UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended March 31, 2013

OR

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

For the transition period from to

Commission file number 001-14905

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

Delaware	**47-0813844**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification Number)**

3555 Farnam Street, Omaha, Nebraska 68131
(Address of principal executive office)
(Zip Code)

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

(Former name, former address and former fiscal year, if changed since last report)

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 such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒	Accelerated filer ☐
Non-accelerated filer ☐	Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

Number of shares of common stock outstanding as of April 25, 2013:

Class A —	891,193
Class B —	1,128,427,972

BERKSHIRE HATHAWAY INC.

Part I Financial Information

Item 1. Financial Statements
BERKSHIRE HATHAWAY INC.
and Subsidiaries

CONSOLIDATED BALANCE SHEETS
(dollars in millions)

	March 31, 2013 (Unaudited)	December 31, 2012
ASSETS		
Insurance and Other:		
Cash and cash equivalents	$ 43,984	$ 42,358
Investments:		
Fixed maturity securities	30,601	31,449
Equity securities	95,878	86,467
Other	16,779	16,057
Receivables	23,470	21,753
Inventories	9,673	9,675
Property, plant and equipment	19,148	19,188
Goodwill	33,207	33,274
Other	19,270	17,875
	292,010	278,096
Railroad, Utilities and Energy:		
Cash and cash equivalents	3,003	2,570
Property, plant and equipment	88,119	87,684
Goodwill	20,164	20,213
Other	13,535	13,441
	124,821	123,908
Finance and Financial Products:		
Cash and cash equivalents	2,102	2,064
Investments in fixed maturity securities	782	842
Other investments	5,152	4,952
Loans and finance receivables	12,751	12,809
Goodwill	1,036	1,036
Other	3,648	3,745
	25,471	25,448
	$ 442,302	$ 427,452
LIABILITIES AND SHAREHOLDERS' EQUITY		
Insurance and Other:		
Losses and loss adjustment expenses	$ 64,345	$ 64,160
Unearned premiums	11,504	10,237
Life, annuity and health insurance benefits	10,393	10,943
Accounts payable, accruals and other liabilities	20,746	21,149
Notes payable and other borrowings	13,399	13,535
	120,387	120,024
Railroad, Utilities and Energy:		
Accounts payable, accruals and other liabilities	12,571	13,113
Notes payable and other borrowings	36,890	36,156
	49,461	49,269
Finance and Financial Products:		
Accounts payable, accruals and other liabilities	1,068	1,099
Derivative contract liabilities	6,721	7,933
Notes payable and other borrowings	12,960	13,045
	20,749	22,077
Income taxes, principally deferred	49,599	44,494
Total liabilities	240,196	235,864
Shareholders' equity:		
Common stock	8	8
Capital in excess of par value	37,270	37,230
Accumulated other comprehensive income	32,992	27,500
Retained earnings	129,164	124,272
Treasury stock, at cost	(1,363)	(1,363)
Berkshire Hathaway shareholders' equity	198,071	187,647
Noncontrolling interests	4,035	3,941
Total shareholders' equity	202,106	191,588
	$ 442,302	$ 427,452

See accompanying Notes to Consolidated Financial Statements

BERKSHIRE HATHAWAY INC.
and Subsidiaries

CONSOLIDATED STATEMENTS OF EARNINGS
(dollars in millions except per share amounts)

	First Quarter	
	2013	2012
	(Unaudited)	
Revenues:		
Insurance and Other:		
Insurance premiums earned	$ 9,377	$ 8,065
Sales and service revenues	22,418	19,264
Interest, dividend and other investment income	1,011	1,067
Investment gains/losses	434	(107)
	33,240	28,289
Railroad, Utilities and Energy:		
Operating revenues	8,351	7,849
Other	49	47
	8,400	7,896
Finance and Financial Products:		
Interest, dividend and other investment income	341	375
Investment gains/losses	71	1
Derivative gains/losses	1,206	1,002
Other	609	584
	2,227	1,962
	43,867	38,147
Costs and expenses:		
Insurance and Other:		
Insurance losses and loss adjustment expenses	5,144	4,771
Life, annuity and health insurance benefits	1,261	1,092
Insurance underwriting expenses	1,583	2,117
Cost of sales and services	18,284	15,596
Selling, general and administrative expenses	2,854	2,428
Interest expense	101	103
	29,227	26,107
Railroad, Utilities and Energy:		
Cost of sales and operating expenses	6,111	5,870
Interest expense	447	428
	6,558	6,298
Finance and Financial Products:		
Interest expense	138	160
Other	649	651
	787	811
	36,572	33,216
Earnings before income taxes	7,295	4,931
Income tax expense	2,278	1,565
Net earnings	5,017	3,366
Less: Earnings attributable to noncontrolling interests	125	121
Net earnings attributable to Berkshire Hathaway	$ 4,892	$ 3,245
Average common shares outstanding *	1,643,181	1,650,944
Net earnings per share attributable to Berkshire Hathaway shareholders *	$ 2,977	$ 1,966

* *Average shares outstanding include average Class A common shares and average Class B common shares determined on an equivalent Class A common stock basis. Net earnings per common share attributable to Berkshire Hathaway shown above represents net earnings per equivalent Class A common share. Net earnings per Class B common share is equal to one-fifteen-hundredth (1/1,500) of such amount.*

See accompanying Notes to Consolidated Financial Statements

BERKSHIRE HATHAWAY INC.
and Subsidiaries

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited)
(dollars in millions)

	First Quarter 2013	First Quarter 2012
Net earnings	$ 5,017	$ 3,366
Other comprehensive income:		
Net change in unrealized appreciation of investments	9,641	11,642
Applicable income taxes	(3,326)	(4,051)
Reclassification of investment appreciation in net earnings	(504)	132
Applicable income taxes	176	(46)
Foreign currency translation	(650)	219
Applicable income taxes	51	1
Prior service cost and actuarial gains/losses of defined benefit pension plans	87	12
Applicable income taxes	(23)	(6)
Other, net	16	(20)
Other comprehensive income, net	5,468	7,883
Comprehensive income	10,485	11,249
Comprehensive income attributable to noncontrolling interests	101	141
Comprehensive income attributable to Berkshire Hathaway shareholders	$10,384	$11,108

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Unaudited)
(dollars in millions)

	Berkshire Hathaway shareholders' equity: Common stock and capital in excess of par value	Accumulated other comprehensive income	Retained earnings	Treasury stock	Non-controlling interests	Total
Balance at December 31, 2011	$ 37,815	$ 17,654	$109,448	$ (67)	$ 4,111	$168,961
Net earnings	—	—	3,245	—	121	3,366
Other comprehensive income, net	—	7,863	—	—	20	7,883
Issuance (repurchase) of common stock	39	—	—	—	—	39
Changes in noncontrolling interests:						
Interests acquired and other transactions	—	—	—	—	20	20
Balance at March 31, 2012	$ 37,854	$ 25,517	$112,693	$ (67)	$ 4,272	$180,269
Balance at December 31, 2012	$ 37,238	$ 27,500	$124,272	$(1,363)	$ 3,941	$191,588
Net earnings	—	—	4,892	—	125	5,017
Other comprehensive income, net	—	5,492	—	—	(24)	5,468
Issuance (repurchase) of common stock	39	—	—	—	—	39
Changes in noncontrolling interests:						
Interests acquired and other transactions	1	—	—	—	(7)	(6)
Balance at March 31, 2013	$ 37,278	$ 32,992	$129,164	$(1,363)	$ 4,035	$202,106

See accompanying Notes to Consolidated Financial Statements

BERKSHIRE HATHAWAY INC.
and Subsidiaries

CONSOLIDATED STATEMENTS OF CASH FLOWS
(dollars in millions)

	First Quarter 2013	First Quarter 2012
	(Unaudited)	
Cash flows from operating activities:		
Net earnings	$ 5,017	$ 3,366
Adjustments to reconcile net earnings to operating cash flows:		
Investment (gains) losses	(505)	106
Depreciation	1,337	1,253
Other	248	262
Changes in operating assets and liabilities before business acquisitions:		
Losses and loss adjustment expenses	547	(299)
Deferred charges reinsurance assumed	(389)	103
Unearned premiums	1,306	2,078
Receivables and originated loans	(1,475)	(2,043)
Derivative contract assets and liabilities	(1,117)	(1,061)
Income taxes	1,793	1,048
Other assets	(378)	(228)
Other liabilities	(329)	65
Net cash flows from operating activities	6,055	4,650
Cash flows from investing activities:		
Purchases of fixed maturity securities	(1,807)	(2,080)
Purchases of equity securities	(1,411)	(3,424)
Sales of fixed maturity securities	675	1,068
Redemptions and maturities of fixed maturity securities	1,426	1,307
Sales of equity securities	673	820
Purchases of loans and finance receivables	(57)	(231)
Collections of loans and finance receivables	69	151
Acquisitions of businesses, net of cash acquired	(92)	(339)
Purchases of property, plant and equipment	(2,207)	(2,160)
Other	(1,225)	(653)
Net cash flows from investing activities	(3,956)	(5,541)
Cash flows from financing activities:		
Proceeds from borrowings of insurance and other businesses	2,579	1,736
Proceeds from borrowings of railroad, utilities and energy businesses	1,500	2,849
Proceeds from borrowings of finance businesses	519	1
Repayments of borrowings of insurance and other businesses	(2,691)	(1,791)
Repayments of borrowings of railroad, utilities and energy businesses	(152)	(160)
Repayments of borrowings of finance businesses	(605)	(333)
Change in short term borrowings, net	(496)	(904)
Acquisitions of noncontrolling interests and other	(597)	(55)
Net cash flows from financing activities	57	1,343
Effects of foreign currency exchange rate changes	(59)	75
Increase in cash and cash equivalents	2,097	527
Cash and cash equivalents at beginning of year *	46,992	37,299
Cash and cash equivalents at end of first quarter *	$ 49,089	$ 37,826
** Cash and cash equivalents are comprised of the following:*		
Beginning of year—		
Insurance and Other	*$ 42,358*	*$ 33,513*
Railroad, Utilities and Energy	*2,570*	*2,246*
Finance and Financial Products	*2,064*	*1,540*
	$ 46,992	*$ 37,299*
End of first quarter—		
Insurance and Other	*$ 43,984*	*$ 33,594*
Railroad, Utilities and Energy	*3,003*	*2,658*
Finance and Financial Products	*2,102*	*1,574*
	$ 49,089	*$ 37,826*

See accompanying Notes to Consolidated Financial Statements

BERKSHIRE HATHAWAY INC.
and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2013

Note 1. General

The accompanying unaudited Consolidated Financial Statements include the accounts of Berkshire Hathaway Inc. ("Berkshire" or "Company") consolidated with the accounts of all its subsidiaries and affiliates in which Berkshire holds controlling financial interests as of the financial statement date. In these notes the terms "us," "we," or "our" refer to Berkshire and its consolidated subsidiaries. Reference is made to Berkshire's most recently issued Annual Report on Form 10-K ("Annual Report") that included information necessary or useful to understanding Berkshire's businesses and financial statement presentations. Our significant accounting policies and practices were presented as Note 1 to the Consolidated Financial Statements included in the Annual Report. Certain immaterial amounts in 2012 have been reclassified to conform to the current year presentation. Financial information in this Report reflects any adjustments (consisting only of normal recurring adjustments) that are, in the opinion of management, necessary to a fair statement of results for the interim periods in accordance with accounting principles generally accepted in the United States ("GAAP").

For a number of reasons, our results for interim periods are not normally indicative of results to be expected for the year. The timing and magnitude of catastrophe losses incurred by insurance subsidiaries and the 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 the amount and timing of investment gains/losses can cause significant variations in periodic net earnings. Investment gains/losses are recorded when investments are disposed or are other-than-temporarily impaired. In addition, changes in the fair value of derivative assets/liabilities associated with derivative contracts can cause significant variations in periodic net earnings.

Note 2. New accounting pronouncements

In February 2013, the FASB issued ASU 2013-02, "Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive Income." ASU 2013-02 requires disclosure of the amounts reclassified out of each component of accumulated other comprehensive income and into net earnings during the reporting period. We adopted ASU 2013-02 on January 1, 2013 and included the required disclosures in Note 17.

In December 2011, the FASB issued ASU 2011-11, "Disclosures about Offsetting Assets and Liabilities" and in January 2013, the FASB issued ASU 2013-01, "Clarifying the Scope of Disclosures about Offsetting Assets and Liabilities." ASU 2011-11, as clarified, enhances disclosures surrounding offsetting (netting) assets and liabilities. The standard applies to derivatives, repurchase agreements and securities lending transactions and requires companies to disclose gross and net information about financial instruments and derivatives eligible for offset and to disclose financial instruments and derivatives subject to master netting arrangements in financial statements. In July 2012, the FASB issued ASU 2012-02, "Testing Indefinite-Lived Intangible Assets for Impairment." ASU 2012-02 allows an entity to first assess qualitative factors in determining whether events and circumstances indicate that it is more-likely-than not that an indefinite-lived intangible asset is impaired. If an entity determines that it is not more-likely-than not that the indefinite-lived intangible asset is impaired, then the entity is not required to perform a quantitative impairment test. ASU's 2011-11 and 2012-02 were adopted on January 1, 2013 and had an immaterial effect on our Consolidated Financial Statements.

In February 2013, the FASB issued ASU 2013-04, "Obligations Resulting from Joint and Several Liability Arrangements for Which the Total Amount of the Obligation Is Fixed at the Reporting Date." ASU 2013-04 requires an entity to measure obligations resulting from joint and several liability arrangements for which the total amount of the obligation is fixed at the reporting date as the amount the reporting entity agreed to pay plus additional amounts the reporting entity expects to pay on behalf of its co-obligors. The guidance further provides for disclosure of the nature and amount of the obligation. ASU 2013-04 is effective for interim and annual reporting periods beginning after December 15, 2013. We are currently evaluating the effect this standard will have on our Consolidated Financial Statements.

Note 3. Significant business acquisitions

Our long-held acquisition strategy is to acquire businesses with consistent earning power, good returns on equity and able and honest management and at sensible prices. During the year ended December 31, 2012, we completed several smaller-sized business acquisitions, most of which we consider as "bolt-on" acquisitions to several of our existing business operations. Aggregate consideration paid in 2012 for acquisitions was approximately $3.2 billion, which included $438 million for entities that will develop, construct and subsequently operate renewable energy generation facilities. We do not believe that these acquisitions are material, individually or in the aggregate, to our Consolidated Financial Statements.

Notes To Consolidated Financial Statements *(Continued)*

Note 4. Investments in fixed maturity securities

Investments in securities with fixed maturities as of March 31, 2013 and December 31, 2012 are summarized by type below (in millions).

	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
March 31, 2013				
U.S. Treasury, U.S. government corporations and agencies	$ 2,886	$ 31	$ (1)	$ 2,916
States, municipalities and political subdivisions	2,654	169	(1)	2,822
Foreign governments	10,846	252	(61)	11,037
Corporate bonds	10,054	2,129	(3)	12,180
Mortgage-backed securities	2,128	304	(4)	2,428
	$ 28,568	$ 2,885	$ (70)	$31,383
December 31, 2012				
U.S. Treasury, U.S. government corporations and agencies	$ 2,742	$ 33	$ —	$ 2,775
States, municipalities and political subdivisions	2,735	178	—	2,913
Foreign governments	11,098	302	(45)	11,355
Corporate bonds	10,410	2,254	(3)	12,661
Mortgage-backed securities	2,276	318	(7)	2,587
	$ 29,261	$ 3,085	$ (55)	$32,291

Investments in fixed maturity securities are reflected in our Consolidated Balance Sheets as follows (in millions).

	March 31, 2013	December 31, 2012
Insurance and other	$30,601	$ 31,449
Finance and financial products	782	842
	$31,383	$ 32,291

Investments in foreign government securities include securities issued by national and provincial government entities as well as instruments that are unconditionally guaranteed by such entities. As of March 31, 2013, approximately 96% of foreign government holdings were rated AA or higher by at least one of the major rating agencies and securities issued or guaranteed by Germany, the United Kingdom, Canada, Australia and The Netherlands represented approximately 80% of the investments. Unrealized losses on all fixed maturity investments in a continuous unrealized loss position for more than twelve consecutive months were $10 million as of March 31, 2013 and $9 million as of December 31, 2012.

The amortized cost and estimated fair value of securities with fixed maturities at March 31, 2013 are summarized below by contractual maturity dates. Actual maturities will differ from contractual maturities because issuers of certain of the securities retain early call or prepayment rights. Amounts are in millions.

	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	Total
Amortized cost	$ 6,633	$ 12,839	$ 4,531	$ 2,437	$ 2,128	$28,568
Fair value	6,818	13,937	5,298	2,902	2,428	31,383

Notes To Consolidated Financial Statements *(Continued)*

Note 5. Investments in equity securities

Investments in equity securities as of March 31, 2013 and December 31, 2012 are summarized based on the primary industry of the investee in the table below (in millions).

	Cost Basis	Unrealized Gains	Unrealized Losses	Fair Value
March 31, 2013				
Banks, insurance and finance	$19,360	$ 18,216	$ —	$37,576
Consumer products	7,374	17,458	—	24,832
Commercial, industrial and other	24,341	10,536	(122)	34,755
	$51,075	$ 46,210	$ (122)	$97,163
December 31, 2012				
Banks, insurance and finance	$18,600	$ 14,753	$ (2)	$33,351
Consumer products	7,546	14,917	—	22,463
Commercial, industrial and other	24,361	7,687	(200)	31,848
	$50,507	$ 37,357	$ (202)	$87,662

As of March 31, 2013 and December 31, 2012, we concluded that there were no unrealized losses that were other-than-temporary. Our conclusions were based on: (a) our ability and intent to hold the securities to recovery; (b) our assessment that the underlying business and financial condition of each of these issuers was favorable; (c) our opinion that the relative price declines were not significant; and (d) our belief that it was reasonably possible that market prices will increase to and exceed our cost in a relatively short period of time. As of March 31, 2013 and December 31, 2012, unrealized losses on equity securities in a continuous unrealized loss position for more than twelve consecutive months were $83 million and $45 million, respectively.

Investments in equity securities are reflected in our Consolidated Balance Sheets as follows (in millions).

	March 31, 2013	December 31, 2012
Insurance and other	$95,878	$ 86,467
Railroad, utilities and energy *	717	675
Finance and financial products *	568	520
	$97,163	$ 87,662

* *Included in other assets.*

Notes To Consolidated Financial Statements *(Continued)*

Note 6. Other investments

Other investments include fixed maturity and equity securities of The Goldman Sachs Group, Inc. (“GS”), General Electric Company (“GE”), Wm. Wrigley Jr. Company (“Wrigley”), The Dow Chemical Company (“Dow”) and Bank of America Corporation (“BAC”). A summary of other investments follows (in millions).

	Cost	Net Unrealized Gains	Fair Value	Carrying Value
March 31, 2013				
Other fixed maturity and equity securities:				
Insurance and other	$13,561	$ 4,048	$17,609	$16,779
Finance and financial products	3,218	1,934	5,152	5,152
	$16,779	$ 5,982	$22,761	$21,931
December 31, 2012				
Other fixed maturity and equity securities:				
Insurance and other	$13,109	$ 3,823	$16,932	$16,057
Finance and financial products	3,148	1,804	4,952	4,952
	$16,257	$ 5,627	$21,884	$21,009

In 2008, we acquired 50,000 shares of 10% Cumulative Perpetual Preferred Stock of GS (“GS Preferred”) and warrants to purchase 43,478,260 shares of common stock of GS (“GS Warrants”) for a combined cost of $5 billion. The GS Preferred was fully redeemed by GS on April 18, 2011. The GS Warrants remain outstanding and expire on October 1, 2013 and when originally issued were exercisable for an aggregate cost of $5 billion ($115/share).

In 2008, we acquired 30,000 shares of 10% Cumulative Perpetual Preferred Stock of GE (“GE Preferred”) and warrants to purchase 134,831,460 shares of common stock of GE (“GE Warrants”) for a combined cost of $3 billion. The GE Preferred was fully redeemed by GE on October 17, 2011. The GE Warrants remain outstanding and expire on October 16, 2013 and when originally issued were exercisable for an aggregate cost of $3 billion ($22.25/share).

In the first quarter of 2013, the GE Warrants and GS Warrants agreements were amended to provide solely for cashless exercises. Upon exercise, we will receive shares of GE and GS based on the excess, if any, of the market price, as defined, over the exercise price, without payment of additional consideration. As of March 31, 2013, the costs of these warrants include $520 million of unrealized gains and losses, which were included in earnings.

In 2008, we acquired $4.4 billion par amount of 11.45% Wrigley subordinated notes due in 2018 and $2.1 billion of 5% Wrigley preferred stock. The subordinated notes may be called prior to maturity at par plus the prepayment premium applicable at that time. In 2009, we also acquired $1.0 billion par amount of Wrigley senior notes due in December 2013 and 2014. We currently own $800 million and an unconsolidated joint venture in which we hold a 50% economic interest owns $200 million of the Wrigley senior notes. The Wrigley subordinated and senior notes are classified as held-to-maturity and we carry these investments at cost, adjusted for foreign currency exchange rate changes that apply to certain of the senior notes. The Wrigley preferred stock is classified as available-for-sale and recorded in our financial statements at fair value.

In 2009, we acquired 3,000,000 shares of Series A Cumulative Convertible Perpetual Preferred Stock of Dow (“Dow Preferred”) for a cost of $3 billion. Under certain conditions, we can convert each share of the Dow Preferred into 24.201 shares of Dow common stock (equivalent to a conversion price of $41.32 per share). Beginning in April 2014, if Dow’s common stock price exceeds $53.72 per share for any 20 trading days in a consecutive 30-day window, Dow, at its option, at any time, in whole or in part, may convert the Dow Preferred into Dow common stock at the then applicable conversion rate. The Dow Preferred is entitled to dividends at a rate of 8.5% per annum.

On September 1, 2011, we acquired 50,000 shares of 6% Cumulative Perpetual Preferred Stock of BAC (“BAC Preferred”) and warrants to purchase 700,000,000 shares of common stock of BAC (“BAC Warrants”) for a combined cost of $5 billion. The BAC Preferred is redeemable at any time by BAC at a price of $105,000 per share ($5.25 billion in aggregate). The BAC Warrants expire in 2021 and are exercisable for an additional aggregate cost of $5 billion ($7.142857/share).

Notes To Consolidated Financial Statements *(Continued)*

Note 7. Investment gains/losses

Investment gains/losses, including other-than-temporary impairment ("OTTI") losses, are summarized below (in millions).

	First Quarter 2013	First Quarter 2012
Fixed maturity securities —		
Gross gains from sales and other disposals	$ 15	$ 33
Gross losses from sales and other disposals	(54)	(16)
Equity securities —		
Gross gains from sales and other disposals	109	188
Gross losses from sales and other disposals	(1)	—
OTTI losses	(85)	(337)
Other	521	26
	$505	$(106)

Investment gains/losses are reflected in the Consolidated Statements of Earnings as follows.

Insurance and other	$434	$(107)
Finance and financial products	71	1
	$505	$(106)

We record investments in equity and fixed maturity securities classified as available-for-sale at fair value and record the difference between fair value and cost in other comprehensive income. OTTI losses recognized in earnings represent reductions in the cost basis of the investment, but not the fair value. Accordingly, the OTTI losses that are included in earnings are generally offset by a corresponding credit to other comprehensive income and therefore have no net effect on shareholders' equity as of the balance sheet date. In the first quarter of 2013 and 2012, the OTTI losses related to bonds issued by Texas Competitive Electric Holdings. In recognizing these OTTI losses, we concluded that we were unlikely to receive all of the remaining contractual interest and principal amounts when due.

Note 8. Receivables

Receivables of insurance and other businesses are comprised of the following (in millions).

	March 31, 2013	December 31, 2012
Insurance premiums receivable	$ 9,589	$ 7,845
Reinsurance recoverable on unpaid losses	2,972	2,925
Trade and other receivables	11,287	11,369
Allowances for uncollectible accounts	(378)	(386)
	$23,470	$ 21,753

Notes To Consolidated Financial Statements *(Continued)*

Note 8. Receivables *(Continued)*

Loans and finance receivables of finance and financial products businesses are comprised of the following (in millions).

	March 31, 2013	December 31, 2012
Consumer installment loans and finance receivables	$12,591	$ 12,701
Commercial loans and finance receivables	509	469
Allowances for uncollectible loans	(349)	(361)
	$12,751	$ 12,809

Allowances for uncollectible loans predominantly relate to consumer installment loans. Provisions for consumer loan losses for the first quarter were $66 million in 2013 and $80 million in 2012. Loan charge-offs, net of recoveries, for the first quarter were $78 million in 2013 and $83 million in 2012. Consumer loan amounts are net of unamortized acquisition discounts of $448 million at March 31, 2013 and $459 million at December 31, 2012. At March 31, 2013, approximately 97% of consumer installment loan balances were evaluated collectively for impairment whereas about 71% of commercial loan balances were evaluated individually for impairment. As a part of the evaluation process, credit quality indicators are reviewed and loans are designated as performing or non-performing. At March 31, 2013, approximately 98% of consumer installment and commercial loan balances were determined to be performing and approximately 94% of those balances were current as to payment status.

Note 9. Inventories

Inventories are comprised of the following (in millions).

	March 31, 2013	December 31, 2012
Raw materials	$ 1,693	$ 1,699
Work in process and other	855	883
Finished manufactured goods	3,266	3,187
Goods acquired for resale	3,859	3,906
	$ 9,673	$ 9,675

Note 10. Goodwill and other intangible assets

A reconciliation of the change in the carrying value of goodwill is as follows (in millions).

	March 31, 2013	December 31, 2012
Balance at beginning of year	$54,523	$ 53,213
Acquisitions of businesses	14	1,442
Other, including foreign currency translation	(130)	(132)
Balance at end of period	$54,407	$ 54,523

Intangible assets other than goodwill are included in other assets in our Consolidated Balance Sheets and are summarized by type as follows (in millions).

	March 31, 2013		December 31, 2012	
	Gross carrying amount	Accumulated amortization	Gross carrying amount	Accumulated amortization
Insurance and other	$ 11,669	$ 3,143	$ 11,737	$ 2,994
Railroad, utilities and energy	2,163	990	2,163	913
	$ 13,832	$ 4,133	$ 13,900	$ 3,907
Trademarks and trade names	$ 2,799	$ 293	$ 2,819	$ 278
Patents and technology	5,005	2,179	5,014	2,059
Customer relationships	4,532	1,241	4,565	1,155
Other	1,496	420	1,502	415
	$ 13,832	$ 4,133	$ 13,900	$ 3,907

Notes To Consolidated Financial Statements *(Continued)*

Note 10. Goodwill and other intangible assets *(Continued)*

Amortization expense was $264 million for the first quarter of 2013 and $254 million for the first quarter of 2012. Intangible assets with indefinite lives as of March 31, 2013 and December 31, 2012 were $2,325 million and $2,328 million, respectively.

Note 11. Property, plant and equipment

Property, plant and equipment of our insurance and other businesses is comprised of the following (in millions).

	Ranges of estimated useful life	March 31, 2013	December 31, 2012
Land	—	$ 1,058	$ 1,048
Buildings and improvements	2 – 40 years	6,074	6,074
Machinery and equipment	3 – 20 years	15,509	15,436
Furniture, fixtures and other	2 – 20 years	2,863	2,736
Assets held for lease	12 – 30 years	6,844	6,731
		32,348	32,025
Accumulated depreciation		(13,200)	(12,837)
		$ 19,148	$ 19,188

Depreciation expense of insurance and other businesses for the first quarter of 2013 and 2012 was $496 million and $477 million, respectively.

Property, plant and equipment of our railroad, utilities and energy businesses is comprised of the following (in millions).

	Ranges of estimated useful life	March 31, 2013	December 31, 2012
Railroad:			
Land	—	$ 5,957	$ 5,950
Track structure and other roadway	5 – 100 years	38,488	38,255
Locomotives, freight cars and other equipment	5 – 37 years	6,657	6,528
Construction in progress	—	1,014	963
Utilities and energy:			
Utility generation, distribution and transmission system	5 – 80 years	42,490	42,682
Interstate pipeline assets	3 – 80 years	6,371	6,354
Independent power plants and other assets	3 – 30 years	2,110	1,860
Construction in progress	—	2,859	2,647
		105,946	105,239
Accumulated depreciation		(17,827)	(17,555)
		$ 88,119	$ 87,684

Railroad property, plant and equipment includes the land, other roadway, track structure and rolling stock (primarily locomotives and freight cars) of BNSF. The utility generation, distribution and transmission system and interstate pipeline assets are the regulated assets of public utility and natural gas pipeline subsidiaries. Depreciation expense of the railroad, utilities and energy businesses for the first quarter of 2013 and 2012 was $795 million and $732 million, respectively.

Notes To Consolidated Financial Statements *(Continued)*

Note 12. Derivative contracts

Derivative contracts are used primarily in our finance and financial products and energy businesses. Substantially all of the derivative contracts of our finance and financial products businesses are not designated as hedges for financial reporting purposes. Changes in the fair values of such contracts are reported in earnings as derivative gains/losses. We entered into these contracts with the expectation that the premiums received would exceed the amounts ultimately paid to counterparties. A summary of derivative contracts of our finance and financial products businesses follows (in millions).

	March 31, 2013			December 31, 2012		
	Assets [3]	Liabilities	Notional Value	Assets [3]	Liabilities	Notional Value
Equity index put options	$ —	$ 6,264	$31,789[1]	$ —	$ 7,502	$33,357[1]
Credit default	27	445	11,076[2]	41	429	11,691[2]
Other, principally interest rate and foreign currency	50	12		130	2	
	$ 77	$ 6,721		$ 171	$ 7,933	

(1) *Represents the aggregate undiscounted amount payable at the contract expiration dates assuming that the value of each index is zero at the contract expiration date.*

(2) *Represents the maximum undiscounted future value of losses payable under the contracts, if all underlying issuers default and the residual value of the specified obligations is zero.*

(3) *Included in other assets of finance and financial products businesses.*

Derivative gains/losses of our finance and financial products businesses included in our Consolidated Statements of Earnings for the first quarter of 2013 and 2012 were as follows (in millions).

	First Quarter	
	2013	2012
Equity index put options	$1,246	$ 689
Credit default	(14)	340
Other, principally interest rate and foreign currency	(26)	(27)
	$1,206	$1,002

The equity index put option contracts are European style options written on four major equity indexes. Future payments, if any, under these contracts will be required if the underlying index value is below the strike price at the contract expiration dates. We received the premiums on these contracts in full at the contract inception dates and therefore have no counterparty credit risk. We have written no new contracts since February 2008.

The aggregate intrinsic value (which is the undiscounted liability assuming the contracts are settled based on the index values and foreign currency exchange rates as of the balance sheet date) of our equity index put option contracts was approximately $3.0 billion at March 31, 2013 and $3.9 billion at December 31, 2012. However, these contracts may not be unilaterally terminated or fully settled before the expiration dates which occur between June 2018 and January 2026. Therefore, the ultimate amount of cash basis gains or losses on these contracts will not be determined for many years. The remaining weighted average life of all contracts was approximately 7.75 years at March 31, 2013.

Our credit default contracts were written on various indexes of non-investment grade (or “high yield”) corporate issuers, as well as investment grade corporate and state/municipal debt issuers. These contracts cover the loss in value of specified debt obligations of the issuers arising from default events, which are usually from their failure to make payments or bankruptcy. Loss amounts are subject to contract limits. We have written no new contracts since February 2009.

Notes To Consolidated Financial Statements *(Continued)*

Note 12. Derivative contracts *(Continued)*

State/municipality credit contract exposures currently relate to more than 500 debt issues with maturities ranging from 2019 to 2054. The aggregate notional value of these issues is approximately $7.8 billion and the debt issues have a weighted average maturity of approximately 18.5 years. Pursuant to the contract terms, future loss payments, if any, cannot be settled before the maturity dates of the underlying obligations. In August 2012, state/municipality credit contracts with notional values of $8.25 billion were terminated. We have no further obligations with respect to the terminated contracts.

Individual investment grade and high-yield corporate contracts in-force as of March 31, 2013 had an aggregate notional value of approximately $3.3 billion. All of these contracts will expire in 2013. Premiums under individual corporate credit default contracts are, generally, due from counterparties on a quarterly basis over the terms of the contracts. Otherwise, we have no counterparty credit risk under our credit default contracts because all premiums were received at the inception of the contracts.

With limited exceptions, our equity index put option and credit default contracts contain no collateral posting requirements with respect to changes in the fair value or intrinsic value of the contracts and/or a downgrade of Berkshire's credit ratings. As of March 31, 2013, our collateral posting requirement under contracts with collateral provisions was $10 million compared to $40 million at December 31, 2012. If Berkshire's credit ratings (currently AA+ from Standard & Poor's and Aa2 from Moody's) are downgraded below either A- by Standard & Poor's or A3 by Moody's, additional collateral of up to $1.1 billion could be required to be posted.

Our regulated utility subsidiaries are exposed to variations in the prices of fuel required to generate electricity, wholesale electricity purchased and sold and natural gas supplied for customers. Derivative instruments, including forward purchases and sales, futures, swaps and options, are used to manage a portion of these price risks. Derivative contract assets are included in other assets of railroad, utilities and energy businesses and were $49 million and $49 million as of March 31, 2013 and December 31, 2012, respectively. Derivative contract liabilities are included in accounts payable, accruals and other liabilities of railroad, utilities and energy businesses and were $157 million and $234 million as of March 31, 2013 and December 31, 2012, respectively. Unrealized gains and losses under the contracts of our regulated utilities that are probable of recovery through rates are recorded as regulatory assets or liabilities. Unrealized gains or losses on contracts accounted for as cash flow or fair value hedges are recorded in accumulated other comprehensive income or in net earnings, as appropriate.

Note 13. Supplemental cash flow information

A summary of supplemental cash flow information for the first quarter of 2013 and 2012 is presented in the following table (in millions).

	First Quarter	
	2013	**2012**
Cash paid during the period for:		
Income taxes	$241	$199
Interest:		
Insurance and other businesses	121	138
Railroad, utilities and energy businesses	505	465
Finance and financial products businesses	137	158

Notes To Consolidated Financial Statements *(Continued)*

Note 14. Notes payable and other borrowings

Notes payable and other borrowings are summarized below (in millions). The weighted average interest rates and maturity date ranges shown in the following tables are based on borrowings as of March 31, 2013.

	Weighted Average Interest Rate	March 31, 2013	December 31, 2012
Insurance and other:			
Issued by Berkshire parent company due 2013-2047	2.7%	$ 8,309	$ 8,323
Short-term subsidiary borrowings	0.3%	1,354	1,416
Other subsidiary borrowings due 2013-2035	6.0%	3,736	3,796
		$13,399	$ 13,535

In January 2013, Berkshire issued $2.6 billion of senior notes with interest rates ranging from 0.8% to 4.5% and maturities that range from 2016 to 2043. In February 2013, Berkshire repaid $2.6 billion of maturing senior notes.

	Weighted Average Interest Rate	March 31, 2013	December 31, 2012
Railroad, utilities and energy:			
Issued by MidAmerican Energy Holdings Company ("MidAmerican") and its subsidiaries:			
MidAmerican senior unsecured debt due 2014-2037	6.3%	$ 4,621	$ 4,621
Subsidiary and other debt due 2013-2042	5.0%	16,318	17,002
Issued by BNSF due 2013-2097	5.3%	15,951	14,533
		$36,890	$ 36,156

MidAmerican subsidiary debt represents amounts issued pursuant to separate financing agreements. All, or substantially all, of the assets of certain MidAmerican subsidiaries are, or may be, pledged or encumbered to support or otherwise secure the debt. These borrowing arrangements generally contain various covenants including, but not limited to, leverage ratios, interest coverage ratios and debt service coverage ratios. In March 2013, BNSF issued $1.5 billion in new debentures consisting of $700 million of 3.0% debentures due in 2023 and $800 million of 4.45% debentures due in 2043. BNSF's borrowings are primarily unsecured. As of March 31, 2013, BNSF and MidAmerican and their subsidiaries were in compliance with all applicable covenants. Berkshire does not guarantee any debt or other borrowings of BNSF, MidAmerican or their subsidiaries.

	Weighted Average Interest Rate	March 31, 2013	December 31, 2012
Finance and financial products:			
Issued by Berkshire Hathaway Finance Corporation ("BHFC") due 2013-2042	4.0%	$11,194	$ 11,186
Issued by other subsidiaries due 2013-2036	4.9%	1,766	1,859
		$12,960	$ 13,045

The borrowings of BHFC, a wholly owned finance subsidiary of Berkshire, are fully and unconditionally guaranteed by Berkshire. In January 2013, BHFC issued $500 million of new senior notes and repaid $500 million of maturing senior notes.

Certain of our subsidiaries have approximately $4.7 billion in the aggregate of unused lines of credit and commercial paper capacity at March 31, 2013, to support short-term borrowing programs and provide additional liquidity. In addition to borrowings of BHFC, as of March 31, 2013, Berkshire guaranteed approximately $4.4 billion of other subsidiary borrowings. Generally, Berkshire's guarantee of a subsidiary's debt obligation is an absolute, unconditional and irrevocable guarantee for the full and prompt payment when due of all present and future payment obligations.

Notes To Consolidated Financial Statements *(Continued)*

Note 15. Fair value measurements

Our financial assets and liabilities are summarized below as of March 31, 2013 and December 31, 2012 with fair value shown according to the fair value hierarchy. The carrying values of cash and cash equivalents, accounts receivable and accounts payable, accruals and other liabilities are considered to be reasonable estimates of their fair values.

	Carrying Value	Fair Value	Quoted Prices (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
March 31, 2013					
Investments in fixed maturity securities:					
U.S. Treasury, U.S. government corporations and agencies	$ 2,916	$ 2,916	$ 1,067	$ 1,848	$ 1
States, municipalities and political subdivisions	2,822	2,822	—	2,822	—
Foreign governments	11,037	11,037	4,417	6,620	—
Corporate bonds	12,180	12,180	—	11,532	648
Mortgage-backed securities	2,428	2,428	—	2,428	—
Investments in equity securities	97,163	97,163	97,064	64	35
Other investments carried at fair value	16,669	16,669	—	—	16,669
Other investments carried at cost	5,262	6,092	—	—	6,092
Loans and finance receivables	12,751	11,939	—	389	11,550
Derivative contract assets (1)	126	126	—	52	74
Derivative contract liabilities:					
Railroad, utilities and energy (1)	157	157	2	149	6
Finance and financial products:					
Equity index put options	6,264	6,264	—	—	6,264
Credit default	445	445	—	—	445
Other	12	12	—	12	—
Notes payable and other borrowings:					
Insurance and other	13,399	14,118	—	14,118	—
Railroad, utilities and energy	36,890	42,422	—	42,422	—
Finance and financial products	12,960	13,780	—	13,007	773
December 31, 2012					
Investments in fixed maturity securities:					
U.S. Treasury, U.S. government corporations and agencies	$ 2,775	$ 2,775	$ 1,225	$ 1,549	$ 1
States, municipalities and political subdivisions	2,913	2,913	—	2,912	1
Foreign governments	11,355	11,355	4,571	6,784	—
Corporate bonds	12,661	12,661	—	12,011	650
Mortgage-backed securities	2,587	2,587	—	2,587	—
Investments in equity securities	87,662	87,662	87,563	64	35
Other investments carried at fair value	15,750	15,750	—	—	15,750
Other investments carried at cost	5,259	6,134	—	—	6,134
Loans and finance receivables	12,809	11,991	—	304	11,687
Derivative contract assets (1)	220	220	1	128	91
Derivative contract liabilities:					
Railroad, utilities and energy (1)	234	234	10	217	7
Finance and financial products:					
Equity index put options	7,502	7,502	—	—	7,502
Credit default	429	429	—	—	429
Other	2	2	—	2	—
Notes payable and other borrowings:					
Insurance and other	13,535	14,284	—	14,284	—
Railroad, utilities and energy	36,156	42,074	—	42,074	—
Finance and financial products	13,045	14,005	—	13,194	811

(1) Assets are included in other assets and liabilities are included in accounts payable, accruals and other liabilities.

Notes To Consolidated Financial Statements *(Continued)*

Note 15. Fair value measurements *(Continued)*

The fair values of substantially all of our financial instruments were measured using market or income approaches. Considerable judgment may be required in interpreting market data used to develop the estimates of fair value. Accordingly, the estimates presented are not necessarily indicative of the amounts that could be realized in an actual current market exchange. The use of alternative market assumptions and/or estimation methodologies may have a material effect on the estimated fair value.

The hierarchy for measuring fair value consists of Levels 1 through 3, which are described below.

Level 1 – Inputs represent unadjusted quoted prices for identical assets or liabilities exchanged in active markets. Substantially all of our investments in equity securities are traded on an exchange in active markets and fair values are based on the closing prices as of the balance sheet date.

Level 2 – Inputs include directly or indirectly observable inputs (other than Level 1 inputs) such as quoted prices for similar assets or liabilities exchanged in active or inactive markets; quoted prices for identical assets or liabilities exchanged in inactive markets; other inputs that may be considered in fair value determinations of the assets or liabilities, such as interest rates and yield curves, volatilities, prepayment speeds, loss severities, credit risks and default rates; and inputs that are derived principally from or corroborated by observable market data by correlation or other means. Fair values of investments in fixed maturity securities and notes payable and other borrowings are primarily based on price evaluations which incorporate market prices for identical instruments in inactive markets and market data available for instruments with similar characteristics. Pricing evaluations generally reflect discounted expected future cash flows, which incorporate yield curves for instruments with similar characteristics, such as credit rating, estimated duration and yields for other instruments of the issuer or entities in the same industry sector.

Level 3 – Inputs include unobservable inputs used in the measurement of assets and liabilities. Management is required to use its own assumptions regarding unobservable inputs because there is little, if any, market activity in the assets or liabilities and we may be unable to corroborate the related observable inputs. Unobservable inputs require management to make certain projections and assumptions about the information that would be used by market participants in pricing assets or liabilities. Fair value measurements of non-exchange traded derivative contracts and certain other investments are based primarily on valuation models, discounted cash flow models or other valuation techniques that are believed to be used by market participants.

Reconciliations of assets and liabilities measured and carried at fair value on a recurring basis with the use of significant unobservable inputs (Level 3) for the first quarter of 2013 and 2012 follow (in millions).

	Investments in fixed maturity securities	Investments in equity securities	Other investments	Net derivative contract liabilities
Balance at December 31, 2011	$ 784	$ 22	$ 11,669	$ (9,908)
Gains (losses) included in:				
Earnings	—	(1)	—	1,022
Other comprehensive income	6	11	2,489	(3)
Regulatory assets and liabilities	—	—	—	9
Acquisitions, dispositions and settlements	(6)	—	—	31
Transfers into (out of) Level 3	(129)	—	—	—
Balance at March 31, 2012	$ 655	$ 32	$ 14,158	$ (8,849)
Balance at December 31, 2012	$ 652	$ 35	$ 15,750	$ (7,847)
Gains (losses) included in:				
Earnings	—	—	520	1,235
Other comprehensive income	(2)	—	399	(3)
Regulatory assets and liabilities	—	—	—	1
Dispositions	(1)	—	—	—
Settlements, net	—	—	—	(27)
Transfers into (out of) Level 3	—	—	—	—
Balance at March 31, 2013	$ 649	$ 35	$ 16,669	$ (6,641)

Notes To Consolidated Financial Statements *(Continued)*

Note 15. Fair value measurements *(Continued)*

Gains and losses included in earnings are included as components of investment gains/losses, derivative gains/losses and other revenues, as appropriate and are related to changes in valuations of derivative contracts and settlement transactions. Gains and losses included in other comprehensive income are included as components of the net change in unrealized appreciation of investments and the reclassification of investment appreciation in earnings, as appropriate in the Consolidated Statements of Comprehensive Income.

Quantitative information as of March 31, 2013, with respect to assets and liabilities measured and carried at fair value on a recurring basis with the use of significant unobservable inputs (Level 3) follows (in millions).

	Fair value	Principal valuation techniques	Unobservable Input	Weighted Average
Other investments:				
Preferred stocks	$11,912	Discounted cash flow	Expected duration	7 years
			Discount for transferability restrictions and subordination	97 basis points
Common stock warrants	4,757	Warrant pricing model	Discount for transferability and hedging restrictions	15%
Net derivative liabilities:				
Equity index put options	6,264	Option pricing model	Volatility	20%
Credit default-states/municipalities	427	Discounted cash flow	Credit spreads	82 basis points

For certain credit default and other derivative contracts where we could not corroborate that the fair values or the inputs were observable in the market, fair values were based on non-binding price indications obtained from third party sources. Management reviewed these values relative to the terms of the contracts, the current facts, circumstances and market conditions, and concluded they were reasonable. We did not adjust these prices and therefore, they have been excluded from the preceding table.

Our other investments that are carried at fair value consist of a few relatively large private placement transactions and include perpetual preferred stocks and common stock warrants. These investments are subject to contractual restrictions on transferability and/or provisions that prevent us from economically hedging our investments. In applying discounted estimated cash flow techniques in valuing the perpetual preferred stocks, we made assumptions regarding the expected durations of the investments, as the issuers may have the right to redeem or convert these investments. We also made estimates regarding the impact of subordination, as the preferred stocks have a lower priority in liquidation than investment grade debt instruments of the issuers, which affected the discount rates. In valuing the common stock warrants, we used a warrant valuation model. While most of the inputs to the model are observable, we are subject to the aforementioned contractual restrictions. We have applied discounts with respect to the contractual restrictions. Increases or decreases to these inputs would result in decreases or increases to the fair values.

Our equity index put option and credit default contracts are not exchange traded and certain contract terms are not standard in derivatives markets. For example, we are not required to post collateral under most of our contracts and many contracts have long durations, and therefore are illiquid. For these and other reasons, we classified these contracts as Level 3. The methods we use to value these contracts are those that we believe market participants would use in determining exchange prices with respect to our contracts.

We value equity index put option contracts based on the Black-Scholes option valuation model. Inputs to this model include current index price, contract duration, dividend and interest rate inputs (which include a Berkshire non-performance input) which are observable. However, the valuation of long-duration options is inherently subjective, given the lack of observable transactions and prices, and acceptable values may be subject to wide ranges. Expected volatility inputs represent our expectations after considering the remaining duration of each contract and that the contracts will remain outstanding until the expiration dates without offsetting transactions occurring in the interim. Increases or decreases in the volatility inputs will produce increases or decreases in the fair values.

Our state and municipality credit default contract values reflect credit spreads, contract durations, interest rates, bond prices and other inputs believed to be used by market participants in estimating fair value. We utilize discounted cash flow valuation models, which incorporate the aforementioned inputs as well as our own estimates of credit spreads for states and municipalities where there is no observable input. Increases or decreases to the credit spreads will produce increases or decreases in the fair values.

Notes To Consolidated Financial Statements *(Continued)*

Note 16. Common stock

Changes in Berkshire's issued and outstanding common stock during the first quarter of 2013 are shown in the table below.

	Class A, $5 Par Value (1,650,000 shares authorized)			Class B, $0.0033 Par Value (3,225,000,000 shares authorized)		
	Issued	Treasury	Outstanding	Issued	Treasury	Outstanding
Balance at December 31, 2012	904,528	(9,573)	894,955	1,123,393,956	(1,408,484)	1,121,985,472
Conversions of Class A common stock to Class B common stock and exercises of replacement stock options issued in a business acquisition	(2,898)	—	(2,898)	5,024,428	—	5,024,428
Balance at March 31, 2013	901,630	(9,573)	892,057	1,128,418,384	(1,408,484)	1,127,009,900

Each Class A common share is entitled to one vote per share. Class B common stock possesses dividend and distribution rights equal to one-fifteen-hundredth (1/1,500) of such rights of Class A common stock. Each Class B common share possesses voting rights equivalent to one-ten-thousandth (1/10,000) of the voting rights of a Class A share. Unless otherwise required under Delaware General Corporation Law, Class A and Class B common shares vote as a single class. Each share of Class A common stock is convertible, at the option of the holder, into 1,500 shares of Class B common stock. Class B common stock is not convertible into Class A common stock. On an equivalent Class A common stock basis, there were 1,643,397 shares outstanding as of March 31, 2013 and 1,642,945 shares outstanding as of December 31, 2012. In addition to our common stock, 1,000,000 shares of preferred stock are authorized, but none of which are issued and outstanding.

In 2011, Berkshire's Board of Directors ("Berkshire's Board") approved a common stock repurchase program. Under the program, as amended in December 2012, Berkshire may repurchase its Class A and Class B shares at prices no higher than a 20% premium over the book value of the shares. Berkshire may repurchase shares in the open market or through privately negotiated transactions. Berkshire's Board authorization does not specify a maximum number of shares to be repurchased. However, repurchases will not be made if they would reduce Berkshire's consolidated cash equivalent holdings below $20 billion. The repurchase program is expected to continue indefinitely and the amount of repurchases will depend entirely upon the level of cash available, the attractiveness of investment and business opportunities either at hand or on the horizon, and the degree of discount of the market price relative to management's estimate of intrinsic value. The repurchase program does not obligate Berkshire to repurchase any dollar amount or number of Class A or Class B shares. In December 2012, Berkshire repurchased 9,475 Class A shares and 606,499 Class B shares for approximately $1.3 billion through a privately negotiated transaction and market purchases.

Notes To Consolidated Financial Statements *(Continued)*

Note 17. Accumulated other comprehensive income

A summary of the net changes in after-tax accumulated other comprehensive income and significant amounts reclassified out of accumulated other comprehensive income attributable to Berkshire Hathaway shareholders' for the three-month period ended March 31, 2013 follows (in millions).

	Unrealized appreciation of investments, net	Foreign currency translation	Prior service and actuarial gains/losses of defined benefit pension plans	Other	Accumulated other comprehensive income
Balance at December 31, 2012	$ 29,254	$ (120)	$ (1,601)	$ (33)	$ 27,500
Other comprehensive income (loss) before reclassifications	6,308	(560)	24	12	5,784
Amounts reclassified from accumulated other comprehensive income	(328)	—	34	2	(292)
Transactions with noncontrolling interests	—	—	—	—	—
Net current period other comprehensive income	5,980	(560)	58	14	5,492
Balance at March 31, 2013	$ 35,234	$ (680)	$ (1,543)	$ (19)	$ 32,992
Amounts reclassified from other comprehensive income into net earnings for the first quarter of 2013 are included on the following line items:					
Insurance and Other					
Investment gains/losses	$ (436)	$ —	$ —	$ —	$ (436)
Finance and Financial Products					
Investment gains/losses	(68)	—	—	—	(68)
Other [(1)]	—	—	46	3	49
Reclassifications before income taxes	(504)	—	46	3	(455)
Applicable income taxes	(176)	—	12	1	(163)
	$ (328)	$ —	$ 34	$ 2	$ (292)

(1) *Amounts are included on various line items, and are immaterial individually and in the aggregate.*

Note 18. Contingencies and Commitments

On February 13, 2013, Berkshire and an affiliate of the global investment firm 3G Capital ("3G"), through a newly formed holding company ("Holdco") entered into a definitive merger agreement to acquire H.J. Heinz Company ("Heinz"). Under the terms of the agreement, Heinz shareholders will receive $72.50 in cash for each outstanding share of common stock (approximately $23.25 billion in the aggregate.) Berkshire and 3G have committed to make equity investments in Holdco, which together with debt financing to be obtained by Holdco will be used to acquire Heinz. Berkshire's commitment is for the purchase of $4.12 billion of Holdco common stock and $8 billion of its preferred stock that will pay a 9% dividend. 3G has committed to purchase $4.12 billion of Holdco common stock. Berkshire and 3G will each possess a 50% voting interest in Holdco and following the acquisition, a 50% voting interest in Heinz. The acquisition was approved by the shareholders of Heinz on April 30, 2013. The closing will occur following the receipt of certain regulatory approvals and the fulfillment of other customary closing conditions, and is expected to occur in the latter part of the second quarter or in the third quarter of 2013.

Heinz Company is one of the world's leading marketers and producers of healthy, convenient and affordable foods specializing in ketchup, sauces, meals, soups, snacks and infant nutrition. Heinz is a global family of leading branded products, including Heinz® Ketchup, sauces, soups, beans, pasta and infant foods (representing over one third of Heinz's total sales), Ore-Ida® potato products, Weight Watchers® Smart Ones® entrées, T.G.I. Friday's® snacks, and Plasmon infant nutrition.

We have owned a controlling interest in Marmon Holdings, Inc. ("Marmon") since 2008 and currently own about 90% of the outstanding common stock. We are contractually required to acquire substantially all of the remaining noncontrolling interests of Marmon no later than March 31, 2014, for an amount that will be based on Marmon's 2013 operating results. On April 29, 2013, Berkshire acquired the remaining noncontrolling interests of IMC International Metalworking Companies B.V., the parent company of Iscar, for consideration of $2.05 billion. Berkshire now owns 100% of IMC International Metalworking Companies B.V.

Notes To Consolidated Financial Statements *(Continued)*

Note 19. Business segment data

Revenues by segment for the first quarter of 2013 and 2012 were as follows (in millions).

	First Quarter 2013	First Quarter 2012
Operating Businesses:		
Insurance group:		
Premiums earned:		
GEICO	$ 4,399	$ 4,016
General Re	1,469	1,471
Berkshire Hathaway Reinsurance Group	2,796	2,071
Berkshire Hathaway Primary Group	713	507
Investment income	1,001	1,056
Total insurance group	10,378	9,121
BNSF	5,284	5,002
Finance and financial products	950	959
Marmon	1,730	1,793
McLane Company	10,785	8,073
MidAmerican	3,116	2,894
Other businesses	9,945	9,296
	42,188	37,138
Reconciliation of segments to consolidated amount:		
Investment and derivative gains/losses	1,711	896
Eliminations and other	(32)	113
	$43,867	$38,147

Earnings before income taxes by segment for the first quarter of 2013 and 2012 were as follows (in millions).

	First Quarter 2013	First Quarter 2012
Operating Businesses:		
Insurance group:		
Underwriting gain (loss):		
GEICO	$ 266	$ 124
General Re	95	81
Berkshire Hathaway Reinsurance Group	974	(191)
Berkshire Hathaway Primary Group	54	71
Net investment income	996	1,052
Total insurance group	2,385	1,137
BNSF	1,289	1,115
Finance and financial products	169	163
Marmon	266	269
McLane Company	132	102
MidAmerican	553	483
Other businesses	1,091	1,069
	5,885	4,338
Reconciliation of segments to consolidated amount:		
Investment and derivative gains/losses	1,711	896
Interest expense, excluding interest allocated to operating businesses	(72)	(66)
Eliminations and other	(229)	(237)
	$7,295	$4,931

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Results of Operations

Net earnings attributable to Berkshire are disaggregated in the table that follows. Amounts are after deducting income taxes and exclude earnings attributable to noncontrolling interests. Amounts are in millions.

	First Quarter	
	2013	2012
Insurance – underwriting	$ 901	$ 54
Insurance – investment income	799	791
Railroad	798	701
Utilities and energy	394	338
Manufacturing, service and retailing	944	854
Finance and financial products	109	104
Other	(163)	(177)
Investment and derivative gains/losses	1,110	580
Net earnings attributable to Berkshire	$4,892	$3,245

Through our subsidiaries, we engage in a number of diverse business activities. Our operating businesses are managed on an unusually decentralized basis. There are essentially no centralized or integrated business functions (such as sales, marketing, purchasing, legal or human resources) and there is minimal involvement by our corporate headquarters in the day-to-day business activities of the operating businesses. Our senior corporate management team participates in and is ultimately responsible for significant capital allocation decisions, investment activities and the selection of the Chief Executive to head each of the operating businesses. It also is responsible for coordinating Berkshire's corporate governance efforts, including, but not limited to, communicating the appropriate "tone at the top" messages to its employees and associates, monitoring governance efforts, including those at the operating businesses, and participating in the resolution of governance-related issues as needed. The business segment data (Note 19 to the Consolidated Financial Statements) should be read in conjunction with this discussion.

Our insurance underwriting businesses generated significant underwriting gains in the first quarter of 2013, reflecting no significant losses from catastrophes and our railroad and utilities and energy businesses continued to generate significant earnings in 2013. Earnings from our manufacturing, service and retailing businesses in 2013 were mixed, but as indicated in the table above increased about 10% in the aggregate.

Investment and derivative gains/losses in the first quarter included after-tax gains from derivative contracts of $784 million in 2013 and $650 million in 2012, which were primarily attributable to fair value changes to our equity index put option derivative contracts in both 2013 and 2012 as well as our credit default derivative contracts in 2012. We believe that realized investment gains/losses and other-than-temporary impairment losses are often meaningless in terms of understanding our reported results or evaluating our economic performance. These gains and losses and changes in the equity and credit markets from period to period have caused and will likely continue to cause significant volatility in our periodic earnings.

Insurance—Underwriting

We engage in both primary insurance and reinsurance of property/casualty, life and health risks. In primary insurance activities, we assume defined portions of the risks of loss from persons or organizations that are directly subject to the risks. In reinsurance activities, we assume defined portions of similar or dissimilar risks that other insurers or reinsurers have subjected themselves to in their own insuring activities. Our insurance and reinsurance businesses are: (1) GEICO, (2) General Re, (3) Berkshire Hathaway Reinsurance Group ("BHRG") and (4) Berkshire Hathaway Primary Group.

Our management views insurance businesses as possessing two distinct operations – underwriting and investing. Underwriting decisions are the responsibility of the unit managers; investing decisions, with limited exceptions, are the responsibility of Berkshire's Chairman and CEO, Warren E. Buffett. Accordingly, we evaluate the performance of underwriting operations without any allocation of investment income.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations *(Continued)*

Insurance—Underwriting *(Continued)*

The timing and amount of catastrophe losses can also produce significant volatility in our periodic underwriting results, particularly with respect to BHRG and General Re. In the first quarter of 2013 and 2012, losses from catastrophes were not significant. For the purposes of this discussion, we consider catastrophe losses significant if the pre-tax losses incurred from a single event (or series of related events) exceed $75 million on a consolidated basis. Our periodic underwriting results are affected significantly by changes in estimates for unpaid losses and loss adjustment expenses, including amounts established for occurrences in prior years. Periodic underwriting results may also include significant foreign currency transaction gains and losses arising from the changes in the valuations of certain non-U.S. Dollar denominated reinsurance liabilities as a result of foreign currency exchange rate fluctuations. BHRG's underwriting results included pre-tax gains of $223 million in the first quarter of 2013 and pre-tax losses of $146 million in the first quarter of 2012 from such foreign currency exchange rate changes, which were included in underwriting expenses. In addition, BHRG's results for the first quarter of 2013 included a one-time pre-tax gain of $255 million arising from amendments to a life reinsurance contract.

A key marketing strategy followed by all of our insurance businesses is the maintenance of extraordinary capital strength. Statutory surplus of our insurance businesses was approximately $106 billion at December 31, 2012. This superior capital strength creates opportunities, especially with respect to reinsurance activities, to negotiate and enter into insurance and reinsurance contracts specially designed to meet the unique needs of insurance and reinsurance buyers.

A summary follows of underwriting results from our insurance businesses. Amounts are in millions.

	First Quarter	
	2013	2012
Underwriting gain (loss) attributable to:		
GEICO	$ 266	$ 124
General Re	95	81
Berkshire Hathaway Reinsurance Group	974	(191)
Berkshire Hathaway Primary Group	54	71
Pre-tax underwriting gain	1,389	85
Income taxes and noncontrolling interests	488	31
Net underwriting gain	$ 901	$ 54

GEICO

Through GEICO, we primarily write private passenger automobile insurance, offering coverages to insureds in all 50 states and the District of Columbia. GEICO's policies are marketed mainly by direct response methods in which customers apply for coverage directly to the company via the Internet or over the telephone. This is a significant element in our strategy to be a low-cost auto insurer. In addition, we strive to provide excellent service to customers, with the goal of establishing long-term customer relationships. GEICO's underwriting results are summarized below. Dollars are in millions.

	First Quarter			
	2013		2012	
	Amount	%	Amount	%
Premiums earned	$4,399	100.0	$4,016	100.0
Losses and loss adjustment expenses	3,353	76.2	2,933	73.0
Underwriting expenses	780	17.8	959	23.9
Total losses and expenses	4,133	94.0	3,892	96.9
Pre-tax underwriting gain	$ 266		$ 124	

Premiums written in the first quarter of 2013 were $4,841 million, an increase of 11.3% as compared to the first quarter of 2012. Premiums earned in the first quarter of 2013 increased $383 million (9.5%) to $4,399 million. The growth in premiums earned for voluntary auto was 9.5%, as policies-in-force increased 7.4% during the past year. The increase in policies-in-force reflects a 13.6% increase in voluntary auto new business sales. Voluntary auto policies-in-force at March 31, 2013 were approximately 402,000 greater than at December 31, 2012. In recent years, the growth in voluntary auto policies-in-force has been the greatest during the first quarter.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations *(Continued)*

Insurance —Underwriting *(Continued)*

GEICO *(Continued)*

Losses and loss adjustment expenses incurred in the first quarter of 2013 were $3,353 million, an increase of $420 million (14.3%) versus the first quarter of 2012. The loss ratio (the ratio of losses and loss adjustment expenses incurred to premiums earned) was 76.2% in the first quarter of 2013 compared to 73.0% in 2012. In the first quarter of 2013 claims frequencies for property damage and collision coverages increased in the two to three percent range compared to the first quarter of 2012 due to more severe winter weather. In addition, physical damage severities increased in the three to five percent range and average bodily injury severities increased in the two to three percent range, although expected severities for personal injury protection coverage declined, primarily in Florida.

Underwriting expenses in the first quarter of 2013 declined $179 million (18.7%), despite the aforementioned increase in premiums earned. Underwriting expenses in the first quarter of 2012 were impacted by a change in U.S. GAAP concerning deferred policy acquisition costs ("DPAC"). DPAC represents the underwriting costs that are eligible to be capitalized and expensed as premiums are earned over the policy period. Policy acquisition costs related to policies written and renewed after December 31, 2011 are being deferred at lower levels than before that date. The new accounting standard essentially accelerates the timing of when certain underwriting costs are recognized in earnings. The new accounting standard was adopted on a prospective basis on January 1, 2012. As a result, DPAC recorded as of December 31, 2011 was amortized to expense over the remainder of the related policy periods in 2012. Excluding the effects of the accounting change in 2012, the ratio of underwriting expenses to premiums earned in the first quarter of 2013 (17.8%) was relatively unchanged from the ratio in first quarter of 2012. The new accounting standard for DPAC does not impact the cash basis periodic underwriting costs or our assessment of GEICO's underwriting performance.

General Re

Through General Re, we conduct a reinsurance business offering property and casualty and life and health coverages to clients worldwide. We write property and casualty reinsurance in North America on a direct basis through General Reinsurance Corporation and internationally through Germany-based General Reinsurance AG and other wholly-owned affiliates. Property and casualty reinsurance is also written through brokers with respect to Faraday in London. Life and health reinsurance is written in North America through General Re Life Corporation and internationally through General Reinsurance AG. General Re strives to generate underwriting profits in essentially all of its product lines. Our management does not evaluate underwriting performance based upon market share and our underwriters are instructed to reject inadequately priced risks. General Re's underwriting results are summarized in the following table. Amounts are in millions.

	First Quarter			
	Premiums earned		Pre-tax underwriting gain (loss)	
	2013	2012	2013	2012
Property/casualty	$ 758	$ 735	$ 96	$ 46
Life/health	711	736	(1)	35
	$1,469	$1,471	$ 95	$ 81

Property/casualty

Property/casualty premiums earned in the first quarter of 2013 were $758 million, an increase of $23 million (3.1%) compared to 2012. Excluding the effects of foreign currency exchange rate changes, premiums earned in the first quarter of 2013 increased $37 million (5.0%), which was primarily due to increases in international treaty business. However, price competition in most property and casualty lines persists. Our underwriters continue to exercise discipline by not accepting offers to write business where prices are deemed inadequate. We remain prepared to increase premium volumes should market conditions improve.

Underwriting results in the first quarter of 2013 and 2012 included gains of $96 million and $46 million, respectively, comprised of net underwriting gains from property business, partially offset by net underwriting losses from casualty/workers' compensation business. Property business generated underwriting gains of $110 million in the first quarter of 2013 compared to $66 million in the first quarter of 2012. Property results in each period were absent significant catastrophe losses and included favorable development of prior years' business ($46 million in 2013 versus $59 million in 2012). The favorable development in each period was primarily attributable to lower than expected losses reported by clients. The timing and magnitude of catastrophe and large individual losses has produced and is expected to continue to produce significant volatility in periodic underwriting results.