

BERKSHIRE HATHAWAY INC.

NEWS RELEASE

FOR IMMEDIATE RELEASE

November 7, 2008

Omaha, NE (BRK.A; BRK.B) –

Berkshire's operating results for the third quarter and first nine months of 2008 are summarized in the following paragraphs. However, we urge investors and reporters to read our 10-Q, which has been posted at www.berkshirehathaway.com. *The limited information that follows in this press release is not adequate for making an informed investment judgment.*

Earnings of Berkshire Hathaway Inc. and its consolidated subsidiaries for the third quarter and first nine months of 2008 and 2007 are summarized below. Earnings are stated on an after-tax basis. (Dollar amounts are in millions, except for per share amounts).

	Third Quarter		First Nine Months	
	2008	2007	2008	2007
Net earnings	\$1,057	\$4,553	\$4,877	\$10,266
Investment and derivative gains (losses)	(1,012)	1,992	(1,393)	2,982
Operating earnings.....	<u>\$2,069</u>	<u>\$2,561</u>	<u>\$6,270</u>	<u>\$ 7,284</u>
Net earnings per Class A equivalent share	\$ 682	\$2,942	\$3,149	\$ 6,644
Investment and derivative gains (losses) per Class A equivalent share	<u>(653)</u>	<u>1,287</u>	<u>(899)</u>	<u>1,930</u>
Operating earnings per Class A equivalent share	<u>\$1,335</u>	<u>\$1,655</u>	<u>\$4,048</u>	<u>\$ 4,714</u>
Average Class A equivalent shares outstanding.....	1,549,226	1,547,368	1,548,871	1,545,128

Note: Figures for the Class B shares are 1/30th those shown for the Class A.

An analysis of Berkshire's operating earnings follows (dollar amounts are in millions).

	Third Quarter		First Nine Months	
	2008	2007	2008	2007
Insurance-underwriting	\$ 81	\$ 486	\$ 622	\$1,719
Insurance-investment income	809	922	2,495	2,532
Non-insurance businesses.....	1,080	1,172	3,116	3,115
Other	<u>99</u>	<u>(19)</u>	<u>37</u>	<u>(82)</u>
Operating earnings	<u>\$2,069</u>	<u>\$2,561</u>	<u>\$6,270</u>	<u>\$7,284</u>

In the table at the top of the page (which, as noted, reports after-tax results), we give investment and derivative gains/losses a line of their own *because the amount of these in any given quarter or year is usually meaningless.*

With very limited exceptions, gains or losses from marketable securities are recorded only upon sale. Berkshire has large amounts of unrealized gains, and sales are never made with an eye to their effect on reported earnings. During the first nine months of 2008, our unrealized gains fell by \$7.5 billion (leaving us a total of \$24.3 billion in unrealized gains at the end of September). That decline of \$7.5 billion does not show in our reported earnings. What is included is a realized gain: \$65 million pre-tax and \$42 million after-tax.

In contrast, accounting rules require that any *unrealized* gain or loss from most of our derivative contracts be regularly recorded in earnings. During the first nine months, Berkshire's derivatives had an pre-tax loss of \$2.21 billion. However, that is a figure incorporating gains and losses in several different kinds of derivatives. Fundamentally, the size of that figure reflects the fact that we recorded a \$2.06 billion unrealized loss in our two major categories of derivatives. This represents an increase in our loss during the third quarter of \$1.05 billion from the loss of \$1.01 billion we recorded during the first six months.

At the end of the third quarter, we had a liability of \$6.72 billion for equity index put option contracts for which we have received cash payments of \$4.85 billion. This means our recorded loss to date is \$1.87 billion though the first payment that could be triggered would be in 2019, and the average maturity is 13.5 years. In the meantime all of the \$4.85 billion can be invested by Berkshire.

During the first nine months of 2008, Berkshire's net worth declined from \$120.73 billion to \$120.15 billion. However, during October, price declines in our equity and fixed maturity investments plus an increase in the liability calculated for our equity index put option contracts accounted for an estimated after-tax decline in net worth of approximately \$9 billion.

Berkshire Hathaway and its subsidiaries engage in diverse business activities including property and casualty insurance and reinsurance, utilities and energy, finance, manufacturing, retailing and services. Common stock of the company is listed on the New York Stock Exchange, trading symbols BRK.A and BRK.B.

Certain statements contained in this press release are "forward looking" statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are not guaranties of future performance and actual results may differ materially from those forecasted.

Comment on Regulation G

This press release includes certain non-GAAP financial measures. The reconciliations of such measures to the most comparable GAAP figures in accordance with Regulation G are included herein.

Berkshire presents its results in the way it believes will be most meaningful and useful, as well as most transparent, to the investing public and others who use Berkshire's financial information. That presentation includes the use of certain non-GAAP financial measures. In addition to the GAAP presentations of net earnings, Berkshire shows operating earnings defined as net earnings exclusive of investment and derivative gains/losses.

Although the investment of insurance and reinsurance premiums to generate investment income and investment gains or losses is an integral part of Berkshire's operations, the generation of investment gains or losses is independent of the insurance underwriting process. Moreover, under applicable GAAP accounting requirements, losses can be created as the result of other-than-temporary declines in value without actual realization or when certain types of investments and derivative contracts are marked-to-market through earnings. In sum, investment and derivative gains/losses for any particular period are not indicative of quarterly business performance.

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