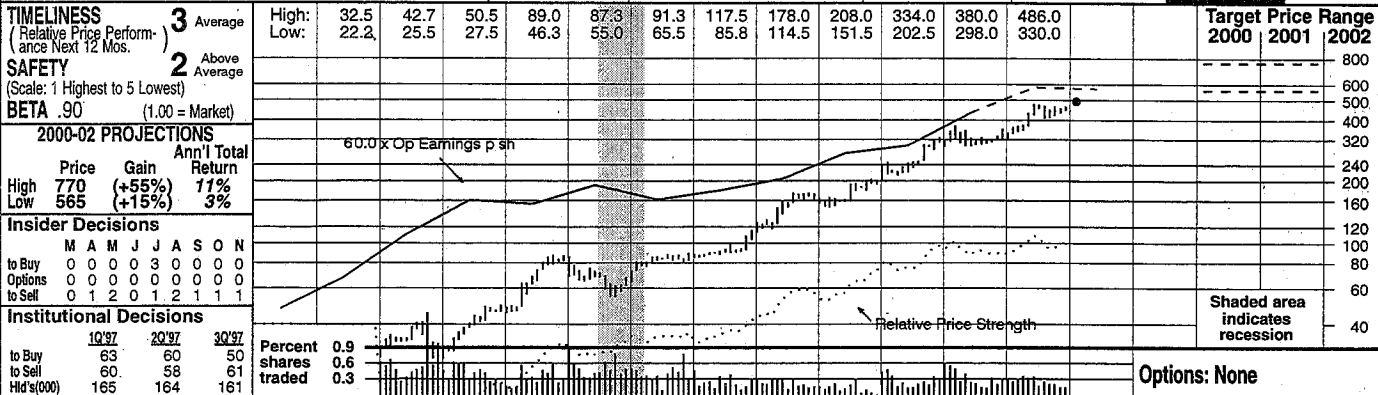


# BERKSHIRE HATH. 'A' NYSE-BRKA

RECENT PRICE **499** P/E RATIO **49.9** (Trailing: 0.6 Median: NMF) RELATIVE P/E RATIO **2.85** DIV'D YLD **NII** VALUE LINE **1351**



**TIMELINESS** (Relative Price Performance Next 12 Mos.) **3** Average

**SAFETY** (Scale: 1 Highest to 5 Lowest) **2** Above Average

**BETA** .90 (1.00 = Market)

**2000-02 PROJECTIONS**

Price	Gain	Ann'l Total Return
High 770	(+55%)	11%
Low 565	(+15%)	3%

**Insider Decisions**

	M	A	M	J	A	S	O	N
to Buy	0	0	0	0	3	0	0	0
Options	0	0	0	0	0	0	0	0
to Sell	0	1	2	0	1	2	1	1

**Institutional Decisions**

	10/97	2/97	3/97
to Buy	63	60	50
to Sell	60	58	61
Hld's(000)	165	164	161

Percent shares traded: 0.9, 0.6, 0.3

**\* THE PRICE DATA ON THIS PAGE EXPRESSES THE PRICE OF BERKSHIRE HATHAWAY 'A' IN HUNDREDS. THE ACTUAL RECENT PRICE IS: 49,900.**

Because of this stock's high price, a "round lot" of Class A shares on the New York Stock Exchange consists of only 10 shares.

**EQUITY INVESTMENTS as of 12/31/96**

Positions of \$500 million or more:

American Express (49,456,900 shares)	824.9	584.2	394.3	591.5	776.4	664.3	656.3	923.2	957.5	4117.8	5100	4950
The Coca-Cola Co. (200,000,000 shares)	80.1%	74.9%	78.5%	90.3%	106.5%	103.5%	69.5%	61.2%	63.9%	75.0%	72.0%	74.5%
The Walt Disney Company (24,614,214 shares)	26.6%	27.0%	27.7%	14.2%	8.9%	12.9%	25.8%	24.7%	33.9%	19.4%	16.5%	16.5%
Fed'l Home Loan Mort. Corp. (64,246,000 shares)	163.3	314.3	331.5	450.3	481.8	495.4	479.8	481.0	580.2	837.2	935	975
Gillette (48,000,000 shares)	2328.8	4258.7	5261.6	5686.0	9182.5	16522.7	12540.2	15236.5	22000.3	27750.6	35000	38500
McDonald's Corporation (30,156,600 shares)	1940.7	1115.3	2795.6	3061.1	2338.0	2102.6	2108.6	2844.2	1657.9	6446.6	9400	9800
Washington Post (1,727,765 shares)	881.8	1027.0	1069.7	1120.8	1204.8	1284.5	1443.1	1771.9	1918.9	1922.9	2575	3210
Wells Fargo (7,291,418 shares)	18.6%	16.8%	16.2%	16.7%	16.2%	17.9%	17.2%	17.3%	14.8%	18.5%	21.5%	21.5%
Aggregate Market Value: \$24,455.2 mill.	21.4%	23.1%	25.8%	21.7%	24.0%	25.1%	35.4%	33.9%	26.8%	32.3%	35.0%	35.0%
Aggregate Cost: \$5,975.7 mill.	234.6	399.3	447.5	394.1	439.9	407.3	759.1	606.2	725.2	2486.8	1360	1190
Market Value of all equities: \$27,750.6 mill.	10.0%	17.1%	18.0%	14.8%	14.2%	13.4%	20.8%	15.8%	16.2%	23.7%	13.9%	11.8%
Cost of all equities: \$7,910.2 mill.	132.2	480.0	1007.5	1239.4	1255.1	1299.8	972.4	810.7	1061.7	1944.4	2850	3030
	2841.7	3410.1	4925.1	5287.5	7379.9	8896.3	10428.4	11874.9	17217.1	23426.3	28365	30150
	8.3%	11.7%	9.1%	7.5%	6.0%	4.6%	7.3%	5.1%	4.2%	10.6%	5.0%	4.0%
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**ASSETS(\$MILL.)**

1994	1995	12/31/96	
Cash	273.9	2703.8	1339.8
Receivables	580.6	718.9	1523.2
Inventories	425.4	601.1	619.6
Plant	275.7	333.3	333.3
Other	19782.6	25571.7	39593.6

**LIABILITIES(\$MILL.)**

1994	1995	12/31/96	
Debt	810.7	1061.7	1944.4
Def'd Taxes	3292.6	5588.5	6837.6
Other Lia.	5160.7	5797.0	10866.1
Minority Int.	199.3	264.5	335.1
Shareholders Eq.	11874.9	17217.1	23426.3
Total	21338.2	29928.8	43409.5

Common shares: 1,193,512

**ANNUAL RATES**

Past 10 Yrs.	Past 5 Yrs.	Est'd '94-'96 to '00-'02
Oper Earnings	23.5%	15.5%
Dividends	--	13.0%
Book Value	28.0%	29.5%
		11.5%

**QUARTERLY REVENUES (\$mill.)**

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
1994	918.0	868.4	795.5	1265.6	3847.5
1995	923.5	1004.9	1083.3	1476.0	4487.7
1996	4140	1915	2015	2430	10500
1997	2075	2338	2373	2999	9785
1998	2475	2525	2575	2550	10125

**OPERATING EARNINGS PER SHARE A**

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
1994	69.89	134.82	93.79	164.33	462.83
1995	106.12	108.02	108.32	182.82	505.28
1996	134.23	160.91	166.34	270.52	732.00
1997	214.00	207.00	201.00	353.00	975.00
1998	220.00	225.00	225.00	290.00	960.00

**QUARTERLY DIVIDENDS PAID**

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
1994					
1995					
1996					
1997					
1998					

NO DIVIDENDS BEING PAID

	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	© VALUE LINE PUB., INC.	00-02
Oper Earnings per sh <sup>A</sup>	187.24	237.37	267.79	323.39	275.42	303.29	347.75	462.83	505.28	732.00	975.00	960.00	Oper Earnings per sh <sup>A</sup>	1200.00
Capital Gains per sh	17.27	74.86	128.22	20.36	103.30	51.94	303.25	51.91	105.02	1333.00	132.00	---	Capital Gains per sh	---
Div'ds Decl'd per sh	---	---	---	---	---	---	---	---	---	---	---	---	Div'ds Decl'd per sh	---
Book Value per sh <sup>B</sup>	2471.0	2965.3	4282.7	4612.1	6437.2	7735.9	8837.6	10063.5	14468.2	19045.8	23060	24300	Book Value per sh <sup>B</sup>	27650
Com. 'A' Equiv. Shs <sup>A,C</sup>	1.15	1.15	1.15	1.15	1.15	1.15	1.18	1.18	1.19	1.23	1.23	1.24	Com. 'A' Equiv. Shs <sup>A,C</sup>	1.24
Avg Ann'l P/E Ratio	18.4	14.8	25.9	21.3	29.9	30.9	43.1	38.3	NMF	NMF	NMF	NMF	Avg Ann'l P/E Ratio	NMF
Relative P/E Ratio	1.23	1.23	1.96	1.58	1.93	1.87	2.54	2.52	NMF	NMF	NMF	NMF	Relative P/E Ratio	NMF
Avg Ann'l Div'd Yield	---	---	---	---	---	---	---	---	---	---	---	---	Avg Ann'l Div'd Yield	---
Insur Premiums Earned	824.9	584.2	394.3	591.5	776.4	664.3	656.3	923.2	957.5	4117.8	5100	4950	Insur Premiums Earned	5500
% Loss to Prem Earned	80.1%	74.9%	78.5%	90.3%	106.5%	103.5%	69.5%	61.2%	63.9%	75.0%	72.0%	74.5%	% Loss to Prem Earned	74.5%
% Expense to Prem Writ	26.6%	27.0%	27.7%	14.2%	8.9%	12.9%	25.8%	24.7%	33.9%	19.4%	16.5%	16.5%	% Expense to Prem Writ	16.5%
Investment Income <sup>D</sup>	163.3	314.3	331.5	450.3	481.8	495.4	479.8	481.0	580.2	837.2	935	975	Investment Income <sup>D</sup>	1250
Investments - Equity	2328.8	4258.7	5261.6	5686.0	9182.5	16522.7	12540.2	15236.5	22000.3	27750.6	35000	38500	Investments - Equity	51000
Investments - Fixed Inc	1940.7	1115.3	2795.6	3061.1	2338.0	2102.6	2108.6	2844.2	1657.9	6446.6	9400	9800	Investments - Fixed Inc	11000
Industrial Revenues	881.8	1027.0	1069.7	1120.8	1204.8	1284.5	1443.1	1771.9	1918.9	1922.9	2575	3210	Industrial Revenues	3925
Operating Margin	18.6%	16.8%	16.2%	16.7%	16.2%	17.9%	17.2%	17.3%	14.8%	18.5%	21.5%	21.5%	Operating Margin	22.0%
Income Tax Rate <sup>E</sup>	21.4%	23.1%	25.8%	21.7%	24.0%	25.1%	35.4%	33.9%	26.8%	32.3%	35.0%	35.0%	Income Tax Rate <sup>E</sup>	35.0%
Net Income <sup>F</sup>	234.6	399.3	447.5	394.1	439.9	407.3	759.1	606.2	725.2	2486.8	1360	1190	Net Income <sup>F</sup>	1480
Debt <sup>G</sup>	10.0%	17.1%	18.0%	14.8%	14.2%	13.4%	20.8%	15.8%	16.2%	23.7%	13.9%	11.8%	Debt <sup>G</sup>	12.5%
Net Worth <sup>B</sup>	132.2	480.0	1007.5	1239.4	1255.1	1299.8	972.4	810.7	1061.7	1944.4	2850	3030	Net Worth <sup>B</sup>	3450
% Earned Net Worth	2841.7	3410.1	4925.1	5287.5	7379.9	8896.3	10428.4	11874.9	17217.1	23426.3	28365	30150	% Earned Net Worth	4.5%
% All Div'ds to Net Prof	8.3%	11.7%	9.1%	7.5%	6.0%	4.6%	7.3%	5.1%	4.2%	10.6%	5.0%	4.0%	% All Div'ds to Net Prof	---

**BUSINESS:** Berkshire Hathaway Inc. is a diversified co. with operations primarily in prop./casualty insurance; candy manuf. (See's); newspapers; retailing of home furnishings (Nebraska Furniture Mart) and fine jewelry (Borsheim's); publ. of World Book encyclopedias; Kirby home cleaning products, uniforms (Fecheimer Bros.), and shoes (H.H. Brown, Dexter); flight training services.

**Berkshire Hathaway's insurance operations are barreling ahead.** GEICO, long known as the good-driver auto insurer, has been gaining market share. One might well expect such a trend to bring in less capable drivers and thus cause the claims experience to deteriorate. Interestingly, though, the claims trend remains favorable. This, coupled with operating efficiencies, is actually enabling the insurer to modestly cut rates. Meanwhile, 1997 marked another year in which the reinsurance unit escaped the need to make big payouts under its "super cat" disaster policies. This led to another fourth-quarter bulge in earnings and revenues. (BRK books premiums and income when policy payouts are made, or at the end of the year if the policy expires without a payout. This makes earnings very hard to predict, but this conservative practice causes the reported results to be of very high quality.)

**Our 1998 insurance assumptions are conservative** given BRK's intent to write less "super cat" business. Several years without insurable disasters have attracted price-cutting competition. This situation will probably persist until some disaster

Owns Dairy Queen. Co. (mainly via insur. ops.) periodically makes large equity investments in other corporations. Dirs. & off. control 45.5% of comm. (5/97 proxy). Has about 9,000 stockholders. Chrmn. & C.E.O.: Warren E. Buffett. Vice Chrmn.: Charles T. Munger. Inc. DE. Add.: 1440 Kiewit Plaza, Omaha, NE 68131. Tel.: 402-346-1400. Internet: www.berkshirehathaway.com.

necessitates a big payout. **Neutrally ranked Berkshire shares give investors a stake in C.E.O. Warren Buffett's long-successful investment style ...** Rather than playing zigs and zags of the market or individual stocks, Mr. Buffett seeks stakes in quality companies managed by people he respects and reasonably certain to remain strong 10 to 20 years hence. This philosophy applies to equity investments as well as full-fledged acquisitions. ... **but the equity should not be viewed as the functional equivalent of a mutual fund,** something many investors and business writers are tempted to do. For one thing, BRK operates under different portfolio disclosure rules, rendering its asset value impossible for those outside the company to precisely calculate. More importantly, this approach fails to account for BRK's successful business operations. Our projections are based on reported share net adjusted (as best we can, given available information) for BRK's pro rata share of retained earnings of major investees (a measure used internally by Mr. Buffett).

Marc H. Gerstein February 6, 1998

(A) Based on avg. shrs. For per-share calculations, 30 Class B shares are equiv. to 1 Class A share. Next earnings report due late Feb. (B) Estimates don't incl. future cap. gains. (C) In fact, material is obtained from sources believed to be reliable, but the publisher is not responsible for any errors or omissions contained herein. For the confidential use of subscribers. All rights reserved. No part of this publication may be reproduced, stored in a retrieval system or transmitted in any form by any means, electronic, mechanical, photocopying or otherwise, without first obtaining the written permission of the copyright owner. Copyright 1998 by Value Line Publishing, Inc. © Reg. TM—Value Line, Inc.

mill. Excl. shrs. to be issued for pending purchase of Int'l Dairy Queen. Incl. 517,500 Cl. B shares as of '96. Class B voting equal 1/200th that A shares. Each A shr. conv. to 30 B shrs.

(D) Pretax. In '96, \$712.1 mill. is attributable to the insurance sub. (E) Incl. realized investment gains from '89. (F) Hist. figures incl. realized inv. gains. (G) Finance subs. consol. from '88.

**Company's Financial Strength** A

**Stock's Price Stability** 85

**Price Growth Persistence** 100

**Earnings Predictability** 70

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