settled over lengthy periods of time. In the future, additional information will be revealed, including reports of additional cases of an unknown number and magnitude for pre-1994 losses. A provision for late reported cases is included in the 1993 year-end estimates of unpaid losses and loss expenses which in the aggregate is subject to favorable or unfavorable development recognizable in future years.

INSURANCE SEGMENT INVESTMENT INCOME

Following is a summary of Insurance Group net investment income for the past three years.

	(dollars in mill	
	1993	1992
Investment income before taxes	$375.9	$355.1
Applicable income taxes	51.3	46.5
Applicable minority interest	3.3	2.8
Investment income after taxes and minority interest	$321.3	$305.8

Invested assets increased in each of the past three years. In the three year period, Berkshire contributed over $200 million additional capital to the Group. Reinvested earnings of the Group for that period amounted to approximately $1 billion. That figure excludes charges related to changes in accounting for income taxes. See Note 6 to Consolidated Financial Statements for additional information about the nature of these charges. Contributing to a further increase in invested assets was about a $1.1 billion increase during the past three year period in the amount of "float" from policyholder funds. That term denotes the sum of unpaid losses, unpaid loss adjustment expenses and unearned premiums, less the aggregate of agents' balances receivable, amounts recoverable as reinsurance on paid and unpaid losses, deferred policy acquisition costs and deferred charges re reinsurance assumed. The net amount of float was approximately $1.63 billion at the end of 1990, $2.07 billion at the end of 1991, $2.51 billion at the end of 1992 and $2.76 billion at the end of 1993. A factor which offsets the increase in amounts of invested assets was the disposal of certain high yield bond investments during 1993 and 1992.

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Group net investment

	(dollars in millions)		
	1993	1992	1991
. .	$375.9	$355.1	$331.8
. .	51.3	46.5	43.8
. .	3.3	2.8	2.9
rest	$321.3	$305.8	$285.1

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$200 million additional
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ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

NON-INSURANCE BUSINESS SEGMENTS

A summary follows of results to Berkshire from these identified business segments for the past three years.

	(dollars in		
	1993		199
	Amount	%	Amount
Revenues	$1,443.1	100.0	$1,284.5
Cost and expenses	1,218.3	84.4	1,074.6
Operating profit	224.8	15.6	209.9
Income taxes	87.8	6.1	83.2
Minority Interest	3.7	0.3	3.3
Contribution to net earnings	$ 133.3	9.2	$ 123.4

A comparison of revenues and operating profits between 1993, 1992 and 1991 for each of the seven identifiable non-insurance business segments follows.

	(dollars in millions)				
	Revenues			Operating P	
Segment	1993	1992	1991	1993	1992
Candy	$ 201.2	$ 197.2	$ 196.0	$ 40.3	$ 41.4
Encyclopedias, other reference material	198.8	246.1	311.5	19.4	28.2
Home cleaning systems	193.9	190.1	192.0	40.9	37.7
Home furnishings	209.1	186.1	171.0	21.1	16.7
Newspaper	145.5	139.7	130.3	50.4	47.3
Shoes	372.1	215.0	104.0	40.0	25.6
Uniforms	122.5	110.3	100.0	12.7	13.0
	$1,443.1	$1,284.5	$1,204.8	$224.8	$209.9

1993 compared to 1992

Revenues from the seven identifiable non-insurance business segments of $1,443.1 million increased $158.6 million (12.3%) from the prior year. The overall operating profit from these business segments of $224.8 million increased $14.9 million (7.1%). The "shoes" segment and the "encyclopedias, other reference material" segment experienced the most significant variations in comparative results between 1993 and 1992. The following discussion will focus primarily on those segments comparative results.

Shoes

As reflected in the preceding table, the most significant revenue increase occurred within this segment. Much of the increase arose as a result of two significant acquisitions. Just prior to the end of 1992 this segment was comprised solely of H. H. Brown Shoe Company, Inc. ("H. H. Brown"),

ANCIAL CONDITION AND

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(dollars in millions)

1993 Amount	1993 %	1992 Amount	1992 %	1991 Amount	1991 %
$1,443.1	100.0	$1,284.5	100.0	$1,204.8	100.0
1,218.3	84.4	1,074.6	83.7	1,028.7	85.4
224.8	15.6	209.9	16.3	176.1	14.6
87.8	6.1	83.2	6.5	69.0	5.7
3.7	0.3	3.3	0.2	2.9	0.2
$ 133.3	9.2	$ 123.4	9.6	$ 104.2	8.7

its between 1993, 1992 and
e business segments

(dollars in millions)

Revenues 1992	Revenues 1991	Operating Profits 1993	Operating Profits 1992	Operating Profits 1991	Operating Profit as a % of Revenues 1993	1992	1991
197.2	$ 196.0	$ 40.3	$ 41.4	$ 41.4	20.0	21.0	21.1
246.1	311.5	19.4	28.2	22.2	9.8	11.5	7.1
190.1	192.0	40.9	37.7	37.3	21.1	19.8	19.4
186.1	171.0	21.1	16.7	13.9	10.1	9.0	8.2
139.7	130.3	50.4	47.3	36.6	34.6	33.8	28.0
215.0	104.0	40.0	25.6	12.5	10.7	11.9	12.0
110.3	100.0	12.7	13.0	12.2	10.4	11.8	12.2
1,284.5	$1,204.8	$224.8	$209.9	$176.1			

e non-insurance business
n (12.3%) from the prior
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to the end of 1992 this
pany, Inc. ("H. H. Brown"),

a manufacturer and distributor of work, safety and casual footwear. In December 1992, the acquisition for cash of Lowell Shoe, Inc. ("Lowell") was completed. Lowell manufactures and markets women's casual, service and nurses' footwear. Lowell accounted for almost $90 million of the revenue increase between years.

A second, larger acquisition was completed on November 7, 1993, when Berkshire consummated a merger with the Dexter Shoe Companies ("Dexter"). Dexter is a manufacturer of men's and women's dress, casual and athletic footwear. In addition, Dexter operates seventy-seven retail outlet stores located primarily in the northeastern United States. Dexter's shoes are produced at five production facilities in Maine as well as two plants located in Puerto Rico. The merger was accounted for as a purchase and Dexter's results of operations have been included from the date of the merger, accounting for approximately $30 million of the increase in comparative revenues.

H. H. Brown accounted for the remainder of the increase in the shoe segment revenues. Revenues increased approximately 17% as compared to the prior year. Much of the increase can be attributed to the popularity of work shoes, as this business continues to benefit from reduced demand for athletic shoes. In 1994, it is expected that the combined revenues from the three businesses now comprising this segment will exceed $550 million.

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

NON-INSURANCE BUSINESS SEGMENTS (continued)

1993 compared to 1992 (continued)

Shoes (continued)

Operating profit as a percentage of sales declined between years. This decline resulted from non-recurring charges recorded by Lowell, primarily in connection with the implementation of more stringent inventory control procedures. Excluding these charges of approximately $3.8 million, operating profit as a percentage of revenues was relatively unchanged between years.

Encyclopedias, Other Reference Material

During 1993, revenues from the "encyclopedias, other reference material" segment declined $47.3 million (19.2%). The decline is primarily a result of the continuation of a reduction, which began in 1989, in World Book and Childcraft unit sales. Since 1989, unit sales of these products have declined almost 50%. Management cannot predict whether or not unit sales will rebound. Management is dealing with the causes that they believe have contributed to the decline. The entire printed encyclopedia industry has experienced substantial reductions in unit sales during this period. However, it has been widely reported that CD-ROM technology has contributed to the reduced demand for printed encyclopedias. Over the last few years the number of home computers equipped with CD-ROM hardware has increased dramatically and this increase is expected to continue. At the same time, several CD-ROM versions of encyclopedias have been introduced. A CD-ROM version of World Book was developed in 1989 and has since been marketed on a limited basis. It is expected that an enhanced version of this product will be marketed, beginning in April 1994, both in conjunction with printed World Book products as well as on a stand alone basis. What impact this new product will have on future business cannot be stated with any degree of certainty.

This segment's 1993 operating profits are net of a non-recurring charge of approximately $3.3 million related to a decision to vacate space currently under lease by the encyclopedia publishing group. This group will relocate to available space in a building currently utilized by the encyclopedia sales division. Excluding this charge, operating profits in 1993 declined 19.5%. Such decline is largely attributable to the aforementioned decline in unit sales of encyclopedias.

Other Non-Insurance Business Segments

Revenues from the home furnishings segment increased in 1993 by $23.0 million (12.4%) over the prior year. Increases were achieved in all major product categories. Revenues during the last eight months of 1993 also benefitted from the opening of a factory outlet store adjacent to the Nebraska Furniture Mart ("NFM") for manufacturers' closeouts and discontinued product lines. A 100,000 square foot appliance and electronics superstore, also to be located adjacent to the NFM, is planned for opening during the third quarter of 1994. The new store will add such products as music compact discs and an expanded computer software line to NFM's already large selection of electronics and appliances. It is expected that NFM's revenues will increase rather significantly beginning in the fourth quarter of 1994 as a result of this addition. However, it is also anticipated that this lower margin business will cause future overall operating profits as a percentage of sales to decline somewhat as NFM plans to dramatically increase its market share through aggressive pricing.

The newspaper segment's 1993 revenues of $145.5 million increased $5.8 million (4.1%) over the prior year. Both advertising and circulation revenues increased modestly between years. Operating profits increased $3.1 million (6.6%) when compared to the prior year. The favorable comparative results arose largely because in 1992 a special charge of $2.9 million was recorded relating to the buy out of employees with lifetime job guarantees. During 1993, the Buffalo News began to derive benefits from the buy outs which had taken place during each of the past two years. However, somewhat offsetting this favorable development were increased costs per employee for health care and other employee benefits. The Buffalo News results also continued to be favorably impacted by newsprint costs which for the past several years have declined or remained relatively unchanged.

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

1993 compared to 1992 (continued)

Other Non-Insurance Business Segments (continued)

Revenues from the home cleaning systems segment were $3.8 million (2.0%) above the prior year. Domestic unit sales of Kirby home cleaning systems increased 5% as compared to the prior year while foreign unit sales declined about 14%. Offsetting the effect on revenues of the decline in foreign unit sales was the fact that the Generation III model system, with its added features and higher price, accounted for all foreign sales in 1993 whereas during 1992 the model was not available in all foreign markets for the full year.

The candy segment experienced a slight decrease in volume during 1993 as pounds of candy sold decreased 1% from the prior year. A 3% price increase at the beginning of the year more than offset the effect of reduced volume on revenues. During 1993, See's intensified its marketing efforts in its mail order and quantity order programs. The expanded distribution of its competitive mail order catalog and other marketing efforts resulted in an improvement in mail orders and quantity order sales during 1993.

The uniform segment's revenue increased $12.2 million (11.1%) in 1993. The increased revenues are largely attributable to acquisitions during the second half of 1992 of ten additional retail locations and a manufacturer of specialty uniforms. Thus, results for 1993 reflect a full year for these businesses as compared to a partial year in 1992.

1992 compared to 1991

Revenues from the non-insurance business segments increased $79.7 million (6.6%) in 1992 as compared to 1991. The acquisition of H. H. Brown in July 1991, more than accounts for the increase as full year 1992 results are being compared to six month results for 1991. H. H. Brown's 1992 revenues of $215.0 million exceeded 1991 half year revenues by $111.0 million. Offsetting this increase was a reduction in World Book revenues of $65.4 million (21.0%). World Book's reduced revenues resulted in part from a significant decline in unit sales. (See preceding section regarding comparative 1993 vs 1992 results for a discussion regarding the decline in World Book unit sales.) Reduced revenues of the "encyclopedias, other reference material" segment also arose from the discontinuance during December 1991 of the syndication business. This business consisted of direct mail marketing of primarily non-educational products. Revenues from Berkshire's other five reportable segments were $823.4 million during 1992 compared to $789.3 million during 1991. None of the five segments had revenue increases in excess of 10.5% and only the home cleaning systems segment with a decline of 1% had lower revenues in 1992 as compared to 1991. Operating profits of $209.9 million during 1992 were $33.8 million (19.2%) greater than in 1991. The inclusion of H. H. Brown results for a full year in 1992 vs only six months of 1991 accounts for almost 40% of the change between years. Favorable comparative operating profit results were also achieved by all of the other reportable segments except for See's where comparative operating profits were roughly unchanged between years.

BUSINESS OTHER THAN IDENTIFIED SEGMENTS

	(dollars in millions)		
	1993	1992	1991
Revenues	$595.5	$567.7	$524.4
Operating profit	$ 54.8	$ 54.3	$ 49.3

*** D09 ***

Income taxes	20.8	21.8	19.3
Minority interest	1.2	1.8	2.4
	------	------	------
Contribution to net earnings	$ 32.8	$ 30.7	$ 27.6
	======	======	======

The above represent aggregate data for businesses that numbered 23 in 1993. Berkshire management believes that narrative discussion of the results of the constituent businesses would not yield significant benefit to investors or others, particularly in view of the relative consistency of the year-to-year aggregate data.

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

INTEREST EXPENSE

In January 1993, the redemption of Berkshire's Zero Coupon Convertible Subordinated Notes was completed. Including redemptions of other term debt which occurred during 1992, outstanding term debt has been reduced by about $650 million from the level which existed at December 31, 1991. Somewhat offsetting these reductions are increases in outstanding borrowings under investment agreements which have increased approximately $520 million during the same period. The resulting lower interest costs from reduced levels of borrowings along with the fact that interest expense for 1992 includes premiums paid to redeem term debt of $16.2 million and a charge of $6.3 million representing the writeoff of deferred financing costs related to the aforementioned Zero Coupon Convertible Subordinated Notes account for the decline in 1993 interest expense as compared to the prior year.

REALIZED INVESTMENT GAIN

During the fourth quarter of 1993, an insurance subsidiary of the Company sold one million common shares of its investment in Capital Cities/ABC, Inc. ("Capital Cities") in connection with that Company's offer to buy from its shareholders up to two million of its common shares. Prior to the sale and since 1986, Berkshire subsidiaries owned three million shares of Capital Cities or approximately 18% of that Company's outstanding stock. Berkshire's pre-tax gain from this transaction was $457.5 million.

Realized investment gain has been a recurring element in Berkshire's net earnings for many years. The amount -- recorded when appreciated securities are sold -- tends to fluctuate significantly from period to period, with a meaningful effect upon Berkshire's consolidated net earnings. But, the amount of realized investment gain for any given period has no predictive value, and variations in amount from period to period have no practical analytical value, particularly in view of the unrealized price appreciation now existing in Berkshire's consolidated investment portfolio.

LIQUIDITY AND CAPITAL RESOURCES

Berkshire's Consolidated Balance Sheet as of December 31, 1993, reflects continuing capital strength. In the past three years, Berkshire shareholders' equity has increased from approximately $5.3 billion at December 31, 1990 to approximately $10.4 billion at December 31, 1993. In that three-year period, realized and unrealized securities gains increased equity capital by approximately $3.6 billion, and reinvested earnings, other than realized securities gains, were about $1.0 billion.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Shareholders
Berkshire Hathaway Inc.

We have audited the accompanying consolidated balance sheets of Berkshire Hathaway Inc. and subsidiaries as of December 31, 1993 and 1992, and the related consolidated statements of earnings, and cash flows for each of the three years in the period ended December 31, 1993. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of Berkshire Hathaway Inc. and subsidiaries as of December 31, 1993 and 1992, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 1993 in conformity with generally accepted accounting principles.

As discussed in Note 1 to the consolidated financial statements, in 1993 the Company changed its method of accounting for income taxes and investments to conform with recent pronouncements of the Financial Accounting Standards Board.

DELOITTE & TOUCHE

Omaha, Nebraska
March 7, 1994

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

ASSETS	
Cash and cash equivalents	$ 1
Investments:	
Obligations with fixed maturities	2
Marketable equity securities	12
Receivables	
Inventories	
Properties and equipment	
Assets of commercial and consumer finance businesses	
Other assets	1

	$19
	===
LIABILITIES AND SHAREHOLDERS' EQUITY	
Losses and loss adjustment expenses	$ 3
Unearned premiums	
Accounts payable, accruals and other liabilities	
Income taxes	3
Borrowings under investment agreements and other debt	
Liabilities of commercial and consumer finance businesses	

	8

Minority shareholders' interests	

Shareholders' equity:	
Common stock of $5 par value. Authorized 1,500,000 shares; Issued 1,381,308 shares in 1993; 1,377,364 shares in 1992	
Capital in excess of par value	
Unrealized appreciation of marketable equity securities, net	5
Retained earnings	4

	10
Less common stock in treasury, at cost (203,558 shares in 1993; 228,761 shares in 1992)	

Total shareholders' equity	10

	$19
	===

See accompanying Notes to Consolidated Financial Statements

(Continued)

S
re amounts)

	DECEMBER 31, 1993	1992
. . . .	$ 1,838,103	$ 1,127,996
. . . .	2,108,602	2,033,681
. . . .	12,540,197	11,652,654
. . . .	525,285	608,352
. . . .	378,386	282,141
. . . .	259,736	224,510
. . . .	840,744	442,671
. . . .	1,029,416	759,993
	$19,520,469	$17,131,998
EQUITY		
. . . .	$ 3,128,809	$ 3,151,607
. . . .	315,750	231,813
. . . .	738,897	627,296
. . . .	3,030,189	2,517,186
t	972,389	1,154,697
esses	723,782	423,545
	8,909,816	8,106,144
. . . .	182,279	129,523
0 shares;		
es in 1992	6,907	6,887
. . . .	656,074	182,264
rities, net	5,412,652	5,047,219
. . . .	4,390,375	3,702,254
	10,466,008	8,938,624
. . . .	37,634	42,293
. . . .	10,428,374	8,896,331
	$19,520,469	$17,131,998

ancial Statements

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

	YEAR 1993
REVENUES:	
Sales and service revenues	$1,962,862
Insurance premiums earned	656,341
Interest and dividend income	479,806
Realized investment gain	546,422
Sundry income	8,052
	3,653,483
COST AND EXPENSES:	
Cost of products and services sold	1,180,642
Insurance losses and loss adjustment expenses	456,098
Insurance underwriting expenses	169,367
Selling, general and administrative expenses	576,909
Interest expense	80,749
	2,463,765
EARNINGS BEFORE INCOME TAXES, MINORITY INTEREST AND CUMULATIVE EFFECT OF ACCOUNTING CHANGE	1,189,718
Income taxes -	
Other than effect of change in income tax rate on deferred taxes applicable to unrealized appreciation	345,302
Effect of change in income tax rate on deferred taxes applicable to unrealized appreciation	75,348
Minority interest	9,963
EARNINGS BEFORE CUMULATIVE EFFECT OF ACCOUNTING CHANGE	759,105
Cumulative effect of change in accounting for income taxes	(70,984)
NET EARNINGS	$ 688,121
Average shares outstanding	1,156,243
EARNINGS PER SHARE:	
Before cumulative effect of accounting change	$656
Cumulative effect of change in accounting for income taxes	(61)
Net earnings	$595

See accompanying Notes to Consolidated Financial Statements

*** E03 ***

(Continued)

NINGS
re amounts)

	YEAR ENDED DECEMBER 31,		
	1993	1992	1991
. . . .	$1,962,862	$1,774,436	$1,651,134
. . . .	656,341	664,293	776,413
. . . .	479,806	495,409	481,793
. . . .	546,422	89,937	192,478
. . . .	8,052	5,265	4,178
	3,653,483	3,029,340	3,105,996
. . . .	1,180,642	1,049,721	939,011
. . . .	456,098	687,625	827,169
. . . .	169,367	85,628	68,837
. . . .	576,909	531,253	556,146
. . . .	80,749	124,496	121,847
	2,463,765	2,478,723	2,513,010
. . . . . .	1,189,718	550,617	592,986
. . . .	345,302	138,089	142,058
d			
. . . .	75,348	--	--
. . . .	9,963	5,243	11,020
GE	759,105	407,285	439,908
come			
. . . .	(70,984)	--	--
. . . .	$ 688,121	$ 407,285	$ 439,908
. . . .	1,156,243	1,146,492	1,146,441
. . . .	$656	$355	$384
me			
. . . .	(61)	--	--
. . . .	$595	$355	$384

ancial Statements

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA (Continued)

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

	YEAR
	1993
Cash flows from operating activities:	
Net income	$ 688,121
Adjustments to reconcile net income to cash flows from operating activities:	
Cumulative effect of accounting change	70,984
Effect of change in income tax rate on deferred taxes applicable to unrealized appreciation	75,348
Depreciation and amortization	50,180
Realized investment gain	(546,422)
Minority interests	9,963
Changes in assets and liabilities before effects from business acquisitions:	
Losses and loss adjustment expenses	(22,798)
Deferred charges re reinsurance assumed	16,171
Unearned premiums	83,937
Receivables	134,077
Accounts payable, accruals and other liabilities	34,996
Income taxes	107,931
Other	23,681
Net cash flows from operating activities	726,169
Cash flows from investing activities:	
Purchases of fixed maturity investments	(272,249)
Purchases of marketable equity securities	(858,879)
Proceeds from sales of fixed maturity investments	--
Proceeds from redemptions and maturities of fixed maturity investments	318,881
Proceeds from sales of marketable equity securities	1,188,510
Acquisition of businesses	--
Loans and investments originated in finance businesses	(866,843)
Principal collection on loans and investments originated in finance businesses	269,345
Other	19,578
Net cash flows from investing activities	(201,657)
Cash flows from financing activities:	
Proceeds from borrowings of finance businesses	591,853
Proceeds from other borrowings	1,264,972
Repayments of borrowings of finance businesses	(316,318)
Repayments of other borrowings	(1,399,901)
Other	(2,860)
Net cash flows from financing activities	137,746
Increase in cash and cash equivalents	662,258
Cash and cash equivalents at beginning of year	1,192,363
Cash and cash equivalents at end of year*	$1,854,621

* Cash and cash equivalents at end of year are comprised of the following:

Commercial and consumer finance businesses	$ 16,518	$

*** E06 ***

(Continued)

FLOWS

	YEAR ENDED DECEMBER 31,		
	1993	1992	1991
. . . .	$ 688,121	$ 407,285	$ 439,908
. . . .	70,984	--	--
d taxes			
. . . .	75,348	--	--
. . . .	50,180	41,074	37,175
. . . .	(546,422)	(89,937)	(192,478)
. . . .	9,963	5,243	11,020
ts from			
. . . .	(22,798)	102,789	798,784
. . . .	16,171	46,931	(178,328)
. . . .	83,937	75,274	26,109
. . . .	134,077	239,428	(177,043)
ities . . .	34,996	150,615	(6,067)
. . . .	107,931	29,004	(41,039)
. . . .	23,681	(10,521)	(8,868)
. . . .	726,169	997,185	709,173
. . . .	(272,249)	(258,617)	(377,332)
. . . .	(858,879)	(913,037)	(809,633)
. . . . . .	--	284,301	292,010
. . . .	318,881	371,514	399,120
es	1,188,510	100,270	522,701
. . . .	--	(119,948)	(161,043)
esses . . .	(866,843)	(160,261)	(163,803)
. . . .	269,345	127,913	124,760
. . . .	19,578	(5,294)	(11,266)
. . . .	(201,657)	(573,159)	(184,486)
. . . .	591,853	38,862	811
. . . .	1,264,972	961,565	455,972
. . . .	(316,318)	(84,792)	(2,625)
. . . .	(1,399,901)	(906,964)	(462,288)
. . . .	(2,860)	(2,334)	(1,581)
. . . .	137,746	6,337	(9,711)
. . . .	662,258	430,363	514,976
. . . .	1,192,363	762,000	247,024
. . . . . .	$1,854,621	$1,192,363	$ 762,000
ised of			
. . . .	$ 16,518	$ 64,367	$ 32,658

*** E07 ***

Other	1,838,103
	$1,854,621

See accompanying Notes to Consolidated Financial Statements

*** E08 ***

. . . . . .	1,838,103	1,127,996	729,342
	$1,854,621	$1,192,363	$ 762,000

ancial Statements

BERKSHIRE HATHAWAY INC.
AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 1993

(1) SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES

(a) Basis of consolidation

The accompanying Consolidated Financial Statements include the accounts of Berkshire Hathaway Inc. (the "Company" or "Berkshire") consolidated with accounts of all its subsidiaries. Intercompany accounts and transactions have been eliminated.

(b) Accounting changes and reclassifications

In the accompanying Consolidated Balance Sheet as of December 31, 1992, reclassifications have been made when required to conform to current year presentation. In particular, individual assets and individual liabilities of commercial and consumer finance businesses have been reclassified for presentation in aggregate totals. Other reclassifications relate to provisions of Statement of Financial Accounting Standards No. 113 "Accounting and Reporting for Reinsurance of Short-Duration and Long-Duration Contracts" which was adopted by the Company effective January 1, 1993.

Effective January 1, 1993, the Company adopted the provisions of Statement of Financial Accounting Standards No. 109 "Accounting for Income Taxes" ("SFAS 109"). The adoption of SFAS 109 changes the Company's method of accounting for income taxes from the "deferred method" to the "asset and liability method". Previously the Company deferred the past tax effects of timing differences between financial reporting and taxable income. Under the asset and liability method of SFAS 109, deferred tax assets and liabilities are recognized for future tax consequences attributable to differences between financial statement carrying amounts of existing assets and liabilities and their respective tax bases. The provisions of SFAS 109 require that the effect on deferred taxes of a change in tax rates be recognized in income in the period that includes the enactment date. See note 6.

In May 1993, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 115 "Accounting for Certain Investments in Debt and Equity Securities" ("SFAS 115"). As permitted under the statement, the Company has elected to adopt the statement's provisions as of December 31, 1993. Among its provisions, the statement requires a change in the accounting for marketable equity securities held by non-insurance entities. Prior to the adoption of SFAS 115, such securities were carried at the lower of aggregate cost or market. Under the provisions of SFAS 115, these securities are now carried at market and accounted for in the same manner as marketable equity securities held by the Company's insurance subsidiaries. See notes 1(d), 4 and 8.

(c) Cash equivalents

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

(d) Investments

Management determines the appropriate classifications of investments in obligations with fixed maturities and marketable equity securities at the time of purchase and reevaluates such designations as of each balance sheet date. At December 31, 1993, all investments in obligations with fixed maturities are classified as held-to-maturity. Obligations with fixed maturities are deemed to be held-to-maturity securities when the Company has the ability and positive intent to hold them to maturity. Held-to-maturity securities are carried at amortized cost. Marketable equity securities are classified as available-for-sale. Available-for-sale securities are stated at fair value, with unrealized gains and losses, net of tax, reported in a separate component of shareholders' equity. Realized gains and losses on sales of investments, as determined on a specific identification basis, are included in the Consolidated Statements of Earnings.

(e) Goodwill and negative goodwill of acquired businesses
The difference between purchase cost and the fair value of the net assets of acquired businesses is amortized on a straight line basis over forty years. The net unamortized balance is carried in other assets.

(f) Insurance premium acquisition costs
For financial reporting purposes, certain costs of acquiring insurance premiums are deferred, subject to ultimate recoverability, and charged to income as the premiums are earned. Generally, the ultimate recoverability of premium acquisition costs is determined without regard to investment income.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA (Continued)

BERKSHIRE HATHAWAY INC.
AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(1) SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES (Continued)

(g) Deferred charges re reinsurance assumed
The excess of estimated liabilities for claims and claim costs ultimately payable by the Insurance Group over consideration received with respect to retroactive property/casualty reinsurance contracts that provide for indemnification of insurance risk, other than structured settlements, is established as a deferred charge at inception of such contracts. The deferred charges are subsequently amortized using the interest method over the expected settlement periods of the claim liabilities. At December 31, 1993 and 1992, deferred charges re reinsurance assumed in the amounts of $466.0 million and $482.2 million respectively are included in other assets.

(h) Losses and loss adjustment expenses
Liability for losses and loss adjustment expenses represents the aggregate of such obligations of members of the Insurance Group with respect to: (i) prospective property/casualty insurance and reinsurance contracts, (ii) retroactive property/casualty reinsurance contracts that provide for indemnification of insurance risk, other than structured settlements, and (iii) reinsurance contracts providing for periodic payments with respect to settled claims ("structured settlements"). Except for structured settlement liabilities which are stated at discounted present values, the liability for losses and loss adjustment expenses is at the aggregate of estimated ultimate payment amounts.

Ultimate payment amounts with respect to prospective contracts are determined from (i) individual case estimates, (ii) estimates of incurred but not reported losses, based on past experience, and (iii) reports of losses from ceding insurers.

Ultimate payment amounts with respect to retroactive reinsurance contracts that provide for indemnification of insurance risk, other than structured settlements, are established for financial reporting purposes at maximum limits of indemnification under the contracts. This liability at December 31, 1993 was $1.181 billion and at December 31, 1992 was $1.232 billion. (See also 1(g) above for amounts related to deferred charges re reinsurance assumed.) For statutory reporting purposes, liabilities under these contracts are established, not at worst-case maximum loss limits, but at best estimates of claims and claim costs ultimately payable thereunder. These "best estimates" yielded respectively as of December 31, 1993 and December 31, 1992 liabilities of $919.8 million and $939.6 million. Underwriting losses reported with respect to these contracts in the accompanying financial statements were $41 million for 1993, $44 million for 1992 and $26 million for 1991, whereas for statutory reporting purposes the corresponding figures were a $10 million gain in 1993, and losses of $89 million and $184 million in 1992 and 1991, respectively.

Liabilities under structured settlement contracts are established when the contracts are entered into, at the then present value of the actuarially determined ultimate payment amount discounted at the prevailing market interest rate. Thereafter, annual accretions to the liabilities are charged to losses incurred. The aggregate of these liabilities for financial reporting purposes at December 31, 1993 was $259.8 million. For statutory reporting purposes, where the liabilities are determined using discount rates mandated by Insurance Regulatory authorities (5% for contracts incepting after 1986 and 7% with respect to contracts dated prior to 1987), the aggregate of structured settlement liabilities was $343.4 million.

(j) Insurance premiums

Insurance premiums for prospective insurance and non-property catastrophe reinsurance policies are recognized as revenues ratably over their terms with unearned premiums computed on a monthly or daily pro rata basis. Premiums for catastrophe excess of loss reinsurance contracts are deferred until the earlier of a loss occurrence or policy expiration. Consideration received for indemnification of risk under retroactive reinsurance contracts and structured settlements is accounted for as premiums earned at the inception of the contracts. Premiums earned are stated net of amounts ceded to reinsurers. See note 15.

(k) Reinsurance

Provisions for losses and loss adjustment expenses are reported in the accompanying Consolidated Statements of Earnings after deducting estimates of recoveries under reinsurance contracts. Such recoveries totalled $34 million, $90 million and $26 million for 1993, 1992 and 1991, respectively. Reinsurance contracts do not relieve the Insurance Group Members of their obligations to indemnify policyholders with respect to the underlying insurance and reinsurance contracts. Estimates of losses and loss expenses recoverable under reinsurance contracts are included in receivables.

BERKSHIRE HATHAWAY INC.
AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(2) DEXTER SHOE COMPANIES MERGER

On November 7, 1993, the Company consummated a merger with the privately held Dexter Shoe Companies ("Dexter") by reissuing 25,203 shares of its common stock held in treasury in exchange for 100% of the outstanding common stock of Dexter. Dexter manufactures and distributes men's and women's dress, casual and athletic shoes. The merger was accounted for by the purchase method of accounting and, accordingly, Dexter's operating results are included in the Company's consolidated results of operations from the effective date of the merger. Had the results of Dexter been included commencing with operations in 1992, the reported results would not have been materially affected.

(3) INVESTMENTS IN OBLIGATIONS WITH FIXED MATURITIES

The amortized cost and estimated market values as of December 31, 1993 and 1992, of investments in obligations with fixed maturities are as follows (in thousands):

December 31, 1993	Amortized Cost	Gross Unrealized Gains
Bonds:		
U.S. Treasury securities and obligations of U.S. government corporations and agencies . . .	$ 9,286	$ 131
Obligations of states, municipalities and political subdivisions	653,884	50,552
Redeemable preferred stocks	1,381,882	190,188
Mortgage-backed securities*	63,550	1,635
	$2,108,602	$ 242,506

December 31, 1992	Amortized Cost	Gross Unrealize Gains
Bonds:		
U.S. Treasury securities and obligations of U.S. government corporations and agencies . . .	$ 39,084	$ 88
Obligations of states, municipalities and political subdivisions	453,277	56,43
Corporate bonds	133,566	30,31
Redeemable preferred stocks	1,368,648	65,35
Mortgage-backed securities*	39,106	1,62
	$2,033,681	$ 154,61

* Excludes mortgage-backed securities held by commercial and consumer finance businesses. See note 5.

Shown below are the amortized cost and estimated market values of the above obligations at December 31, 1993, by contractual maturity dates. Actual maturities will differ from contractual maturities because issuers of certain of the obligations retain early call or prepayment rights. Amounts are in thousands.

(Continued)

d)

merger with the privately
5,203 shares of its common
utstanding common stock of
d women's dress, casual and
purchase method of
lts are included in the
e effective date of the
encing with operations in
ially affected.

ES
as of December 31, 1993
aturities are as follows

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Market Value
. . .	$ 9,286	$ 131	$ (4)	$ 9,413
. . .	653,884	50,552	(810)	703,626
. . .	1,381,882	190,188	(90,060)	1,482,010
. . .	63,550	1,635	(7)	65,178
	$2,108,602	$ 242,506	$ (90,881)	$2,260,227

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Market Value
. . .	$ 39,084	$ 887	$ (30)	$ 39,941
. . .	453,277	56,432	(350)	509,359
. . .	133,566	30,317	--	163,883
. . .	1,368,648	65,357	(89,701)	1,344,304
. . .	39,106	1,624	(34)	40,696
	$2,033,681	$ 154,617	$ (90,115)	$2,098,183

rcial and consumer

ed market values of the
al maturity dates. Actual
ecause issuers of certain
ights. Amounts are in

	Amortized	Estimated Market

*** A03 ***

Due in one year or less	$
Due after one year through five years	
Due after five years through ten years	
Due after ten years	
Mortgage-backed securities	
	$

Gross gains and gross losses realized on sales and redemptions of obligations with fixed maturities were as follows (in thousands):

	1993
Gross realized gains	$40,109
Gross realized losses	(174)

*** A04 ***

	Cost	Value
. . . .	$ 33,196	$ 33,789
. . . .	1,126,710	1,305,057
. . . .	878,094	848,527
. . . .	7,052	7,676
	2,045,052	2,195,049
. . . .	63,550	65,178
	$2,108,602	$2,260,227

and redemptions of
n thousands):

	1993	1992	1991
. . . .	$40,109	$80,076	$139,700
. . . .	(174)	(563)	--

BERKSHIRE HATHAWAY INC.
AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(4) INVESTMENTS IN MARKETABLE EQUITY SECURITIES

Aggregate data with respect to the consolidated investment in marketable equity securities are shown below (in thousands):

December 31, 1993

	Cost	Unrealized Gain
Common stock of:		
Capital Cities/ABC, Inc. (b)	$ 345,000	$ 894,00
The Coca-Cola Company	1,023,920	3,144,05
GEICO Corporation (c)	45,713	1,713,88
The Gillette Company	600,000	831,00
All other marketable equity securities . . .	2,303,125	1,639,50
	$4,317,758	$8,222,43

December 31, 1992

	Cost	Unrealized Gain
Common stock of:		
Capital Cities/ABC, Inc. (b)	$ 517,500	$1,005,75
The Coca-Cola Company	1,023,920	2,887,20
GEICO Corporation (c)	45,713	2,180,53
The Gillette Company	600,000	765,00
All other marketable equity securities . . .	1,893,162	1,040,41
	$4,080,295	$7,878,90

(a) As discussed in Note 1(b), the Company adopted SFAS 115 as of December 31, 1993. Therefore, all marketable equity securities are carried at market value as of December 31, 1993. The cumulative effect of adopting this statement as of December 31, 1993, was to increase the ending balance in shareholders' equity by $171,775 to reflect the unrealized appreciation of marketable equity securities held by the Company and by its non-insurance subsidiaries, net of related income taxes and minority interest. Prior year financial statements have not been restated.

(b) Common shares of Capital Cities/ABC, Inc. ("Capital Cities") owned by Berkshire subsidiaries possessed approximately 13% of the voting rights of all Capital Cities shares outstanding at December 31, 1993. The shares are held subject to an Agreement, the terms of which grant to Capital Cities a right of first refusal to purchase the shares and otherwise govern until January 3, 1997, the manner by which the shares may be sold or transferred. Also, Berkshire and its subsidiaries have delivered to Capital Cities irrevocable proxies with respect to these shares in favor of Thomas S. Murphy or Daniel B. Burke, so long as either shall be the chief executive officer of Capital Cities, to vote the shares at any and all meetings of shareholders of Capital Cities. The proxies expire on January 2, 1997, or at the earlier date when neither of such persons is chief executive officer of Capital Cities.

(c) Subsidiaries of Berkshire owned shares of common stock of GEICO

(Continued)

d)

d investment in marketable

	Cost	Unrealized Gain	Market	Carrying (a) Value
. . .	$ 345,000	$ 894,000	$ 1,239,000	$ 1,239,000
. . .	1,023,920	3,144,055	4,167,975	4,167,975
. . .	45,713	1,713,881	1,759,594	1,759,594
. . .	600,000	831,000	1,431,000	1,431,000
. . .	2,303,125	1,639,503(d)	3,942,628	3,942,628
	$4,317,758	$8,222,439	$12,540,197	$12,540,197

	Cost	Unrealized Gain	Market	Carrying Value
. . .	$ 517,500	$1,005,750	$ 1,523,250	$ 1,506,487
. . .	1,023,920	2,887,205	3,911,125	3,903,918
. . .	45,713	2,180,537	2,226,250	2,226,250
. . .	600,000	765,000	1,365,000	1,365,000
. . .	1,893,162	1,040,410(e)	2,933,572	2,650,999
	$4,080,295	$7,878,902	$11,959,197	$11,652,654

SFAS 115 as of December
urities are carried at
lative effect of adopting
increase the ending
reflect the unrealized
eld by the Company and by
income taxes and minority
not been restated.

pital Cities") owned by
13% of the voting rights
cember 31, 1993. The shares
which grant to Capital
e shares and otherwise
ich the shares may be sold
iaries have delivered to
t to these shares in favor
g as either shall be the
vote the shares at any and
. The proxies expire on
either of such persons is

on stock of GEICO

Corporation that possessed approximately 48% of the voting rights of all GEICO shares outstanding at December 31, 1993. Berkshire maintains an independent proxy arrangement for voting of the shares as required by Order of GEICO's domiciliary insurance supervisory authority. The Order, dating from Berkshire subsidiaries' major purchase of the shares in 1976, prohibits Berkshire from seeking or causing to change the independent proxy. Also, under the Order, no officer or director of Berkshire or of any affiliate or subsidiary of Berkshire is permitted to serve as a director of GEICO. Because the Order divests Berkshire of its voting rights with respect to the shares, Berkshire does not use the equity method of accounting for its investment in GEICO.

(d) Represents gross unrealized gains $1,732,295, less gross unrealized losses $92,792.

(e) Represents gross unrealized gains $1,101,039, less gross unrealized losses $60,629.

Gross realized gains and losses on sales of marketable equity securities were as follows (dollars in thousands):

	1993
Gross realized gains	$518,347 *
Gross realized losses	(11,860)

* During the fourth quarter of 1993, a subsidiary of the Company sold 1,000,000 common shares of its investment in Capital Cities in connection with that Company's offer to buy from its shareholders up to 2,000,000 of its common shares. Prior to the sale and since 1986, Berkshire subsidiaries owned 3,000,000 shares of Capital Cities or approximately 18% of that Company's outstanding stock. Berkshire's gross realized gain from this transaction was $457.5 million.

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Berkshire maintains an
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sory authority. The Order,
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rmitted to serve as a
erkshire of its voting
oes not use the equity
CO.

less gross unrealized

less gross unrealized

rketable equity securities

	1993	1992	1991
. . . .	$518,347 *	$ 10,595	$ 62,050
. . . .	(11,860)	(171)	(9,272)

f the Company sold
tal Cities in connection
lders up to 2,000,000 of
86, Berkshire subsidiaries
ximately 18% of that
alized gain from this

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA (Continued)

BERKSHIRE HATHAWAY INC.
AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(5) ASSETS AND LIABILITIES OF COMMERCIAL AND CONSUMER FINANCE BUSINESSES

Assets and liabilities of Berkshire's commercial and consumer finance businesses are summarized below (in thousands):

	Dec. 199
ASSETS	
Cash and cash equivalents	$ 16
Installment loans receivable	163
Real estate loans (a)	
Mortgages and mortgage-backed securities (b)	656
Other	4
	$840
LIABILITIES	
8.125% Notes, payable in 1996	$120
Borrowings under investment agreements (c)	551
Savings accounts (a)	
Other	51
	$723

(a) During 1993, a federal savings bank assumed Mutual Savings and Loan Association's savings account liabilities, offset substantially by real estate loans, cash and certain other assets of Mutual.

(b) At December 31, 1993, mortgage-backed securities of $534,352 were included in this caption. Such securities consist of obligations of U. S. government corporations and agencies and corporate obligations collateralized by mortgages and other financial instruments. Each of these securities has received the highest rating from at least two rating agencies. At December 31, 1993, these securities had an average reported maturity, taking into account estimates for early repayments, of less than two years. The purchases of these securities were financed from proceeds of short-term borrowings under investment agreements with corresponding maturities. Estimated market values and gross unrealized gains and losses as of December 31, 1993 and 1992, are as follows (in thousands):

	Amortized Cost	Gross Unrealized Gain	Gross Unrealized Loss
1993	$656,311	$1,375	$(1,660)
1992	68,933	1,197	(46)

(c) Borrowings under investment agreements are made pursuant to contracts with terms generally ranging from six months to twenty years calling for interest payable, normally semiannually, at fixed rates ranging from 2.5% to 6.0% per annum. Payments of amounts outstanding at December 31, 1993, are expected to be required no earlier than as follows (in thousands):

1994	$422,003
1995	62,994

(Continued)

d)

MER FINANCE BUSINESSES
al and consumer finance

	Dec. 31, 1993	Dec. 31, 1992
. . . .	$ 16,518	$ 64,367
. . . .	163,827	167,609
. . . .	--	101,887
. . . .	656,311	68,933
. . . .	4,088	39,875
	$840,744	$442,671
. . . .	$120,000	$120,000
. . . .	551,909	8,862
. . . .	--	250,612
. . . .	51,873	44,071
	$723,782	$423,545

Mutual Savings and Loan
offset substantially by
ssets of Mutual.

ities of $534,352 were
onsist of obligations of U.
corporate obligations
cial instruments. Each of
ating from at least two
e securities had an average
mates for early repayments,
ese securities were
ings under investment
stimated market values and
ember 31, 1993 and 1992,

Gross Unrealized Gain	Gross Unrealized Loss	Market
$1,375	$(1,660)	$656,026
1,197	(46)	70,084

made pursuant to contracts
s to twenty years calling
, at fixed rates ranging
ounts outstanding at
red no earlier than as

. . . .$422,003
. . . . 62,994

*** A11 ***

1996	26,210
1997	345
1998	484
After 1998	39,873

BERKSHIRE HATHAWAY INC.
AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(6) INCOME TAXES

The liability for income taxes as reflected in the accompanying Consolidated Balance Sheets represent estimates of liabilities as follows (in thousands):

	Dec. 31, 1993	
Payable currently	$ 289,686	$
Deferred	2,740,503	
	$3,030,189	

As discussed in Note 1(b), the Company adopted SFAS 109 as of January 1, 1993. The cumulative effect of adopting SFAS 109 on the Company's financial statements was to decrease 1993 net income by about $71 million. This amount is reflected in the 1993 Consolidated Statement of Earnings as the cumulative effect of change in accounting principle. It primarily represents the impact of adjusting deferred taxes related to unrealized appreciation of marketable equity securities which arose prior to 1987 to reflect the then current capital gain tax rate of 34% as opposed to the 28% rate which was in effect when the deferred taxes originated. The effect of the accounting change on 1993 earnings before income taxes and cumulative effect adjustment was not material. Prior year financial statements have not been restated.

During 1993, the federal corporate income and capital gain tax rate was increased from 34% to 35% retroactive to January 1, 1993. Accordingly, as required under SFAS 109, the Company recorded a charge to 1993 earnings of approximately $75 million. Most of this charge relates to the impact of adjusting deferred taxes applicable to unrealized appreciation of marketable equity securities.

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

	1993*
Federal	$320,419
State	20,857
Foreign	4,026
	$345,302
Current	$400,762
Deferred	(55,460)
	$345,302

* Excludes the cumulative effect of change in accounting for income taxes ($70,984) and the effect of the change in federal income tax rate on deferred taxes applicable to unrealized appreciation of marketable equity securities ($75,348).

The tax effects of temporary differences that give rise to significant portions of deferred tax assets and deferred tax liabilities at December 31, 1993 are shown below (in thousands):

*** B01 ***

(Continued)

d)

the accompanying
iabilities as follows (in

	Dec. 31, 1993	Dec. 31, 1992
. . . . . .	$ 289,686	$ 92,534
. . . . . .	2,740,503	2,424,652
	$3,030,189	$2,517,186

SFAS 109 as of January 1,
the Company's financial
$71 million. This amount is
ings as the cumulative
ly represents the impact of
ciation of marketable
ct the then current capital
h was in effect when the
ing change on 1993 earnings
was not material. Prior

capital gain tax rate was
1993. Accordingly, as
ge to 1993 earnings of
es to the impact of
preciation of marketable

t charges for income taxes

	1993*	1992	1991
. . . .	$320,419	$110,276	$120,121
. . . .	20,857	24,430	20,281
. . . .	4,026	3,383	1,656
	$345,302	$138,089	$142,058
. . . .	$400,762	$183,248	$152,563
. . . .	(55,460)	(45,159)	(10,505)
	$345,302	$138,089	$142,058

counting for income taxes
ral income tax rate on
iation of marketable equity

give rise to significant
bilities at December 31,

*** B02 ***

	1993
Deferred tax liabilities:	
Relating to unrealized appreciation of marketable equity securities	$2,848,681
Other	73,638
	2,922,319
Deferred tax assets	(181,816)
Net deferred tax liability	$2,740,503

For the years ended December 31, 1992 and 1991, deferred income tax benefit results from the timing differences in the recognition of income and expense for income tax and financial reporting purposes. The sources and effects of those timing differences are presented below (in thousands):

Applicable to:

Deferred insurance premium acquisition costs . . . .
Losses and loss adjustment expenses, net . . . .
Unearned premiums . . . .
Other, net . . . .

	1993
. . . .	$2,848,681
. . . .	73,638
	2,922,319
. . . .	(181,816)
. . . .	$2,740,503

, deferred income tax
ecognition of income and
ses. The sources and
low (in thousands):

	1992	1991
. . . .	$ 7,371	$ 3,392
. . . .	(61,522)	(4,940)
. . . .	(1,309)	(5,414)
. . . .	10,301	(3,543)
	$(45,159)	$(10,505)

BERKSHIRE HATHAWAY INC.
AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(6) INCOME TAXES (Continued)

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

	1993
Net earnings before income taxes	$1,189,718
Hypothetical amounts applicable to above computed at the federal statutory rate	$ 416,401
Decreases, resulting from:	
Tax-exempt interest income	(15,020)
Dividends received deduction	(68,333)
State income taxes, less federal income tax benefit	13,557
Net other differences	(1,303)
Total income taxes	$ 345,302*

* Excludes the cumulative effect of change in accounting for income taxes and the effect of the change in federal income tax rates on deferred taxes applicable to unrealized appreciation of marketable equity securities.

(7) BORROWINGS UNDER INVESTMENT AGREEMENTS AND OTHER DEBT

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

	De 1
Borrowings under investment agreements	$
Zero Coupon Convertible Subordinated Notes	
Other debt	
	$

Borrowings under investment agreements are made pursuant to contracts with terms generally ranging from three months to forty years and calling for interest payable, normally semiannually, at fixed rates ranging from 3.0% to 9.0% per annum. The borrowings are senior unsecured debt obligations of the Company.

The Zero Coupon Convertible Subordinated Notes, originally issued in 1989, were redeemed in 1993. Each note was convertible at any time prior to redemption into 0.4515 shares of common stock. Prior to the redemption, certain note holders exercised their right to convert their notes into shares of Berkshire common stock. The Company issued 2,162 shares to holders electing to convert during 1992 and an additional 3,944 shares to holders electing conversion subsequent to December 31, 1992. On January 4, 1993, holders not electing to convert received $404.75 million in redemption proceeds for all remaining outstanding notes.

No materially restrictive covenants are included in any of the various debt agreements.

Payments of amounts outstanding at December 31, 1993, are expected to be required no earlier than as follows (in thousands):

(Continued)

d)

othetical amounts computed
ow (in thousands):

	1993	1992	1991
. . . .	$1,189,718	$550,617	$592,986
. . . .	$ 416,401	$187,210	$201,615
. . . .	(15,020)	(14,727)	(18,637)
. . . .	(68,333)	(62,085)	(54,923)
nefit	13,557	16,128	13,385
. . . .	(1,303)	11,563	618
. . . .	$ 345,302*	$138,089	$142,058

counting for income taxes
tax rates on deferred
marketable equity

ER DEBT
aption are as follows (in

	Dec. 31, 1993	Dec. 31, 1992
. . . .	$ 915,079	$ 640,483
. . . .	--	451,945
. . . .	57,310	62,269
	$ 972,389	$1,154,697

e pursuant to contracts
rty years and calling for
tes ranging from 3.0% to
debt obligations of the

, originally issued in
le at any time prior to
to the redemption, certain
notes into shares of
res to holders electing to
o holders electing
ry 4, 1993, holders not
mption proceeds for all

ed in any of the various

, 1993, are expected to be

1994	$106,264
1995	25,602
1996	26,528
1997	31,882
1998	29,216
After 1998	752,897

BERKSHIRE HATHAWAY INC.
AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(8) SHAREHOLDERS' EQUITY ACCOUNTS

Changes in Shareholders' Equity accounts during the most recent three years were as follows (dollars in thousands except per share amounts):

	Common Stock of $5 Par Value	Capital in excess of par value
Balance December 31, 1990	$6,876	$157,377
Increase during 1991 in unrealized appreciation included in carrying value of marketable equity securities		
Change during 1991 in deemed applicable income taxes		
Increase in minority shareholders' interest in unrealized appreciation		
Net earnings 1991	------	--------
Balance December 31, 1991	6,876	157,377
Increase during 1992 in unrealized appreciation included in carrying value of marketable equity securities		
Change during 1992 in deemed applicable income taxes		
Increase in minority shareholders' interest in unrealized appreciation		
Common stock (2,162 shares) issued upon conversion of Zero Coupon Convertible Subordinated Notes. .	11	24,887
Net earnings 1992	------	--------
Balance December 31, 1992	6,887	182,264
Common stock (3,944 shares) issued upon conversion of Zero Coupon Convertible Subordinated Notes	20	45,457
Common stock (25,203 shares) issued in connection with acquisition of Dexter Shoe Companies . . .		428,353
Increase during 1993 in unrealized appreciation included in carrying value of marketable equity securities		
Change during 1993 in deemed applicable income taxes		
Increase in minority shareholders' interest in unrealized appreciation		
Net earnings 1993		
Cumulative effect of adoption on December 31, 1993, of SFAS 115 (See notes 1¢b! and 4)	------	--------
Balance December 31, 1993	$6,907	$656,074
	======	========

(9) INTEREST AND DIVIDEND INCOME

Interest and dividend income for each of the past three years were comprised of the following (in thousands):

	1993
Interest earned by:	
Commercial and consumer finance businesses	$ 55,958
Insurance businesses	78,394
Other	22,597

(Continued)

d)

g the most recent three
er share amounts):

	Common Stock of $5 Par Value	Capital in excess of par value	Net Unrealized Appreciation	Retained Earnings	Treasury Stock
. . .	$6,876	$157,377	$2,310,433	$2,855,061	$42,293
n					
uity					
. . .			2,526,248		
. . .			(858,969)		
. . .			(14,723)		
. . .				439,908	
. . .	6,876	157,377	3,962,989	3,294,969	42,293
n					
uity					
. . .			1,644,810		
. . .			(559,235)		
. . .			(1,345)		
sion					
es. .	11	24,887			
. . .				407,285	
. . .	6,887	182,264	5,047,219	3,702,254	42,293
sion					
es	20	45,457			
ion					
. . .		428,353			(4,659)
n					
uity					
. . .			316,002		
. . .			(119,843)		
. . .			(2,501)		
. . .				688,121	
. . .			171,775		
. . .	$6,907	$656,074	$5,412,652	$4,390,375	$37,634

ast three years were

	1993	1992	1991
. . . .	$ 55,958	$ 62,042	$ 62,839
. . . .	78,394	74,053	98,740
. . . .	22,597	56,898	59,713

*** B09 ***

Dividends earned by:	
Insurance businesses	306,725
Other	16,132

Interest and dividend income	$479,806
	========

. . . . . .	306,725	287,464	244,702
. . . . . .	16,132	14,952	15,799
	--------	--------	--------
. . . . . .	$479,806	$495,409	$481,793
	========	========	========

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA (Continued)

BERKSHIRE HATHAWAY INC.
AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(10) INTEREST EXPENSE

Interest expense for 1992 and 1991 includes premiums paid and related costs to permit redemption prior to maturity date of certain term debt. Premiums paid and related costs for such redemptions were $22.5 million for 1992 and $5.7 million for 1991. Interest expense is comprised of interest on debt, including the aforementioned early redemption premiums and related costs, plus interest on savings accounts of Mutual Savings and Loan Association ("Mutual") as follows (in thousands):

	1993
Debt of commercial and consumer finance businesses . . .	$ 18,412
Other debt and borrowings	56,545
Savings accounts of Mutual*	5,792
	$ 80,749

* See note 5(a).

(11) DIVIDEND RESTRICTIONS - INSURANCE SUBSIDIARIES

Payments of dividends by Insurance Group members are restricted by insurance statutes and regulations. Without prior regulatory approval in 1994, Berkshire can receive up to approximately $223 million as dividends from insurance subsidiaries.

Combined shareholders' equity of insurance subsidiaries determined pursuant to statutory accounting rules (Statutory Surplus as Regards Policyholders) was approximately $11.5 billion at December 31, 1993. This amount exceeded by approximately $2.1 billion the corresponding amount determined on the basis of generally accepted accounting principles; the difference principally represents deferred income tax assets and liabilities recognized for financial reporting purposes but not for statutory reporting purposes.

(12) FAIR VALUES OF FINANCIAL INSTRUMENTS

Statement of Financial Accounting Standards No. 107, "Disclosures about Fair Value of Financial Instruments" ("SFAS 107"), requires certain fair value disclosures. Fair value disclosures are required for most investment securities as well as other contractual assets and liabilities. Certain financial instruments, including insurance contracts, were excluded from SFAS 107 disclosure requirements due to perceived difficulties in measuring fair value. Accordingly, an estimation of fair value was not made with respect to the Company's liabilities for unpaid losses and loss expenses.

In determining fair value, the Company used quoted market prices when available. For instruments where quoted market prices were not available, the Company used independent pricing services or appraisals by the Company's management. Those services and appraisals reflected the estimated present values utilizing current risk adjusted market rates of similar instruments.

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

The carrying values of cash and cash equivalents, receivables and

(Continued)

d)

emiums paid and related
certain term debt.
were $22.5 million for
comprised of interest on
premiums and related costs,
and Loan Association

	1993	1992	1991
sses . . .	$ 18,412	$ 13,867	$ 14,286
. . . . . .	56,545	98,643	89,250
. . . . . .	5,792	11,986	18,311
	$ 80,749	$124,496	$121,847

rs are restricted by
gulatory approval in 1994,
on as dividends from

sidiaries determined
rplus as Regards
cember 31, 1993. This
rresponding amount
ting principles; the
x assets and liabilities
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Certain financial
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of similar instruments.

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ngly, the estimates
he amounts the Company
of different market
a material effect on the

ts, receivables and

accounts payable, accruals and other liabilities are deemed to be reasonable estimates of their fair values. The estimated fair values of the Company's other financial instruments as of December 31, 1993 and 1992, are as follows (in thousands):

	Carrying Value		
	1993	1992	
Investments in obligations with fixed maturities	$ 2,108,602	$ 2,033,681	$
Investments in marketable equity securities	12,540,197	11,652,654	1
Assets of commercial and consumer finance businesses	840,744	442,671	
Borrowings under investment agreements and other debt	972,389	1,154,697	
Liabilities of commercial and consumer finance businesses	723,782	423,545	

deemed to be reasonable
alues of the Company's
and 1992, are as follows

Carrying Value		Estimated Fair Value	
993	1992	1993	1992
,108,602	$ 2,033,681	$ 2,260,227	$ 2,098,133
,540,197	11,652,654	12,540,197	11,959,197
840,744	442,671	859,199	463,998
972,389	1,154,697	1,048,623	1,180,518
723,782	423,545	730,426	423,637

BERKSHIRE HATHAWAY INC.
AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(13) SUPPLEMENTAL CASH FLOW INFORMATION

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

	1993
Non-cash investing and financing activities:	
Liabilities assumed in connection with acquisition of businesses	$ 26,093
Common shares issued upon conversions of Zero Coupon Convertible Subordinated Notes	45,477
Common shares issued in connection with acquisition of Dexter Shoe Companies	433,012
Cash paid during the year for:	
Income taxes	235,015
Interest	70,629

(14) QUARTERLY DATA

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

1993	1st Quarter	2nd Quarter
Revenues	$725,827	$703,698
Earnings:		
Excluding realized investment gain and cumulative effect of accounting change	$ 84,105	$103,836
Realized investment gain	16,630	8,127
Cumulative effect of change in accounting for income taxes	(70,984)	--
Net earnings	$ 29,751	$111,963
Earnings per share:		
Before realized investment gain and cumulative effect of accounting change	$72.97	$90.09
Realized investment gain	14.43	7.05
Cumulative effect of change in accounting for income taxes	(61.59)	--
Net earnings	$25.81	$97.14

* Includes a non-recurring charge of $75,348 ($65.38/share) representing the effect of the change in federal income tax rates on deferred taxes applicable to unrealized appreciation. See note 6.

** Includes $297,375 ($254.75/share), net of taxes, related to sale of 1,000,000 shares of Capital Cities/ABC, Inc. common stock. See note 4.

1992	1st Quarter	2nd Quarter
Revenues	$640,778	$655,876
Earnings:		
Excluding realized investment gain	$ 66,682	$ 98,619

(Continued)

d)

n is presented in the

	1993	1992	1991
n of businesses	$ 26,093	$ 45,735	$ 11,390
pon	45,477	24,898	--
on of	433,012	--	--
. . . .	235,015	121,027	183,097
. . . .	70,629	95,730	93,951

for each of the last two
rmation is unaudited.

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
. . .	$725,827	$703,698	$744,127	$1,479,831
. . .	$ 84,105	$103,836	$ 12,389*	$ 202,073
. . .	16,630	8,127	10,405	321,540**
. . .	(70,984)	--	--	--
. . .	$ 29,751	$111,963	$ 22,794	$ 523,613
. . .	$72.97	$90.09	$10.75	$173.10
. . .	14.43	7.05	9.03	275.45
. . .	(61.59)	--	--	--
. . .	$25.81	$97.14	$19.78	$448.55

65.38/share) representing
x rates on deferred taxes
te 6.
es, related to sale of
common stock. See note 4.

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
. . .	$640,778	$655,876	$827,734	$904,952
. . .	$ 66,682	$ 98,619	$ 26,247	$156,178

	*** C05 ***	
Realized investment gain	747	(575)
Net earnings	$ 67,429	$ 98,044
Earnings per share:		
Before realized investment gain	$58.17	$86.02
Realized investment gain	0.65	(0.50)
Net earnings	$58.82	$85.52

See's Candies' sales peak at Easter and more notably so in the fourth quarter when more than one-half of annual revenues for that business are normally recorded. A non-seasonal factor that may influence Berkshire's interim consolidated financial statements is that estimation error, inherent to the process of determining liabilities for unpaid losses of insurance subsidiaries, can be relatively more significant to results of interim periods than to results for a full year. Variations in amount and timing of realized securities gains or losses cause significant variations in periodic net earnings.

*** C06 ***

. . .	747	(575)	12,086	47,301
. . .	$ 67,429	$ 98,044	$ 38,333	$203,479
. . .	$58.17	$86.02	$22.90	$136.20
. . .	0.65	(0.50)	10.54	41.25
. . .	$58.82	$85.52	$33.44	$177.45

tably so in the fourth
or that business are
fluence Berkshire's interim
error, inherent to the
of insurance subsidiaries,
erim periods than to
ming of realized securities
odic net earnings.

BERKSHIRE HATHAWAY INC.
AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(15) BUSINESS SEGMENT DATA

Berkshire identified eight business segments for purposes of 1993 reporting pursuant to Statement of Financial Accounting Standards No. 14. These include the property and casualty insurance and reinsurance business (The Insurance Segment) plus seven separately conducted non- insurance businesses as follows:

Business identity and headquarters	Product	Activity
See's Candies South San Francisco, CA	Candy	Manufacture and distri and by catalog solic
World Book Chicago, IL	Encyclopedias and other reference materials	Publication and market principally by the d
Kirby, Douglas and Cleveland Wood Divisions of The Scott Fetzer Company Cleveland, OH	Home cleaning systems	Manufacture and sale p
Nebraska Furniture Mart Omaha, NE	Home furnishings	Retailing
Buffalo News Buffalo, NY	Newspaper	Publication of a daily
H. H. Brown Shoe Co., Lowell Shoe, Inc. and Dexter Shoe Companies Greenwich, CT, Hudson, NH and Dexter, ME	Shoes	Manufacture, importing and retail
Fechheimer Bros. Co. Cincinnati, OH	Uniforms	Manufacture and distri

The business segments identified above were responsible in 1993 for 83% of Berkshire's consolidated revenues. Other businesses activities that contributed for 1993, in the aggregate, 16% of Berkshire's consolidated revenues, were as follows:

Business identity	Product/Service/Activity
Adalet	Conduit fittings, explosion proof junction boxes, coup
BHR	Real estate management
Berkshire Hathaway Credit Corporation	Commercial financing
Blue Chip Stamps	Marketing motivational services
Borsheim's	Retailing fine jewelry
Campbell Hausfeld	Air compressors, air tools and painting systems
Carefree	Sun and shade control products and accessories for RVs
France	Appliance controls, ignition and sign transformers
Halex	Zinc die cast electrical fittings
K&W Products	Automotive compounds
Meriam	Pressure and flow measurement devices
Northland	Fractional horsepower motors
Powerwinch	Boat winches, windlasses

(Continued)

d)

or purposes of 1993
ing Standards No. 14.
d reinsurance business (The
on- insurance businesses as

	Activity
	Manufacture and distribution at retail and by catalog solicitation
materials	Publication and marketing, principally by the direct sales method
tems	Manufacture and sale principally to distributors
	Retailing
	Publication of a daily and Sunday newspaper
	Manufacture, importing and distribution at wholesale and retail
	Manufacture and distribution at wholesale and retail

sponsible in 1993 for 83%
es activities that
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tools and painting systems
l products and accessories for RVs
ignition and sign transformers
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*** C09 ***

Precision	Steel service center
Quikut	Cutlery
ScottCare	Cardiopulmonary rehabilitation and monitoring equipmen
Scott Fetzer Financial Group	Commercial and consumer finance companies
Scot Labs	Cleaning and maintenance chemicals
Stahl	Custom steel service bodies and tool boxes for trucks
Wayne	Furnace burners; sump, utility and sewage pumps
Wesco Financial	Real estate management
Western Enterprises	Compressed gas fittings and regulators
Western Plastics	Molded plastic components

bilitation and monitoring equipment
mer finance companies
ance chemicals
bodies and tool boxes for trucks
p, utility and sewage pumps
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ngs and regulators
nents

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA (Continued)

BERKSHIRE HATHAWAY INC.
AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(15) BUSINESS SEGMENT DATA (Continued)

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

	REVENUES			OPERAT
	1993	1992	1991	1993
Identified Segments:				
Insurance	$1,597,328	$1,078,419	$1,230,608	$ 961,
Non-insurance businesses	1,443,079	1,284,523	1,204,755	224,
	3,040,407	2,362,942	2,435,363	1,186
Other than identified segments . . .	613,076	666,398	670,633	59
Interest expense *				(56
Aggregate consolidated total	$3,653,483	$3,029,340	$3,105,996	$1,189

* Amounts of interest expense represent those for borrowings under investment agreements and other debt exclusive of that of commercial and consumer finance businesses. See note 10.

INSURANCE SEGMENT	REVENUES			OPERATI
	1993	1992	1991	1993
Premiums earned: *				
Primary or direct	$ 249,585	$ 179,441	$ 175,882	
Reinsurance assumed	448,040	530,525	637,512	
Reinsurance ceded	(41,284)	(45,673)	(36,981)	
	656,341	664,293	776,413	
Underwriting				$ 29,96
Investment income	385,119	361,517	343,442	375,94
Realized investment gain	555,868	52,609	110,753	555,86
	$1,597,328	$1,078,419	$1,230,608	$961,77

* Premiums written were as follows:

	1993	1992	1991
Primary or direct	$247,173	$153,177	$169,120
Reinsurance assumed	534,383	626,159	669,148
Reinsurance ceded	(38,854)	(39,769)	(35,746)
	$742,702	$739,567	$802,522

NON-INSURANCE BUSINESS SEGMENTS	REVENUES		
	1993	1992	1991
Candy	$ 201,243	$ 197,186	$ 195,978
Encyclopedias, other reference material	198,807	246,107	311,509
Home cleaning systems	193,891	190,072	192,001

(Continued)

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ata for each of the three
ollow on this and the

REVENUES		OPERATING PROFIT BEFORE TAXES		
1992	1991	1993	1992	1991
$1,078,419	$1,230,608	$ 961,774	$298,715	$323,006
1,284,523	1,204,755	224,795	209,871	176,134
2,362,942	2,435,363	1,186,569	508,586	499,140
666,398	670,633	59,694	140,674	183,096
		(56,545)	(98,643)	(89,250)
$3,029,340	$3,105,996	$1,189,718	$550,617	$592,986

r borrowings under
of that of commercial and

REVENUES		OPERATING PROFIT BEFORE TAXES		
1992	1991	1993	1992	1991
$ 179,441	$ 175,882			
530,525	637,512			
(45,673)	(36,981)			
664,293	776,413			
		$ 29,960	$(108,961)	$(119,593)
361,517	343,442	375,946	355,067	331,846
52,609	110,753	555,868	52,609	110,753
$1,078,419	$1,230,608	$961,774	$298,715	$323,006

1992	1991
$153,177	$169,120
626,159	669,148
(39,769)	(35,746)
$739,567	$802,522

REVENUES			OPERATING PROFIT BEFORE TAXES		
93	1992	1991	1993	1992	1991
,243	$ 197,186	$ 195,978	$ 40,270	$ 41,382	$ 41,416
,807	246,107	311,509	19,375	28,228	22,232
,891	190,072	192,001	40,944	37,744	37,332

*** D01 ***

Home furnishings	209,134	186,096	171,002
Newspaper	145,470	139,764	130,259
Shoes	372,064	215,006	104,045
Uniforms	122,470	110,292	99,961
	----------	----------	----------
	$1,443,079	$1,284,523	$1,204,755
	=========	=========	=========

*** D02 ***

,134	186,096	171,002	21,094	16,665	13,939
,470	139,764	130,259	50,390	47,291	36,527
,064	215,006	104,045	40,003	25,586	12,464
,470	110,292	99,961	12,719	12,975	12,224
,079	$1,284,523	$1,204,755	$224,795	$209,871	$176,134

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA (Continued)

BERKSHIRE HATHAWAY INC.
AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(15) BUSINESS SEGMENT DATA (Continued)

OTHER THAN IDENTIFIED SEGMENTS	REVENUES			OPERATI
	1993	1992	1991	199
Other businesses	$595,513	$567,719	$524,395	$ 54,
Not identified with specific businesses:				
Interest and dividend income	26,608	61,011	63,686	26,
Realized investment gain (loss) . . .	(9,444)	37,328	81,725	(9,
All other except interest expense . .	399	340	827	(12,
	$613,076	$666,398	$670,633	$ 59,

	CAPITAL EXPENDITURES *			
	1993	1992	1991	19
Insurance	$ 1,207	$ 1,071	$ 1,437	$
Candy	6,531	4,167	4,687	4
Encyclopedias, other reference material	736	184	3,107	1
Home cleaning systems	1,470	769	1,104	5
Home furnishings	5,254	8,528	2,552	2
Newspaper	3,602	3,370	817	1
Shoes	4,407	2,171	1,050	5
Uniforms	1,041	2,660	1,482	1
Other	12,962	8,881	13,648	17
	$37,210	$31,801	$29,884	$40

* Expenditures which were part of business acquisitions are excluded.

	IDENTIFIABLE ASS AT YEAR-END	
	1993	1992
Insurance	$16,163,378	$14,788,23
Candy	70,201	65,88
Encyclopedias, other reference material	74,676	83,77
Home cleaning systems	48,703	50,69
Home furnishings	101,147	88,33
Newspaper	45,402	43,75
Shoes	641,548	208,21
Uniforms	87,546	85,39
Other	2,287,868	1,717,71
	$19,520,469	$17,131,99

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

(Continued)

d)

	REVENUES 1992	1991	OPERATING PROFIT BEFORE TAXES 1993	1992	1991
3	$567,719	$524,395	$ 54,808	$ 54,321	$ 49,355
8	61,011	63,686	26,608	61,011	63,686
4)	37,328	81,725	(9,444)	37,328	81,725
9	340	827	(12,278)	(11,986)	(11,670)
6	$666,398	$670,633	$ 59,694	$140,674	$183,096

	PITAL EXPENDITURES * 1992	1991	DEPREC. & AMORT. OF TANGIBLE ASSETS 1993	1992	1991
07	$ 1,071	$ 1,437	$ 812	$ 840	$ 992
31	4,167	4,687	4,116	4,061	3,882
36	184	3,107	1,449	1,379	1,449
70	769	1,104	5,259	4,942	5,092
54	8,528	2,552	2,663	2,210	1,613
02	3,370	817	1,855	2,373	2,949
07	2,171	1,050	5,201	3,027	1,580
41	2,660	1,482	1,836	1,833	1,411
62	8,881	13,648	17,321	14,692	14,094
10	$31,801	$29,884	$40,512	$35,357	$33,062

sitions are excluded.

IDENTIFIABLE ASSETS

AT YEAR-END

	1993	1992	1991
. . . .	$16,163,378	$14,788,237	$12,406,654
. . . .	70,201	65,880	68,300
. . . .	74,676	83,778	94,927
. . . .	48,703	50,692	51,929
. . . .	101,147	88,331	76,396
. . . .	45,402	43,751	44,061
. . . .	641,548	208,218	157,902
. . . .	87,546	85,392	74,190
. . . .	2,287,868	1,717,719	1,487,543
	$19,520,469	$17,131,998	$14,461,902

TS ON ACCOUNTING AND

*** D05 ***

None

Part III

Except for the information set forth under the caption "Executive Officers of the Registrant" in Part I hereof, information required by this Part (Items 10, 11, 12, and 13) is incorporated by reference from the Registrant's definitive proxy statement, filed pursuant to Regulation 14A, for the Annual Meeting of Shareholders of the Registrant to be held on April 25, 1994, which meeting will involve the election of directors.

Part IV

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

(a) 1. Financial Statements

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

	PAGE
Independent Auditors' Report	18
Consolidated Balance Sheets at December 31, 1993 and 1992	19
Consolidated Statements of Earnings for the years ended 1993, 1992 and 1991	20
Consolidated Statements of Cash Flows for the years ended 1993, 1992 and 1991	21
Notes to Consolidated Financial Statements	22

(a) 2. Financial Statement Schedules

	PAGE
Independent Auditors' Report on Schedules	37
Schedule I -- Summary of Investments - Other than Affiliates, at December 31, 1993	38
Schedule III -- Parent Company Condensed Balance Sheets as of December 31, 1993 and 1992 and Condensed Statements of Earnings and Cash Flows for the years ended 1993, 1992, and 1991.	39
Schedule X -- Supplementary Income Statement Information, for the years ended 1993, 1992, and 1991	41

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" at page 42.

(b) Reports on Form 8-K

None

SIGNATURES

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

BERKSHIRE HATHAWAY INC.

Date: March 30, 1994

/s/ Marc D. Hamburg

Marc D. Hamburg
Vice President and Treasurer

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

/s/ Warren E. Buffett -------------------------- Warren E. Buffett	Chairman of the Board of Directors - Chief Executive Officer	March 30, 1994 -------------- Date
/s/ Charles T. Munger -------------------------- Charles T. Munger	Vice Chairman of the Board of Directors	March 30, 1994 -------------- Date
/s/ Malcolm G. Chace, III -------------------------- Malcolm G. Chace, III	Director	March 30, 1994 -------------- Date
/s/ Walter Scott, Jr. -------------------------- Walter Scott, Jr.	Director	March 30, 1994 -------------- Date
/s/ Marc D. Hamburg -------------------------- Marc D. Hamburg	Vice President - Principal Financial Officer	March 30, 1994 -------------- Date
/s/ Daniel J. Jaksich -------------------------- Daniel J. Jaksich	Controller	March 30, 1994 -------------- Date

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 as of December 31, 1993 and 1992, and for each of the three years in the period ended December 31, 1993, and have issued our report thereon dated March 7, 1994, which report includes an explanatory paragraph regarding changes in accounting methods for income taxes and investments; such report is included elsewhere in this Form 10-K. Our audits also included the consolidated financial statement schedules of Berkshire Hathaway Inc. and subsidiaries, listed in Item 14. These financial statement schedules are the responsibility of the Company's management. Our responsibility is to express an opinion based on our audits. In our opinion, such consolidated financial statement schedules, when considered in relation to the basic consolidated financial statements taken as a whole, present fairly in all material respects the information set forth therein.

DELOITTE & TOUCHE

Omaha, Nebraska
March 7, 1994

Berkshire Hathaway Inc. and Subsidiaries
Summary of Investments
December 31, 1993

Schedule I

000's Omit

	Number of shares or par value of bonds	Cost or Adjusted Cost	
Obligations with Fixed Maturities:			
Bonds:			
U.S. Government and U.S. Government agencies	9,180	$ 9,286	$
States, municipalities and political subdivisions	654,366	653,884	
Mortgage backed securities various issuers ****	63,900	63,550	
Redeemable preferred stocks -			
Salomon Inc*	700	700,000	
Various issuers	***	681,882	
Total Obligations with Fixed Maturities		$2,108,602	$
Marketable Equity Securities:			
Common Stocks:			
Banks and insurance companies:			
GEICO Corporation*	34,250	$ 45,713	$
Wells Fargo & Company*	6,791	423,680	
Others	***	171,631	
Industrial and miscellaneous:			
Capital Cities/ABC, Inc.*	2,000	345,000	
The Coca-Cola Company*	93,400	1,023,920	
Federal Home Loan Mortgage Assn.*	13,655	307,505	
General Dynamics Corporation*	4,350	94,938	
The Gillette Company*	24,000	600,000	
The Washington Post Company*	1,728	9,731	
Others	***	953,647	
Nonredeemable preferred stocks -			
Various issuers	***	341,993	
Total Marketable Equity Securities		$4,317,758	$1

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

** There is no regular trading market for this security. The market value is based upon fair value as determined by the valuation committee of Registrant's Board of Directors.

*** Not meaningful

**** Excludes mortgage backed securities of various issuers held by commercial and consumer finance businesses. At December 31, 1993, the aggregate cost and carrying value of such securities was $534,352 and the aggregate market value was $533,010.

idiaries

	Number of shares or par value of bonds	000's Omitted Cost or Adjusted Cost	Market Value	Balance Sheet Carrying Value
.	9,180	$ 9,286	$ 9,413	$ 9,286
.	654,366	653,884	703,626	653,884
.	63,900	63,550	65,178	63,550
.	700	700,000	875,000**	700,000
.	***	681,882	607,010	681,882
.		$2,108,602	$2,260,227	$2,108,602
.	34,250	$ 45,713	$ 1,759,594	$ 1,759,594
.	6,791	423,680	878,614	878,614
.	***	171,631	222,078	222,078
.	2,000	345,000	1,239,000	1,239,000
.	93,400	1,023,920	4,167,975	4,167,975
.	13,655	307,505	681,023	681,023
.	4,350	94,938	401,287	401,287
.	24,000	600,000	1,431,000	1,431,000
.	1,728	9,731	440,148	440,148
.	***	953,647	864,779	864,779
.	***	341,993	454,699	454,699
.		$4,317,758	$12,540,197	$12,540,197

dance with note 2(ii)(1) to

security. The market
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ous issuers held by
At December 31, 1993, the
ecurities was $534,352 and

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

Schedule III

This Schedule includes the accounts of the Buffalo News Division, an autonomous division of Registrant. Its business is the publishing of a daily and Sunday newspaper in Buffalo, New York.

BALANCE SHEETS

Assets:	
Cash and cash equivalents	$
Investments in consolidated subsidiaries	11
Investments - other than consolidated subsidiaries	
Other assets (includes identifiable assets of the Buffalo News Division of $45,402 and $43,751 at December 31, 1993 and 1992 respectively)	
	$11
Liabilities and Shareholders' Equity:	
Accounts payable and accrued expenses	$
Borrowings under investment agreements and other debt	
Income taxes	
	1
Shareholders' equity	10
	$11

STATEMENTS OF EARNINGS

	1993
Income items:	
From consolidated subsidiaries:	
Interest	$ 735
Dividends	169,664
Undistributed earnings	528,535
	698,934
Interest and dividends - other investments	14,832
Realized investment gain (loss)	(9,446)
Revenues of Buffalo News Division	145,470
Other income	399
	850,189
Cost and expense items:	
Costs and expenses of Buffalo News Division	95,080
General and administrative	5,566
Interest and finance charges	50,611
Income tax expense	10,811
	162,068
Net earnings	$688,121

ion

News Division, an
the publishing of a daily

	December 31, 1993	1992
. . . .	$ 359,938	$ 595,255
. . . .	11,074,971	9,310,343
es	144,102	127,087
e		
at		
. . . .	52,735	54,938
	$11,631,746	$10,087,623
. . . .	$ 28,905	$ 26,286
debt	925,079	1,103,205
. . . .	249,388	61,801
	1,203,372	1,191,292
. . . .	10,428,374	8,896,331
	$11,631,746	$10,087,623

	1993	1992	1991
. . . .	$ 735	$ 499	$ 163
. . . .	169,664	313,398	168,109
. . . .	528,535	79,926	231,300
	698,934	393,823	399,572
. . . .	14,832	48,907	50,877
. . . .	(9,446)	37,328	67,816
. . . .	145,470	139,764	130,259
. . . .	399	254	544
	850,189	620,076	649,068
. . . .	95,080	92,473	93,732
. . . .	5,566	5,784	6,783
. . . .	50,611	90,613	81,310
. . . .	10,811	23,921	27,335
	162,068	212,791	209,160
. . . .	$688,121	$407,285	$439,908

*** E03 ***

See Note to Condensed Financial Information on following page.

*** E04 ***

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

Schedule III (continued)

See headnote on preceding page.

STATEMENTS OF CASH FLOWS

	1993	
Cash flows from operating activities:		
Net income	$688,121	$
Adjustments to reconcile net income to cash flows from operating activities:		
Undistributed current earnings of subsidiaries	(528,535)	
Realized investment (gain) loss	9,446	
Increase (decrease) in income taxes payable	187,587	
Other	(1,216)	
Net cash flows from operating activities	355,403	
Cash flows from investing activities:		
Investments in and advances to consolidated subsidiaries	(298,575)	(
Purchases of investments	(162,789)	
Proceeds on sales of investments	2,757	
Net cash flows from investing activities	(458,607)	
Cash flows from financing activities:		
Proceeds from borrowings	1,259,798	
Repayment of borrowings	(1,391,911)	(
Net cash flows from financing activities	(132,113)	
Increase (decrease) in cash and cash equivalents	(235,317)	
Cash and cash equivalents at beginning of year	595,255	
Cash and cash equivalents at end of year	$ 359,938	$
Other cash flow information:		
Income taxes paid	$ 212,313	$
Interest paid	47,007	

NOTE TO CONDENSED FINANCIAL INFORMATION

Principal repayments of the Registrant's borrowings under investment agreements and other debt outstanding at December 31, 1993 are expected to be required no earlier than as follows:

1994	$102,01
1995	24,79
1996	25,77
1997	31,08
1998	27,41
After 1998	713,99

For additional information regarding Registrant's borrowings under investment agreements and other debt, see Note 7 to the Consolidated Financial Statements on page 28.

*** E05 ***

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	1993	1992	1991
. . . . . .	$688,121	$407,285	$439,908
. . . . . .	(528,535)	(79,926)	(231,300)
. . . . . .	9,446	(37,328)	(67,816)
. . . . . .	187,587	57,896	(28,772)
. . . . . .	(1,216)	45,856	3,016
. . . . . .	355,403	393,783	115,036
. . . . . .	(298,575)	(197,212)	(128,496)
. . . . . .	(162,789)	(39,146)	(139,865)
. . . . . .	2,757	160,264	330,024
. . . . . .	(458,607)	(76,094)	61,663
. . . . . .	1,259,798	952,901	434,688
. . . . . .	(1,391,911)	(879,109)	(439,495)
. . . . . .	(132,113)	73,792	(4,807)
. . . . . .	(235,317)	391,481	171,892
. . . . . .	595,255	203,774	31,882
. . . . . .	$ 359,938	$595,255	$203,774
. . . . . .	$ 212,313	$105,592	$168,438
. . . . . .	47,007	63,659	55,573

RMATION

gs under investment
, 1993 are expected to be

. . . .	$102,013
. . . .	24,793
. . . .	25,775
. . . .	31,087
. . . .	27,418
. . . .	713,993

t's borrowings under
the Consolidated Financial

Berkshire Hathaway Inc. and 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:

	1993
Advertising	*

* Item did not exceed 1% of revenues

idiaries
formation

revenues in the

	1993	1992	1991
. . . .	*	*	$31,686

EXHIBIT INDEX

Exhibit No.	
3	Restated Certificate of Incorporation
3.1	By-Laws
4	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 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, 1993. 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 10.1 to the Registrant's 1990 Annual Report on Form 10-K.
10.15	Letter Agreement between Berkshire Hathaway Inc. and Capital Cities/ABC, Inc. dated October 29, 1993 relating to Capital Cities/ABC, Inc.'s offer to purchase from its shareholders up to 2,000,000 shares of Common Stock.
10.2	Written Description of Agreement with Michael A. Goldberg re Annual Bonus Compensation dated March 25, 1991. Incorporated by reference to Exhibit 10.2 to the Registrant's 1990 Annual Report on Form 10-K.
10.3	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 10.3 to Registrant's 1992 Annual Report on Form 10-K.
10.4	Letter Agreement dated September 1, 1986 between Berkshire Hathaway Inc. 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 1991 Annual Report on Form 10-K.
10.5	Investment Agreement dated July 1, 1986, between Berkshire Hathaway Inc. 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 1991 Annual Report on Form 10-K.
12	Statement of computation of ratio of earnings to fixed charges
22	Subsidiaries of the Registrant
23	Independent Auditors' Consent

RESTATED CERTIFICATE OF INCORPORATION

OF

BERKSHIRE HATHAWAY INC.

Berkshire Hathaway Inc., a corporation organized and existing under the laws of the State of Delaware (the "Corporation"), hereby certifies as follows:

1. The name of the Corporation is Berkshire Hathaway Inc. Berkshire Hathaway Inc. was originally incorporated under the name of Hathdel Inc., and the original Certificate of Incorporation was filed with the Secretary of State of the State of Delaware on March 12, 1973.

2. This Restated Certificate of Incorporation has been duly adopted in accordance with the provisions of Section 245 of the General Corporation Law of the State of Delaware by the Board of Directors of the Corporation without a vote of the stockholders of the Corporation. This Restated Certificate of Incorporation only restates and integrates and does not further amend the provisions of the Corporation's Certificate of Incorporation as heretofore amended or supplemented, and there is no discrepancy between those provisions and this Restated Certificate of Incorporation except that provisions whose omission is not deemed a further amendment under Section 245(c) of the General Corporation Law of the State of Delaware have been omitted.

3. The text of the Restated Certificate of Incorporation as heretofore amended or supplemented is hereby restated to read in its entirety as follows:

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. 1209 Orange Street in the City of Wilmington, County of New Castle. The name and address of its registered agent is The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801.

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: Omitted.

SIXTH: The following additional provisions are in furtherance and not 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, or 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; and 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: Omitted.

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.

IN WITNESS WHEREOF, this Restated Certificate of Incorporation has been signed by the Company this 21st day of December, 1993.

Berkshire Hathaway Inc.

By: /s/ Marc D. Hamburg

Marc D. Hamburg
Vice President

Attest:

/s/ Forrest N. Krutter

Forrest N. Krutter
Secretary

BY-LAWS

OF

BERKSHIRE HATHAWAY INC.
(as amended through April 29, 1991)

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 nine-thirty o'clock in the forenoon on the last Monday in April 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 or be authorized by such other means as is provided in

Section 212 of the Delaware General Corporation Law. 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 Board of Directors shall consist of one or more members, the number thereof to be determined from time to time by resolution of the Board of 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 power 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 one 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, to authorize the issuance of stock, or to adopt a certificate of ownership and merger pursuant to Section 253 of the General Corporation Law of Delaware; 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 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 meeting 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 to 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.

AGREEMENT

This Agreement is entered into this 29th day of October, 1993, among Berkshire Hathaway Inc., a Delaware corporation ("Berkshire"), National Indemnity Company, Columbia Insurance Company, Nebraska Furniture Mart, Inc., National Fire and Marine Insurance Company and Cornhusker Casualty Company (collectively, "Berkshire Subsidiaries") and Capital Cities/ABC, Inc., a New York corporation ("Capital Cities").

WHEREAS, Berkshire, the Berkshire Subsidiaries and Capital Cities entered into an agreement (the "Stock Purchase Agreement") dated January 2, 1986, pursuant to which the Berkshire Subsidiaries purchased 3,000,000 shares of the common stock, par value $1.00 per share, of Capital Cities (the "Common Stock") and Berkshire and the Berkshire Subsidiaries agreed not to sell, transfer, assign, hypothecate, encumber or dispose of all or any part of the shares of Common Stock they acquired except pursuant to certain procedures set forth in the Stock Purchase Agreement.

WHEREAS, the Board of Directors of Capital Cities determined on October 29, 1993 to offer to purchase from its shareholders up to 2,000,000 shares of Common Stock pursuant to an offer to purchase to commence on or about November 2, 1993 (the "Offer to Purchase").

WHEREAS, Berkshire and the Berkshire Subsidiaries have advised Capital Cities that the Berkshire Subsidiaries desire to tender 1,000,000 shares in response to the Offer to Purchase on certain terms and conditions.

In consideration of the foregoing and the respective covenants and agreements set forth in this Agreement, the parties agree as follows:

1. Capital Cities agrees that notwithstanding any restriction contained in the Stock Purchase Agreement, Berkshire and the Berkshire Subsidiaries may tender up to 1,000,000 shares of Common Stock in response to the Offer to Purchase.

2. Berkshire and the Berkshire Subsidiaries agree that they will tender and not withdraw 1,000,000 shares in response to the Offer to Purchase, subject to the condition that all such shares be purchased.

3. Except as modified by this Agreement, all of the other terms and provisions of the Stock Purchase Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the date set forth in the first paragraph of this Agreement.

CAPITAL CITIES/ABC, INC.

By:_____________________________________
Senior Vice President
and Chief Financial Officer

BERKSHIRE HATHAWAY INC.

By:_____________________________________
(Name and Title)

NATIONAL INDEMNITY COMPANY

By:_____________________________________
(Name and Title)

COLUMBIA INSURANCE COMPANY

By:_____________________________________
(Name and Title)

NEBRASKA FURNITURE MART, INC.

By:_____________________________________
(Name and Title)

NATIONAL FIRE AND MARINE
INSURANCE COMPANY

By:_____________________________________
(Name and Title)

CORNHUSKER CASUALTY COMPANY

By:_____________________________________
(Name and Title)

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Exhibit 12

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

	Years Ended Decemb		
	1993	1992	1991
Net earnings	$ 688,121	$407,285	$439,908
Income tax expense	491,634**	138,089	142,058
Minority interest in earnings	9,963	5,243	11,020
Equity in the undistributed earnings of a less than 50% owned investee . . .	--	--	--
Fixed charges	90,099	111,660	125,827
Earnings available for fixed charges . . .	$1,279,817	$662,277	$718,813
Realized investment gain, pretax, included in earnings available for fixed charges .	$ 546,422	$ 89,937	$192,478
Fixed charges			
Interest on indebtedness (including amortization of debt discount and expense)	$ 74,957	$ 89,985*	$ 97,875*
Interest on savings deposits	5,792	11,986	18,311
Rentals representing interest	9,350	9,689	9,641
	$ 90,099	$111,660	$125,827
Ratio of earnings to fixed charges	14.20x	5.93x	5.71x
Ratio of earnings, excluding realized investment gain, to fixed charges . . .	8.14x	5.13x	4.18x

* Excludes optional prepayment premiums of $22,525 and $5,661 in 1992 and 1991 respectively, related to redemptions prior to maturity of certain term debt obligations.

** Includes charge of $70,984 representing the cumulative effect of change in accounting for income taxes.

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Exhibit 12

onsolidated Fixed Charges

	Years Ended December 31,			
93	1992	1991	1990	1989
121	$407,285	$439,908	$394,093	$447,477
634**	138,089	142,058	112,047	159,287
963	5,243	11,020	10,326	10,460
--	--	--	1,195	(319)
099	111,660	125,827	122,431	86,831
817	$662,277	$718,813	$640,092	$703,736
422	$ 89,937	$192,478	$ 33,989	$223,810
957	$ 89,985*	$ 97,875*	$ 90,717	$ 56,313
792	11,986	18,311	21,975	21,261
350	9,689	9,641	9,739	9,257
099	$111,660	$125,827	$122,431	$ 86,831
.20x	5.93x	5.71x	5.23x	8.10x
.14x	5.13x	4.18x	4.95x	5.53x

25 and $5,661 in 1992 and
r to maturity of certain

mulative effect of change

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Exhibit 22

BERKSHIRE HATHAWAY INC.
Subsidiaries of Registrant (1)
December 31, 1993

Company Name	Sta Incorp
Berkshire Hathaway Credit Corporation	Neb
BHSF, Inc.	Del
BH Shoe Holdings, Inc.	Del
Blue Chip Stamps	Cal
Borsheim's Jewelry Company, Inc.	Neb
Campbell Hausfeld/Scott Fetzer Company	Del
Central States Indemnity Co. of Omaha	Neb
Central States of Omaha Companies, Inc.	Neb
Columbia Insurance Company	Neb
Continental Divide Insurance Company	Col
Cornhusker Casualty Company	Neb
Cypress Insurance Company	Cal
Dexter Shoe Company	Mai
The Fechheimer Brothers Company (2)	Del
H. H. Brown Shoe Company, Inc.	Del
Isabela Shoe Corporation	Del
Lowell Shoe, Inc.	New
MSMLMIC	Cal
National Fire & Marine Insurance Company	Neb
National Indemnity Company	Neb
National Indemnity Company of the South	Flo
National Indemnity Company of Mid-America	Min
National Liability and Fire Insurance Company	Ill
Nebraska Furniture Mart, Inc.	Neb
Oak River Insurance Company	Neb
OCSAP, Ltd	Mai
Redwood Fire and Casualty Insurance Company	Neb
The Scott Fetzer Company	Del
Scott Fetzer Financial Group, Inc.	Del
See's Candies, Inc.	Cal
See's Candy Shops, Incorporated	Cal
Wesco Financial Corporation	Del
Wesco-Financial Insurance Company	Neb
Wesco Holdings Midwest, Inc.	Neb
World Book/Scott Fetzer Company	Neb

(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 30 wholly-owned U.S. subsidiaries of The Fechheimer Brothers Company, each of whom operated in the business of uniform manufacturing and/or distribution.

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Exhibit 22

(1)

State of Incorporation
Nebraska
Delaware
Delaware
California
Nebraska
Delaware
Nebraska
Nebraska
Nebraska
Colorado
Nebraska
California
Maine
Delaware
Delaware
Delaware
New Hampshire
California
Nebraska
Nebraska
Florida
Minnesota
Illinois
Nebraska
Nebraska
Maine
Nebraska
Delaware
Delaware
California
California
Delaware
Nebraska
Nebraska
Nebraska

sarily a "significant
S-X, and Berkshire has
e unnamed subsidiaries,
would not constitute a
red by this report.

ned U.S. subsidiaries of
ed in the business of

INDEPENDENT AUDITORS' CONSENT

We consent to the incorporation by reference in Registration Statement No. 33-50989 of Berkshire Hathaway Inc. on Form S-3 of our reports dated March 7, 1994, appearing in this Annual Report on Form 10-K of Berkshire Hathaway Inc. for the year ended December 31, 1993.

DELOITTE & TOUCHE
Omaha, Nebraska
March 30, 1994