Management's Discussion *(Continued)*

Interest Rate Risk

We regularly invest in bonds, loans or other interest rate sensitive instruments. Our strategy is to acquire such securities that are attractively priced in relation to the perceived credit risk. Management recognizes and accepts that losses may occur with respect to assets. We also strive to maintain high credit ratings so that the cost of our debt is minimized. We rarely utilize derivative products, such as interest rate swaps, to manage interest rate risks.

The fair values of our fixed maturity investments and notes payable and other borrowings will fluctuate in response to changes in market interest rates. In addition, changes in interest rate assumptions used in our equity index put option contract models cause changes in reported liabilities with respect to those contracts. Increases and decreases in prevailing interest rates generally translate into decreases and increases in fair values of those instruments. Additionally, fair values of interest rate sensitive instruments may be affected by the creditworthiness of the issuer, prepayment options, relative values of alternative investments, the liquidity of the instrument and other general market conditions. The fair values of fixed interest rate instruments may be more sensitive to interest rate changes than variable rate instruments.

The following table summarizes the estimated effects of hypothetical changes in interest rates on our assets and liabilities that are subject to interest rate risk. It is assumed that the interest rate changes occur immediately and uniformly to each category of instrument containing interest rate risk, and that there are no significant changes to other factors used to determine the value of the instrument. The hypothetical changes in interest rates do not reflect what could be deemed best or worst case scenarios. Variations in interest rates could produce significant changes in the timing of repayments due to prepayment options available. For these reasons, actual results might differ from those reflected in the table. Dollars are in millions.

		Estimated Fair Value after Hypothetical Change in Interest Rates (bp=basis points)			
	Fair Value	100 bp decrease	100 bp increase	200 bp increase	300 bp increase
December 31, 2012					
Assets:					
Investments in fixed maturity securities	$32,291	$33,095	$31,456	$30,653	$29,937
Other investments [(1)]	14,740	15,241	14,206	13,683	13,189
Loans and finance receivables	11,991	12,410	11,598	11,229	10,883
Liabilities:					
Notes payable and other borrowings:					
Insurance and other	14,284	14,794	13,815	13,398	13,018
Railroad, utilities and energy	42,074	46,268	38,519	35,495	32,902
Finance and financial products	14,005	14,597	13,432	12,950	12,519
Equity index put option contracts	7,502	8,980	6,226	5,131	4,198
December 31, 2011					
Assets:					
Investments in fixed maturity securities	$32,188	$32,966	$31,371	$30,569	$29,859
Other investments [(1)]	13,927	14,501	13,382	12,863	12,374
Loans and finance receivables	13,126	13,584	12,696	12,292	11,913
Liabilities:					
Notes payable and other borrowings:					
Insurance and other	14,334	14,810	13,908	13,525	13,176
Railroad, utilities and energy	38,257	42,023	35,096	32,403	30,097
Finance and financial products	14,959	15,541	14,513	14,106	13,732
Equity index put option contracts	8,499	10,238	7,007	5,733	4,655

(1) *Includes other investments that are subject to a significant level of interest rate risk.*

Equity Price Risk

Historically, we have maintained large amounts of invested assets in exchange traded equity securities. Strategically, we strive to invest in businesses that possess excellent economics, with able and honest management and at sensible prices and

Management's Discussion *(Continued)*

Equity Price Risk *(Continued)*

prefer to invest a meaningful amount in each investee. Consequently, equity investments are concentrated in relatively few investees. At December 31, 2012, approximately 63% of the total fair value of equity investments was concentrated in five investees.

We often hold equity investments for long periods of time so we are not troubled by short-term price volatility with respect to our investments provided that the underlying business, economic and management characteristics of the investees remain favorable. We strive to maintain above average levels of shareholder capital to provide a margin of safety against short-term price volatility.

Market prices for equity securities are subject to fluctuation and consequently the amount realized in the subsequent sale of an investment may significantly differ from the reported market value. Fluctuation in the market price of a security may result from perceived changes in the underlying economic characteristics of the investee, the relative price of alternative investments and general market conditions.

We are also subject to equity price risk with respect to our equity index put option contracts. While our ultimate potential loss with respect to these contracts is determined from the movement of the underlying stock index between the contract inception date and expiration date, fair values of these contracts are also affected by changes in other factors such as interest rates, expected dividend rates and the remaining duration of the contract. These contracts expire between 2018 and 2026 and may not be unilaterally settled before their respective expiration dates.

The following table summarizes our equity and other investments and derivative contract liabilities with equity price risk as of December 31, 2012 and 2011. The effects of a hypothetical 30% increase and a 30% decrease in market prices as of those dates are also shown. The selected 30% hypothetical changes do not reflect what could be considered the best or worst case scenarios. Indeed, results could be far worse due both to the nature of equity markets and the aforementioned concentrations existing in our equity investment portfolio. Dollar amounts are in millions.

	Fair Value	Hypothetical Price Change	Estimated Fair Value after Hypothetical Change in Prices	Hypothetical Percentage Increase (Decrease) in Shareholders' Equity
December 31, 2012				
Assets:				
Equity securities	$87,662	30% increase	$113,961	9.1
		30% decrease	61,363	(9.1)
Other investments [1]	10,820	30% increase	15,171	1.5
		30% decrease	7,709	(1.1)
Liabilities:				
Equity index put option contracts	7,502	30% increase	5,009	0.9
		30% decrease	11,482	(1.4)
December 31, 2011				
Assets:				
Equity securities	$76,991	30% increase	$100,088	9.1
		30% decrease	53,894	(9.1)
Other investments [1]	7,432	30% increase	9,679	0.9
		30% decrease	5,708	(0.7)
Liabilities:				
Equity index put option contracts	8,499	30% increase	6,156	0.9
		30% decrease	11,949	(1.4)

(1) Includes other investments that possess significant equity price risk.

Foreign Currency Risk

We generally do not use derivative contracts to hedge foreign currency price changes primarily because of the natural hedging that occurs between assets and liabilities denominated in foreign currencies in our Consolidated Financial Statements. In addition, we hold investments in major multinational companies that have significant foreign business and foreign currency risk of their own, such as The Coca-Cola Company. Our net assets subject to translation are primarily in our insurance and utilities and energy businesses, and to a lesser extent in our manufacturing and services businesses. The translation impact is somewhat offset by transaction gains or losses on net reinsurance liabilities of certain U.S. subsidiaries that are denominated in foreign currencies as well as the equity index put option liabilities of U.S. subsidiaries relating to contracts that would be settled in foreign currencies.

Commodity Price Risk

Our diverse group of operating businesses use commodities in various ways in manufacturing and providing services. As such, we are subject to price risks related to various commodities. In most instances, we attempt to manage these risks through the pricing of our products and services to customers. To the extent that we are unable to sustain price increases in response to commodity price increases, our operating results will likely be adversely affected. We utilize derivative contracts to a limited degree in managing commodity price risks, most notably at MidAmerican. MidAmerican's exposures to commodities include variations in the price of fuel required to generate electricity, wholesale electricity that is purchased and sold and natural gas supply for customers. Commodity prices are subject to wide price swings as supply and demand are impacted by, among many other unpredictable items, weather, market liquidity, generating facility availability, customer usage, storage and transmission and transportation constraints. To mitigate a portion of the risk, MidAmerican uses derivative instruments, including forwards, futures, options, swaps and other agreements, to effectively secure future supply or sell future production generally at fixed prices. The settled cost of these contracts is generally recovered from customers in regulated rates. Financial results would be negatively impacted if the costs of wholesale electricity, fuel or natural gas are higher than what is permitted to be recovered in rates. MidAmerican also uses futures, options and swap agreements to economically hedge gas and electric commodity prices for physical delivery to non-regulated customers. The table that follows summarizes our commodity price risk on energy derivative contracts of MidAmerican as of December 31, 2012 and 2011 and shows the effects of a hypothetical 10% increase and a 10% decrease in forward market prices by the expected volumes for these contracts as of each date. The selected hypothetical change does not reflect what could be considered the best or worst case scenarios. Dollars are in millions.

	Fair Value Net Assets (Liabilities)	Hypothetical Price Change	Estimated Fair Value after Hypothetical Change in Price
December 31, 2012	$(235)	10% increase	$(187)
		10% decrease	(285)
December 31, 2011	$(445)	10% increase	$(348)
		10% decrease	(542)

FORWARD-LOOKING STATEMENTS

Investors are cautioned that certain statements contained in this document as well as some statements in periodic press releases and some oral statements of Berkshire officials during presentations about Berkshire or its subsidiaries are "forward-looking" statements within the meaning of the Private Securities Litigation Reform Act of 1995 (the "Act"). Forward-looking statements include statements which are predictive in nature, which depend upon or refer to future events or conditions, which include words such as "expects," "anticipates," "intends," "plans," "believes," "estimates" or similar expressions. In addition, any statements concerning future financial performance (including future revenues, earnings or growth rates), ongoing business strategies or prospects and possible future Berkshire actions, which may be provided by management, are also forward-looking statements as defined by the Act. Forward-looking statements are based on current expectations and projections about future events and are subject to risks, uncertainties and assumptions about Berkshire and its subsidiaries, economic and market factors and the industries in which we do business, among other things. These statements are not guaranties of future performance and we have no specific intention to update these statements.

Actual events and results may differ materially from those expressed or forecasted in forward-looking statements due to a number of factors. The principal important risk factors that could cause our actual performance and future events and actions to differ materially from such forward-looking statements include, but are not limited to, changes in market prices of our investments in fixed maturity and equity securities, losses realized from derivative contracts, the occurrence of one or more catastrophic events, such as an earthquake, hurricane or act of terrorism that causes losses insured by our insurance subsidiaries, changes in laws or regulations affecting our insurance, railroad, utilities and energy and finance subsidiaries, changes in federal income tax laws, and changes in general economic and market factors that affect the prices of securities or the industries in which we do business.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

See "Market Risk Disclosures" contained in Item 7 "Management's Discussion and Analysis of Financial Condition and Results of Operations."

Management's Report on Internal Control Over Financial Reporting

Management of Berkshire Hathaway Inc. is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in the Securities Exchange Act of 1934 Rule 13a-15(f). Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we conducted an evaluation of the effectiveness of the Company's internal control over financial reporting as of December 31, 2012 as required by the Securities Exchange Act of 1934 Rule 13a-15(c). In making this assessment, we used the criteria set forth in the framework in *Internal Control – Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on our evaluation under the framework in *Internal Control – Integrated Framework*, our management concluded that our internal control over financial reporting was effective as of December 31, 2012.

The effectiveness of our internal control over financial reporting as of December 31, 2012 has been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their report which appears on page 63.

Berkshire Hathaway Inc.
March 1, 2013

Item 8. Financial Statements and Supplementary Data

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of
Berkshire Hathaway Inc.
Omaha, Nebraska

We have audited the accompanying consolidated balance sheets of Berkshire Hathaway Inc. and subsidiaries (the "Company") as of December 31, 2012 and 2011, and the related consolidated statements of earnings, comprehensive income, changes in shareholders' equity, and cash flows for each of the three years in the period ended December 31, 2012. We also have audited the Company's internal control over financial reporting as of December 31, 2012, based on criteria established in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. The Company's management is responsible for these financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on these financial statements and an opinion on the Company's internal control over financial reporting based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A company's internal control over financial reporting is a process designed by, or under the supervision of, the company's principal executive and principal financial officers, or persons performing similar functions, and effected by the company's board of directors, management, and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Berkshire Hathaway Inc. and subsidiaries as of December 31, 2012 and 2011, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2012, in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2012, based on the criteria established in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission.

/s/ DELOITTE & TOUCHE LLP

Omaha, Nebraska
March 1, 2013

BERKSHIRE HATHAWAY INC.
and Subsidiaries

CONSOLIDATED BALANCE SHEETS
(dollars in millions)

	December 31, 2012	December 31, 2011
ASSETS		
Insurance and Other:		
Cash and cash equivalents	$ 42,358	$ 33,513
Investments:		
Fixed maturity securities	31,449	31,222
Equity securities	86,467	76,063
Other	16,057	13,111
Receivables	21,753	19,012
Inventories	9,675	8,975
Property, plant and equipment	19,188	18,177
Goodwill	33,274	32,125
Other	17,875	18,121
	278,096	250,319
Railroad, Utilities and Energy:		
Cash and cash equivalents	2,570	2,246
Property, plant and equipment	87,684	82,214
Goodwill	20,213	20,056
Other	13,441	12,861
	123,908	117,377
Finance and Financial Products:		
Cash and cash equivalents	2,064	1,540
Investments in fixed maturity securities	842	966
Other investments	4,952	3,810
Loans and finance receivables	12,809	13,934
Goodwill	1,036	1,032
Other	3,745	3,669
	25,448	24,951
	$427,452	$392,647
LIABILITIES AND SHAREHOLDERS' EQUITY		
Insurance and Other:		
Losses and loss adjustment expenses	$ 64,160	$ 63,819
Unearned premiums	10,237	8,910
Life, annuity and health insurance benefits	10,943	9,924
Accounts payable, accruals and other liabilities	21,149	18,466
Notes payable and other borrowings	13,535	13,768
	120,024	114,887
Railroad, Utilities and Energy:		
Accounts payable, accruals and other liabilities	13,113	13,016
Notes payable and other borrowings	36,156	32,580
	49,269	45,596
Finance and Financial Products:		
Accounts payable, accruals and other liabilities	1,099	1,224
Derivative contract liabilities	7,933	10,139
Notes payable and other borrowings	13,045	14,036
	22,077	25,399
Income taxes, principally deferred	44,494	37,804
Total liabilities	235,864	223,686
Shareholders' equity:		
Common stock	8	8
Capital in excess of par value	37,230	37,807
Accumulated other comprehensive income	27,500	17,654
Retained earnings	124,272	109,448
Treasury stock, at cost	(1,363)	(67)
Berkshire Hathaway shareholders' equity	187,647	164,850
Noncontrolling interests	3,941	4,111
Total shareholders' equity	191,588	168,961
	$427,452	$392,647

See accompanying Notes to Consolidated Financial Statements

BERKSHIRE HATHAWAY INC.
and Subsidiaries

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

	Year Ended December 31,		
	2012	2011	2010
Revenues:			
Insurance and Other:			
Insurance premiums earned	$ 34,545	$ 32,075	$ 30,749
Sales and service revenues	83,268	72,803	67,225
Interest, dividend and other investment income	4,534	4,792	5,215
Investment gains/losses	1,327	1,973	4,044
Other-than-temporary impairment losses on investments	(337)	(908)	(1,973)
	123,337	110,735	105,260
Railroad, Utilities and Energy:			
Operating revenues	32,383	30,721	26,186
Other	199	118	178
	32,582	30,839	26,364
Finance and Financial Products:			
Interest, dividend and other investment income	1,572	1,618	1,683
Investment gains/losses	472	209	14
Derivative gains/losses	1,963	(2,104)	261
Other	2,537	2,391	2,603
	6,544	2,114	4,561
	162,463	143,688	136,185
Costs and expenses:			
Insurance and Other:			
Insurance losses and loss adjustment expenses	20,113	20,829	18,087
Life, annuity and health insurance benefits	5,114	4,879	4,453
Insurance underwriting expenses	7,693	6,119	6,196
Cost of sales and services	67,536	59,839	55,585
Selling, general and administrative expenses	10,503	8,670	7,704
Interest expense	397	308	278
	111,356	100,644	92,303
Railroad, Utilities and Energy:			
Cost of sales and operating expenses	23,816	22,736	19,637
Interest expense	1,745	1,703	1,577
	25,561	24,439	21,214
Finance and Financial Products:			
Interest expense	602	653	703
Other	2,708	2,638	2,914
	3,310	3,291	3,617
	140,227	128,374	117,134
Earnings before income taxes	22,236	15,314	19,051
Income tax expense	6,924	4,568	5,607
Earnings from equity method investments	—	—	50
Net earnings	15,312	10,746	13,494
Less: Earnings attributable to noncontrolling interests	488	492	527
Net earnings attributable to Berkshire Hathaway shareholders	$ 14,824	$ 10,254	$ 12,967
Average common shares outstanding *	1,651,294	1,649,891	1,635,661
Net earnings per share attributable to Berkshire Hathaway shareholders *	$ 8,977	$ 6,215	$ 7,928

* *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 or $5.98 per share for 2012, $4.14 per share for 2011 and $5.29 per share for 2010.*

See accompanying Notes to Consolidated Financial Statements

BERKSHIRE HATHAWAY INC.
and Subsidiaries

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(dollars in millions)

	2012	2011	2010
Net earnings	$15,312	$10,746	$13,494
Other comprehensive income:			
Net change in unrealized appreciation of investments	15,700	(2,146)	5,398
Applicable income taxes	(5,434)	811	(1,866)
Reclassification of investment appreciation in net earnings	(953)	(1,245)	(1,068)
Applicable income taxes	334	436	374
Foreign currency translation	276	(126)	(172)
Applicable income taxes	(9)	(18)	(21)
Prior service cost and actuarial gains/losses of defined benefit plans	5	(1,121)	(76)
Applicable income taxes	(26)	401	25
Other, net	(32)	(104)	204
Other comprehensive income, net	9,861	(3,112)	2,798
Comprehensive income	25,173	7,634	16,292
Comprehensive income attributable to noncontrolling interests	503	385	536
Comprehensive income attributable to Berkshire Hathaway shareholders	$24,670	$ 7,249	$15,756

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(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, 2009	$27,082	$17,793	$ 86,227	$ —	$ 4,683	$135,785
Net earnings	—	—	12,967	—	527	13,494
Other comprehensive income, net	—	2,789	—	—	9	2,798
Issuance of common stock and other transactions	11,096	—	—	—	—	11,096
Changes in noncontrolling interests:						
Interests acquired and other transactions	(637)	1	—	—	397	(239)
Balance at December 31, 2010	37,541	20,583	99,194	—	5,616	162,934
Net earnings	—	—	10,254	—	492	10,746
Other comprehensive income, net	—	(3,005)	—	—	(107)	(3,112)
Issuance and repurchase of common stock	355	—	—	(67)	—	288
Changes in noncontrolling interests:						
Interests acquired and other transactions	(81)	76	—	—	(1,890)	(1,895)
Balance at December 31, 2011	37,815	17,654	109,448	(67)	4,111	168,961
Net earnings	—	—	14,824	—	488	15,312
Other comprehensive income, net	—	9,846	—	—	15	9,861
Issuance and repurchase of common stock	118	—	—	(1,296)	—	(1,178)
Changes in noncontrolling interests:						
Interests acquired and other transactions	(695)	—	—	—	(673)	(1,368)
Balance at December 31, 2012	$37,238	$27,500	$124,272	$(1,363)	$ 3,941	$191,588

See accompanying Notes to Consolidated Financial Statements

BERKSHIRE HATHAWAY INC.
and Subsidiaries

CONSOLIDATED STATEMENTS OF CASH FLOWS
(dollars in millions)

	Year Ended December 31,		
	2012	**2011**	**2010**
Cash flows from operating activities:			
Net earnings	$ 15,312	$ 10,746	$ 13,494
Adjustments to reconcile net earnings to operating cash flows:			
Investment (gains) losses and other-than-temporary impairment losses	(1,462)	(1,274)	(2,085)
Depreciation	5,146	4,683	4,279
Other	795	811	255
Changes in operating assets and liabilities before business acquisitions:			
Losses and loss adjustment expenses	(421)	3,063	1,009
Deferred charges reinsurance assumed	121	(329)	147
Unearned premiums	1,134	852	110
Receivables and originated loans	(1,610)	(1,159)	(1,979)
Derivative contract assets and liabilities	(2,183)	1,881	(880)
Income taxes	1,710	1,493	2,348
Other assets	185	(1,601)	(1,070)
Other liabilities	2,223	1,310	2,267
Net cash flows from operating activities	20,950	20,476	17,895
Cash flows from investing activities:			
Purchases of fixed maturity securities	(8,250)	(7,362)	(9,819)
Purchases of equity securities	(7,376)	(15,660)	(4,265)
Purchases of other investments	—	(5,000)	—
Sales of fixed maturity securities	2,982	3,353	5,435
Redemptions and maturities of fixed maturity securities	6,064	6,872	6,517
Sales of equity securities	8,088	1,518	5,886
Redemptions of other investments	—	12,645	—
Purchases of loans and finance receivables	(650)	(1,657)	(3,149)
Collections of loans and finance receivables	1,714	2,915	3,498
Acquisitions of businesses, net of cash acquired	(3,188)	(8,685)	(15,924)
Purchases of property, plant and equipment	(9,775)	(8,191)	(5,980)
Other	(183)	63	(476)
Net cash flows from investing activities	(10,574)	(19,189)	(18,277)
Cash flows from financing activities:			
Proceeds from borrowings of insurance and other businesses	1,820	2,091	8,204
Proceeds from borrowings of railroad, utilities and energy businesses	4,707	2,290	1,731
Proceeds from borrowings of finance businesses	2,352	1,562	1,539
Repayments of borrowings of insurance and other businesses	(2,078)	(2,307)	(430)
Repayments of borrowings of railroad, utilities and energy businesses	(2,119)	(2,335)	(777)
Repayments of borrowings of finance businesses	(3,131)	(1,959)	(2,417)
Changes in short term borrowings, net	(309)	301	370
Acquisitions of treasury stock	(1,296)	(67)	—
Acquisitions of noncontrolling interests and other	(752)	(1,793)	(95)
Net cash flows from financing activities	(806)	(2,217)	8,125
Effects of foreign currency exchange rate changes	123	2	(74)
Increase (decrease) in cash and cash equivalents	9,693	(928)	7,669
Cash and cash equivalents at beginning of year	37,299	38,227	30,558
Cash and cash equivalents at end of year *	$ 46,992	$ 37,299	$ 38,227
** Cash and cash equivalents at end of year are comprised of the following:*			
Insurance and Other	*$ 42,358*	*$ 33,513*	*$ 34,767*
Railroad, Utilities and Energy	*2,570*	*2,246*	*2,557*
Finance and Financial Products	*2,064*	*1,540*	*903*
	$ 46,992	*$ 37,299*	*$ 38,227*

See accompanying Notes to Consolidated Financial Statements

BERKSHIRE HATHAWAY INC.
and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2012

(1) Significant accounting policies and practices

(a) Nature of operations and basis of consolidation

Berkshire Hathaway Inc. ("Berkshire") is a holding company owning subsidiaries engaged in a number of diverse business activities, including insurance and reinsurance, freight rail transportation, utilities and energy, finance, manufacturing, service and retailing. In these notes the terms "us," "we," or "our" refer to Berkshire and its consolidated subsidiaries. Further information regarding our reportable business segments is contained in Note 22. Significant business acquisitions completed over the past three years are discussed in Note 2.

The accompanying Consolidated Financial Statements include the accounts of Berkshire consolidated with the accounts of all subsidiaries and affiliates in which we hold a controlling financial interest as of the financial statement date. Normally a controlling financial interest reflects ownership of a majority of the voting interests. We consolidate a variable interest entity ("VIE") when we possess both the power to direct the activities of the VIE that most significantly impact its economic performance and we are either obligated to absorb the losses that could potentially be significant to the VIE or we hold the right to receive benefits from the VIE that could potentially be significant to the VIE.

Intercompany accounts and transactions have been eliminated. Certain immaterial amounts in prior year presentations have been reclassified to conform with the current year presentation.

(b) Use of estimates in preparation of financial statements

The preparation of our Consolidated Financial Statements in conformity with accounting principles generally accepted in the United States ("GAAP") requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. In particular, estimates of unpaid losses and loss adjustment expenses and related recoverables under reinsurance for property and casualty insurance are subject to considerable estimation error due to the inherent uncertainty in projecting ultimate claim amounts. In addition, estimates and assumptions associated with the amortization of deferred charges reinsurance assumed, determinations of fair values of certain financial instruments and evaluations of goodwill for impairment require considerable judgment. Actual results may differ from the estimates used in preparing our Consolidated Financial Statements.

(c) Cash and cash equivalents

Cash equivalents consist of funds invested in U.S. Treasury Bills, money market accounts, demand deposits and other investments with a maturity of three months or less when purchased.

(d) Investments

We determine the appropriate classification of investments in fixed maturity and equity securities at the acquisition date and re-evaluate the classification at each balance sheet date. Held-to-maturity investments are carried at amortized cost, reflecting the ability and intent to hold the securities to maturity. Trading investments are carried at fair value and include securities acquired with the intent to sell in the near term. All other securities are classified as available-for-sale and are carried at fair value with net unrealized gains or losses reported as a component of accumulated other comprehensive income. Substantially all of our investments in equity and fixed maturity securities are classified as available-for-sale.

We utilize the equity method to account for investments when we possess the ability to exercise significant influence, but not control, over the operating and financial policies of the investee. The ability to exercise significant influence is presumed when an investor possesses more than 20% of the voting interests of the investee. This presumption may be overcome based on specific facts and circumstances that demonstrate that the ability to exercise significant influence is restricted. We apply the equity method to investments in common stock and to other investments when such other investments possess substantially identical subordinated interests to common stock. In applying the equity method with respect to investments previously accounted for at cost or fair value, the carrying value of the investment is adjusted on a step-by-step basis as if the equity method had been applied from the time the investment was first acquired.

Notes to Consolidated Financial Statements *(Continued)*

(1) Significant accounting policies and practices *(Continued)*

(d) Investments (Continued)

In applying the equity method, we record our investment at cost and subsequently increase or decrease the carrying amount of the investment by our proportionate share of the net earnings or losses and other comprehensive income of the investee. We record dividends or other equity distributions as reductions in the carrying value of the investment. In the event that net losses of the investee reduce the carrying amount to zero, additional net losses may be recorded if other investments in the investee are at-risk even if we have not committed to provide financial support to the investee. Such additional equity method losses, if any, are based upon the change in our claim on the investee's book value.

Investment gains and losses arise when investments are sold (as determined on a specific identification basis) or are other-than-temporarily impaired. If a decline in the value of an investment below cost is deemed other than temporary, the cost of the investment is written down to fair value, with a corresponding charge to earnings. Factors considered in judging whether an impairment is other than temporary include: the financial condition, business prospects and creditworthiness of the issuer, the relative amount of the decline, our ability and intent to hold the investment until the fair value recovers and the length of time that fair value has been less than cost. With respect to an investment in a debt security, we recognize an other-than-temporary impairment if we (a) intend to sell or expect to be required to sell before amortized cost is recovered or (b) do not expect to ultimately recover the amortized cost basis even if we do not intend to sell the security. We recognize losses under (a) in earnings and under (b) we recognize the credit loss component in earnings and the difference between fair value and the amortized cost basis net of the credit loss in other comprehensive income.

(e) Receivables, loans and finance receivables

Receivables of the insurance and other businesses are stated at the outstanding principal amounts, net of estimated allowances for uncollectible balances. Allowances for uncollectible balances are provided when it is probable counterparties or customers will be unable to pay all amounts due based on the contractual terms and the loss amounts can be reasonably estimated. Receivables are generally written off against allowances after all reasonable collection efforts are exhausted.

Loans and finance receivables primarily consist of manufactured housing and other real estate loans originated or purchased. Loans and finance receivables are stated at amortized cost based on our ability and intent to hold such loans and receivables to maturity and are stated net of allowances for uncollectible accounts. Amortized cost represents acquisition cost, plus or minus origination and commitment costs paid or fees received, which together with acquisition premiums or discounts, are deferred and amortized as yield adjustments over the life of the loan. Loans and finance receivables include loan securitizations issued when we have the power to direct and the right to receive residual returns. Substantially all of these loans are secured by real or personal property.

Allowances for credit losses from manufactured housing and other real estate loans include estimates of losses on loans currently in foreclosure and losses on loans not currently in foreclosure. Estimates of losses on loans in foreclosure are based on historical experience and collateral recovery rates. Estimates of losses on loans not currently in foreclosure consider historical default rates, collateral recovery rates and existing economic conditions. Allowances for credit losses also incorporate the historical average time elapsed from the last payment until foreclosure.

Loans in which payments are delinquent (with no grace period) are considered past due. Loans which are over 90 days past due or in foreclosure are placed on nonaccrual status and interest previously accrued but not collected is reversed. Subsequent amounts received on the loans are first applied to the principal and interest owed for the most delinquent amount. Interest income accruals are resumed once a loan is less than 90 days delinquent.

Loans in the foreclosure process are considered non-performing. Once a loan is in foreclosure, interest income is not recognized unless the foreclosure is cured or the loan is modified. Once a modification is complete, interest income is recognized based on the terms of the new loan. Loans that have gone through foreclosure are charged off when the collateral is sold. Loans not in foreclosure are evaluated for charge off based on individual circumstances that indicate future collectability of the loan, including the condition of the collateral securing the loan.

Notes to Consolidated Financial Statements *(Continued)*

(1) Significant accounting policies and practices *(Continued)*

(f) Derivatives

We carry derivative contracts at estimated fair value. Such balances reflect reductions permitted under master netting agreements with counterparties. The changes in fair value of derivative contracts that do not qualify as hedging instruments for financial reporting purposes are recorded in earnings.

Cash collateral received from or paid to counterparties to secure derivative contract assets or liabilities is included in other liabilities or other assets. Securities received from counterparties as collateral are not recorded as assets and securities delivered to counterparties as collateral continue to be reflected as assets in our Consolidated Balance Sheets.

(g) Fair value measurements

As defined under GAAP, fair value is the price that would be received to sell an asset or paid to transfer a liability between market participants in the principal market or in the most advantageous market when no principal market exists. Adjustments to transaction prices or quoted market prices may be required in illiquid or disorderly markets in order to estimate fair value. Alternative valuation techniques may be appropriate under the circumstances to determine the value that would be received to sell an asset or paid to transfer a liability in an orderly transaction. Market participants are assumed to be independent, knowledgeable, able and willing to transact an exchange and not acting under duress. Nonperformance or credit risk is considered in determining the fair value of liabilities. Considerable judgment may be required in interpreting market data used to develop the estimates of fair value. Accordingly, estimates of fair value presented herein are not necessarily indicative of the amounts that could be realized in a current or future market exchange.

(h) Inventories

Inventories consist of manufactured goods and goods acquired for resale. Manufactured inventory costs include raw materials, direct and indirect labor and factory overhead. Inventories are stated at the lower of cost or market. As of December 31, 2012, approximately 38% of our consolidated inventory cost was determined using the last-in-first-out (“LIFO”) method, 31% using the first-in-first-out (“FIFO”) method, with the remainder using the specific identification method or average cost methods. With respect to inventories carried at LIFO cost, the aggregate difference in value between LIFO cost and cost determined under FIFO methods was $793 million and $759 million as of December 31, 2012 and 2011, respectively.

(i) Property, plant and equipment

Additions to property, plant and equipment are recorded at cost. The cost of major additions, improvements and betterments are capitalized. With respect to constructed assets, all construction related material, direct labor and contract services as well as certain indirect costs are capitalized. Indirect costs include interest over the construction period. With respect to constructed assets of certain of our regulated utility and energy subsidiaries that are subject to authoritative guidance for regulated operations, capitalized costs also include an equity allowance for funds used during construction, which represents the equity funds necessary to finance the construction of the domestic regulated facilities. Also see Note 1(p).

Normal repairs and maintenance and other costs that do not improve the property, extend the useful life or otherwise do not meet capitalization criteria are charged to expense as incurred. Rail grinding costs related to our railroad properties are expensed as incurred.

Depreciation is provided principally on the straight-line method over estimated useful lives or mandated recovery periods as prescribed by regulatory authorities. Depreciation of assets of our regulated utilities and railroad is generally provided using group depreciation methods where rates are based on periodic depreciation studies approved by the applicable regulator. Under group depreciation, a single depreciation rate is applied to the gross investment in a particular class of property, despite differences in the service life or salvage value of individual property units within the same class. When our regulated utilities or railroad retires or sells a component of the assets accounted for using group depreciation methods, no gain or loss is recognized. Gains or losses on disposals of all other assets are recorded through earnings.

Notes to Consolidated Financial Statements *(Continued)*

(1) Significant accounting policies and practices *(Continued)*

(i) Property, plant and equipment (Continued)

Our businesses evaluate property, plant and equipment for impairment when events or changes in circumstances indicate that the carrying value of such assets may not be recoverable or the assets are being held for sale. Upon the occurrence of a triggering event, we review the asset to assess whether the estimated undiscounted cash flows expected from the use of the asset plus residual value from the ultimate disposal exceeds the carrying value of the asset. If the carrying value exceeds the estimated recoverable amounts, we write down the asset to the estimated fair value. Impairment losses are included in earnings, except with respect to impairment of assets of our regulated utility and energy subsidiaries when such impairment losses are offset by the establishment of a regulatory asset to the extent recovery in future rates is probable.

(j) Goodwill

Goodwill represents the excess of the purchase price over the fair value of identifiable net assets acquired in business acquisitions. We evaluate goodwill for impairment at least annually. When evaluating goodwill for impairment we estimate the fair value of the reporting unit. There are several methods that may be used to estimate a reporting unit's fair value, including market quotations, asset and liability fair values and other valuation techniques, including, but not limited to, discounted projected future net earnings or net cash flows and multiples of earnings. If the carrying amount of a reporting unit, including goodwill, exceeds the estimated fair value, then the identifiable assets and liabilities of the reporting unit are estimated at fair value as of the current testing date. The excess of the estimated fair value of the reporting unit over the current estimated fair value of net assets establishes the implied value of goodwill. The excess of the recorded goodwill over the implied goodwill value is charged to earnings as an impairment loss. A significant amount of judgment is required in estimating the fair value of the reporting unit and performing goodwill impairment tests.

(k) Revenue recognition

Insurance premiums for prospective property/casualty and health insurance and reinsurance are earned over the loss exposure or coverage period, in proportion to the level of protection provided. In most cases, premiums are recognized as revenues ratably over the term of the contract with unearned premiums computed on a monthly or daily pro rata basis. Premiums for retroactive property/casualty reinsurance policies are earned at the inception of the contracts, as all of the underlying loss events covered by these policies occurred in the past. Premiums for life reinsurance contracts are earned when due. Premiums earned are stated net of amounts ceded to reinsurers. For contracts containing experience rating provisions, premiums are based upon estimated loss experience under the contracts.

Sales revenues derive from the sales of manufactured products and goods acquired for resale. Revenues from sales are recognized upon passage of title to the customer, which generally coincides with customer pickup, product delivery or acceptance, depending on terms of the sales arrangement.

Service revenues are recognized as the services are performed. Services provided pursuant to a contract are either recognized over the contract period or upon completion of the elements specified in the contract depending on the terms of the contract. Revenues related to the sales of fractional ownership interests in aircraft are recognized ratably over the term of the related management services agreement as the transfer of ownership interest in the aircraft is inseparable from the management services agreement.

Operating revenues of utilities and energy businesses resulting from the distribution and sale of natural gas and electricity to customers is recognized when the service is rendered or the energy is delivered. Amounts recognized include unbilled as well as billed amounts. Rates charged are generally subject to federal and state regulation or established under contractual arrangements. When preliminary rates are permitted to be billed prior to final approval by the applicable regulator, certain revenue collected may be subject to refund and a liability for estimated refunds is accrued.

Railroad transportation revenues are recognized based upon the proportion of service provided as of the balance sheet date. Customer incentives, which are primarily provided for shipping a specified cumulative volume or shipping to/from specific locations, are recorded as a pro-rata reduction to revenue based on actual or projected future customer shipments. When using projected shipments, we rely on historic trends as well as economic and other indicators to estimate the liability for customer incentives.

Interest income from investments in fixed maturity securities and loans is earned under the constant yield method and includes accrual of interest due under terms of the agreement as well as amortization of acquisition premiums,

Notes to Consolidated Financial Statements *(Continued)*

(1) Significant accounting policies and practices *(Continued)*

(k) Revenue recognition (Continued)

accruable discounts and capitalized loan origination fees, as applicable. In determining the constant yield for mortgage-backed securities, anticipated prepayments are estimated and evaluated periodically. Dividends from equity securities are recognized when earned, which is on the ex-dividend date or the declaration date, when there is no ex-dividend date.

(l) Losses and loss adjustment expenses

Liabilities for unpaid losses and loss adjustment expenses represent estimated claim and claim settlement costs of property/casualty insurance and reinsurance contracts issued by our insurance subsidiaries with respect to losses that have occurred as of the balance sheet date. The liabilities for losses and loss adjustment expenses are recorded at the estimated ultimate payment amounts, except that amounts arising from certain workers' compensation reinsurance business are discounted as discussed below. Estimated ultimate payment amounts are based upon (1) reports of losses from policyholders, (2) individual case estimates and (3) estimates of incurred but not reported losses.

Provisions for losses and loss adjustment expenses are charged to earnings after deducting amounts recovered and estimates of recoverable amounts under ceded reinsurance contracts. Reinsurance contracts do not relieve the ceding company of its obligations to indemnify policyholders with respect to the underlying insurance and reinsurance contracts.

The estimated liabilities of workers' compensation claims assumed under certain reinsurance contracts are carried at discounted amounts. Discounted amounts are based upon an annual discount rate of 4.5% for claims arising prior to January 1, 2003 and 1% for claims arising thereafter, consistent with discount rates used under insurance statutory accounting principles. The change in such reserve discounts, including the periodic discount accretion is included in earnings as a component of losses and loss adjustment expenses.

(m) Deferred charges reinsurance assumed

The excess, if any, of the estimated ultimate liabilities for claims and claim costs over the premiums earned with respect to retroactive property/casualty reinsurance contracts are established as deferred charges at inception of such contracts. Deferred charges are subsequently amortized using the interest method over the expected claim settlement periods. Changes to the estimated timing or amount of loss payments produce changes in periodic amortization. Changes in such estimates are applied retrospectively and are included in insurance losses and loss adjustment expenses in the period of the change. The unamortized balances are included in other assets and were $4,019 million and $4,139 million at December 31, 2012 and 2011, respectively.

(n) Insurance policy acquisition costs

With regards to insurance policies issued or renewed on or after January 1, 2012, incremental costs that are directly related to the successful acquisition of new or renewal of insurance contracts are capitalized, subject to ultimate recoverability, and are subsequently amortized to underwriting expenses as the related premiums are earned. Direct incremental acquisition costs include commissions, premium taxes, and certain other costs associated with successful efforts. Prior to January 1, 2012, in addition to these direct incremental costs, capitalized costs also included certain advertising and other costs that are no longer eligible to be capitalized. All other underwriting costs are expensed as incurred. The recoverability of capitalized insurance policy acquisition costs generally reflects anticipation of investment income. The unamortized balances are included in other assets and were $1,682 million and $1,890 million at December 31, 2012 and 2011, respectively.

(p) Regulated utilities and energy businesses

Certain domestic energy subsidiaries prepare their financial statements in accordance with authoritative guidance for regulated operations, reflecting the economic effects of regulation from the ability to recover certain costs from customers and the requirement to return revenues to customers in the future through the regulated rate-setting process. Accordingly, certain costs are deferred as regulatory assets and obligations are accrued as regulatory liabilities which will be amortized into operating expenses and revenues over various future periods. At December 31, 2012, our Consolidated Balance Sheet includes $2,909 million in regulatory assets and $1,813 million in regulatory liabilities. At December 31, 2011, our Consolidated Balance Sheet includes $2,918 million in regulatory assets and

Notes to Consolidated Financial Statements *(Continued)*

(1) Significant accounting policies and practices *(Continued)*

(p) Regulated utilities and energy businesses (Continued)

$1,731 million in regulatory liabilities. Regulatory assets and liabilities are components of other assets and other liabilities of utilities and energy businesses.

Regulatory assets and liabilities are continually assessed for probable future inclusion in regulatory rates by considering factors such as applicable regulatory or legislative changes and recent rate orders received by other regulated entities. If future inclusion in regulatory rates ceases to be probable, the amount no longer probable of inclusion in regulatory rates is charged to earnings or reflected as an adjustment to rates.

(q) Life, annuity and health insurance benefits

The liability for insurance benefits under life contracts has been computed based upon estimated future investment yields, expected mortality, morbidity, and lapse or withdrawal rates and reflects estimates for future premiums and expenses under the contracts. These assumptions, as applicable, also include a margin for adverse deviation and may vary with the characteristics of the reinsurance contract's date of issuance, policy duration and country of risk. The interest rate assumptions used may vary by reinsurance contract or jurisdiction and generally range from approximately 3% to 7%. Annuity contracts are discounted based on the implicit rate of return as of the inception of the contracts and such interest rates range from approximately 1% to 7%.

(r) Foreign currency

The accounts of our non-U.S. based subsidiaries are measured in most instances using the local currency of the subsidiary as the functional currency. Revenues and expenses of these businesses are generally translated into U.S. Dollars at the average exchange rate for the period. Assets and liabilities are translated at the exchange rate as of the end of the reporting period. Gains or losses from translating the financial statements of foreign-based operations are included in shareholders' equity as a component of accumulated other comprehensive income. Gains and losses arising from transactions denominated in a currency other than the functional currency of the entity that is party to the transaction are included in earnings.

(s) Income taxes

Berkshire files a consolidated federal income tax return in the United States, which includes our eligible subsidiaries. In addition, we file income tax returns in state, local and foreign jurisdictions as applicable. Provisions for current income tax liabilities are calculated and accrued on income and expense amounts expected to be included in the income tax returns for the current year. Income taxes reflected in earnings also include deferred income tax provisions for the temporary differences between income and expense amounts includable in current income tax returns and amounts reported for financial reporting purposes.

Deferred income taxes are calculated under the liability method. Deferred income tax assets and liabilities are computed on differences between the financial statement bases and tax bases of assets and liabilities at the enacted tax rates. Changes in deferred income tax assets and liabilities that are associated with components of other comprehensive income are charged or credited directly to other comprehensive income. Otherwise, changes in deferred income tax assets and liabilities are included as a component of income tax expense, as deferred income tax expense. The effect on deferred income tax assets and liabilities attributable to changes in enacted tax rates are charged or credited to income tax expense in the period of enactment. Valuation allowances are established for certain deferred tax assets where realization is not likely.

Assets and liabilities are established for uncertain tax positions taken or positions expected to be taken in income tax returns when such positions are judged to not meet the "more-likely-than-not" threshold based on the technical merits of the positions. Estimated interest and penalties related to uncertain tax positions are generally included as a component of income tax expense.

(t) New accounting pronouncements

As of January 1, 2012, we adopted ASU 2010-26, "Accounting for Costs Associated with Acquiring or Renewing Insurance Contracts", which specifies that only direct incremental costs associated with successful efforts in acquiring or renewing of insurance contracts should be capitalized and amortized over the policy term. All other costs are required to be expensed as incurred. Capitalized costs include certain advertising costs if the primary purpose of the

Notes to Consolidated Financial Statements *(Continued)*

(1) Significant accounting policies and practices *(Continued)*

(t) New accounting pronouncements (Continued)

advertising is to elicit sales to customers who could be shown to have responded directly to the advertising and the probable future revenues generated are in excess of expected future costs to be incurred in realizing those revenues. Berkshire adopted ASU 2010-26 on a prospective basis. The impact of the adoption of this new standard primarily relates to certain advertising costs of GEICO, which were capitalized prior to the adoption of ASU 2010-26, but are no longer eligible to be capitalized. The adoption of this new standard did not have a material effect on our Consolidated Financial Statements.

As of January 1, 2012, we also adopted ASU 2011-04, "Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs." As a result of adopting ASU 2011-04, we have expanded our fair value disclosures.

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 c1arified, enhances disclosures surrounding offsetting (netting) assets and liabilities. The clarified 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. The clarified standard is effective for fiscal years beginning on or after January 1, 2013 and is required to be applied retrospectively.

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 2012-02 is effective for fiscal years beginning after September 15, 2012.

In February 2013, the FASB issued ASU 2013-02, "Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive Income." ASU 2013-02 requires disclosure by component of other comprehensive income of the amounts reclassified out of accumulated other comprehensive income by component and into net earnings for the reporting period. ASU 2013-02 is effective for reporting periods beginning on or after December 15, 2012.

We do not believe that the adoption of these new pronouncements will have a material effect on our Consolidated Financial Statements.

(2) 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 at sensible prices. In 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.

On September 16, 2011, Berkshire completed the acquisition of The Lubrizol Corporation ("Lubrizol") pursuant to a merger agreement, under which Berkshire acquired all of the outstanding shares of Lubrizol common stock for cash of $135 per share (approximately $8.7 billion in the aggregate). Lubrizol, based in Cleveland, Ohio, is an innovative specialty chemical company that produces and supplies technologies to customers in the global transportation, industrial and consumer markets. These technologies include additives for engine oils, other transportation-related fluids and industrial lubricants, as well as additives for gasoline and diesel fuel. In addition, Lubrizol makes ingredients and additives for personal care products and pharmaceuticals; specialty materials, including plastics; and performance coatings. Lubrizol's industry-leading technologies in additives, ingredients and compounds enhance the quality, performance and value of customers' products, while reducing their environmental impact. We accounted for the Lubrizol acquisition pursuant to the acquisition method. The valuation of the identified assets and liabilities and the resulting excess amount recorded as goodwill as of the acquisition date was completed as of December 31, 2011. Lubrizol's financial results are included in our Consolidated Financial Statements beginning as of September 16, 2011.

Notes to Consolidated Financial Statements *(Continued)*

(2) Significant business acquisitions *(Continued)*

On February 12, 2010, we acquired all of the outstanding common stock of the Burlington Northern Santa Fe Corporation ("BNSF") that we did not already own (about 264.5 million shares or 77.5% of the outstanding shares) for aggregate consideration of $26.5 billion that consisted of cash of approximately $15.9 billion with the remainder in Berkshire common stock (80,931 Class A shares and 20,976,621 Class B shares). BNSF is based in Fort Worth, Texas, and through its wholly-owned subsidiary, BNSF Railway Company, currently operates one of the largest railroad systems in North America with approximately 32,500 route miles of track (including 23,000 route miles of track owned by BNSF) in 28 states and two Canadian provinces.

We accounted for the BNSF acquisition pursuant to the acquisition method and our valuation of the identified assets and liabilities and the resulting excess amount recorded as goodwill as of the acquisition date was completed as of December 31, 2010. BNSF's financial results are consolidated in our financial statements beginning on February 12, 2010. Prior to February 12, 2010, we owned 76.8 million shares of BNSF (22.5% of the outstanding shares), which we acquired between August 2006 and January 2009. We accounted for those shares pursuant to the equity method and as of February 12, 2010, our investment had a carrying value of approximately $6.6 billion. Upon completion of the acquisition of the remaining BNSF shares, we re-measured our previously owned investment in BNSF at fair value. Accordingly, in 2010, we recognized a one-time holding gain of $979 million representing the difference between the fair value of the BNSF shares that we acquired prior to February 12, 2010 and our carrying value under the equity method.

We have owned a controlling interest in Marmon Holdings, Inc. ("Marmon") since 2008. In the fourth quarter of 2012, pursuant to the terms of the 2008 Marmon acquisition agreement, we acquired an additional 10% of the outstanding shares of Marmon held by noncontrolling interests for aggregate consideration of approximately $1.4 billion. Approximately $800 million of the consideration was paid in the fourth quarter of 2012, and the remainder is payable in March 2013. In the fourth quarter of 2010, we acquired 16.6% of Marmon's outstanding common stock for approximately $1.5 billion. As a result of these acquisitions, our ownership interest in Marmon has increased to approximately 90%. These purchases were accounted for as acquisitions of noncontrolling interests. The differences between the consideration paid or payable and the carrying amounts of the noncontrolling interests acquired were recorded as reductions in Berkshire's shareholders equity of approximately $700 million in 2012 and $614 million in 2010. 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 future operating results.

(3) Investments in fixed maturity securities

Investments in securities with fixed maturities as of December 31, 2012 and 2011 are summarized by type below (in millions).

	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
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
December 31, 2011				
U.S. Treasury, U.S. government corporations and agencies	$ 2,894	$ 41	$ —	$ 2,935
States, municipalities and political subdivisions	2,862	208	—	3,070
Foreign governments	10,608	283	(48)	10,843
Corporate bonds	11,120	1,483	(155)	12,448
Mortgage-backed securities	2,564	343	(15)	2,892
	$30,048	$2,358	$(218)	$32,188

Notes to Consolidated Financial Statements *(Continued)*

(3) Investments in fixed maturity securities *(Continued)*

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

	December 31, 2012	December 31, 2011
Insurance and other	$31,449	$31,222
Finance and financial products	842	966
	$32,291	$32,188

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 December 31, 2012, 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 these investments. Unrealized losses on all fixed maturity investments in a continuous unrealized loss position for more than twelve consecutive months were $9 million as of December 31, 2012 and $20 million as of December 31, 2011.

The amortized cost and estimated fair value of securities with fixed maturities at December 31, 2012 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	$5,878	$13,851	$4,792	$2,464	$2,276	$29,261
Fair value	5,994	15,161	5,576	2,973	2,587	32,291

(4) Investments in equity securities

Investments in equity securities as of December 31, 2012 and 2011 are summarized based on the primary industry of the investee in the table below (in millions).

	Cost Basis	Unrealized Gains	Unrealized Losses	Fair Value
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
December 31, 2011				
Banks, insurance and finance	$16,697	$ 9,480	$(1,269)	$24,908
Consumer products	12,390	14,320	—	26,710
Commercial, industrial and other	20,523	4,973	(123)	25,373
	$49,610	$28,773	$(1,392)	$76,991

As of December 31, 2012 and 2011, 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 December 31, 2012, unrealized losses on equity securities in a continuous unrealized loss position for more than twelve consecutive months were $45 million. There were none as of December 31, 2011.

Notes to Consolidated Financial Statements *(Continued)*

(4) Investments in equity securities *(Continued)*

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

	December 31, 2012	December 31, 2011
Insurance and other	$86,467	$76,063
Railroad, utilities and energy *	675	488
Finance and financial products *	520	440
	$87,662	$76,991

* *Included in other assets.*

(5) 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
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
December 31, 2011				
Other fixed maturity and equity securities:				
Insurance and other	$13,051	$1,055	$14,106	$13,111
Finance and financial products	3,198	623	3,821	3,810
	$16,249	$1,678	$17,927	$16,921

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 redeemable at any time by GS at a price of $110,000 per share ($5.5 billion in aggregate). On April 18, 2011, GS fully redeemed our GS Preferred investment. We continue to hold the GS Warrants, which expire on October 1, 2013. The GS Warrants are 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 redeemable by GE beginning in October 2011 at a price of $110,000 per share ($3.3 billion in aggregate). On October 17, 2011, GE fully redeemed our GE Preferred investment. We continue to hold the GE Warrants, which expire on October 16, 2013. The GE Warrants are exercisable for an aggregate cost of $3 billion ($22.25/share).

In 2008, we acquired $4.4 billion par amount of 11.45% Wrigley subordinated notes maturing 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 maturing in 2013 and 2014. We currently own $800 million of the Wrigley senior notes and an unconsolidated joint venture in which we hold a 50% economic interest owns $200 million. 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

(5) Other investments *(Continued)*

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).

(6) Investment gains/losses and other-than-temporary investment losses

Investment gains/losses for each of the three years ending December 31, 2012 are summarized below (in millions).

	2012	2011	2010
Fixed maturity securities —			
Gross gains from sales and other disposals	$ 188	$ 310	$ 720
Gross losses from sales and other disposals	(354)	(10)	(16)
Equity securities and other investments —			
Gross gains from sales and other disposals	1,468	1,889	2,603
Gross losses from sales and other disposals	(12)	(36)	(266)
Other	509	29	1,017
	$1,799	$2,182	$4,058

Investment gains/losses for each of the three years ending December 31, 2012 are reflected in our Consolidated Statements of Earnings as follows (in millions).

	2012	2011	2010
Insurance and other	$1,327	$1,973	$4,044
Finance and financial products	472	209	14
	$1,799	$2,182	$4,058

Investment gains from equity securities and other investments in 2011 included $1,775 million with respect to the redemptions of our GS and GE Preferred investments and $1.3 billion in 2010 from the redemption of the Swiss Re perpetual capital instrument. In 2010, other gains included a one-time holding gain of $979 million related to our BNSF acquisition.

Other-than-temporary investment ("OTTI") losses for each of the three years ending December 31, 2012 were as follows (in millions).

	2012	2011	2010
Equity securities	$ —	$506	$ 953
Fixed maturity securities	337	402	1,020
	$ 337	$908	$1,973

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, such 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.

Notes to Consolidated Financial Statements *(Continued)*

(6) Investment gains/losses and other-than-temporary investment losses *(Continued)*

In 2012, we recorded OTTI losses of $337 million on bonds issued by Texas Competitive Electric Holdings ("TCEH"). In addition, substantially all of the OTTI losses on fixed maturity securities in 2011 and 2010 were related to TCEH. In recognizing the OTTI losses related to our TCEH investments, we concluded that we were unlikely to receive all remaining contractual principal and interest payments when due.

In 2011, OTTI losses included $337 million with respect to 103.6 million shares of our investment in Wells Fargo & Company ("Wells Fargo") common stock. These shares had an aggregate original cost of $3,621 million. On March 31, 2011, when we recorded the losses, we also held an additional 255.4 million shares of Wells Fargo which were acquired at an aggregate cost of $4,394 million and which had unrealized gains of $3,704 million. Due to the length of time that certain of these shares were in a continuous unrealized loss position and because we account for realized gains and losses from dispositions on a specific identification basis, accounting regulations required us to record the unrealized losses in earnings. However, the unrealized gains were not reflected in earnings but were instead recorded directly in shareholders' equity as a component of accumulated other comprehensive income. In 2010, we recorded OTTI losses of $953 million related to equity securities. The OTTI losses averaged about 20% of the original cost of the securities.

(7) Receivables

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

	December 31, 2012	December 31, 2011
Insurance premiums receivable	$ 7,845	$ 6,663
Reinsurance recoverable on unpaid losses	2,925	2,953
Trade and other receivables	11,369	9,772
Allowances for uncollectible accounts	(386)	(376)
	$21,753	$19,012

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

	December 31, 2012	December 31, 2011
Consumer installment loans and finance receivables	$12,701	$13,463
Commercial loans and finance receivables	469	860
Allowances for uncollectible loans	(361)	(389)
	$12,809	$13,934

Allowances for uncollectible loans predominantly relate to consumer installment loans. Provisions for consumer loan losses were $312 million in 2012 and $337 million in 2011. Loan charge-offs, net of recoveries, were $339 million in 2012 and $321 million in 2011. Consumer loan amounts are net of unamortized acquisition discounts of $459 million at December 31, 2012 and $500 million at December 31, 2011. At December 31, 2012, approximately 97% of consumer installment loan balances were evaluated collectively for impairment, whereas about 64% 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 December 31, 2012, approximately 98% of consumer installment and commercial loan balances were determined to be performing and approximately 93% of those balances were current as to payment status.

Notes to Consolidated Financial Statements *(Continued)*

(8) Inventories

Inventories are comprised of the following (in millions).

	December 31, 2012	December 31, 2011
Raw materials	$1,699	$1,598
Work in process and other	883	897
Finished manufactured goods	3,187	3,114
Goods acquired for resale	3,906	3,366
	$9,675	$8,975

(9) Goodwill and other intangible assets

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

	December 31, 2012	December 31, 2011
Balance at beginning of year	$53,213	$49,006
Acquisitions of businesses	1,442	4,179
Other, including foreign currency translation	(132)	28
Balance at end of year	$54,523	$53,213

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

	December 31, 2012		December 31, 2011	
	Gross carrying amount	Accumulated amortization	Gross carrying amount	Accumulated amortization
Insurance and other	$11,737	$2,994	$11,016	$2,319
Railroad, utilities and energy	2,163	913	2,088	623
	$13,900	$3,907	$13,104	$2,942
Trademarks and trade names	$ 2,819	$ 278	$ 2,655	$ 219
Patents and technology	5,014	2,059	4,900	1,496
Customer relationships	4,565	1,155	4,060	840
Other	1,502	415	1,489	387
	$13,900	$3,907	$13,104	$2,942

Intangible assets with definite lives are amortized based on the estimated pattern in which the economic benefits are expected to be consumed or on a straight-line basis over their estimated economic lives. Amortization expense was $1,008 million in 2012, $809 million in 2011 and $692 million in 2010. Estimated amortization expense over the next five years is as follows (in millions): 2013 – $1,190; 2014 – $1,076; 2015 – $733; 2016 – $639 and 2017 – $539. Intangible assets with indefinite lives as of December 31, 2012 and 2011 were $2,328 million and $2,250 million, respectively. Intangible assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable.

Notes to Consolidated Financial Statements *(Continued)*

(10) 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	December 31, 2012	December 31, 2011
Land	—	$ 1,048	$ 940
Buildings and improvements	2 – 40 years	6,074	5,429
Machinery and equipment	3 – 20 years	15,436	13,589
Furniture, fixtures and other	2 – 20 years	2,736	2,397
Assets held for lease	12 – 30 years	6,731	5,997
		32,025	28,352
Accumulated depreciation		(12,837)	(10,175)
		$ 19,188	$ 18,177

Assets held for lease consist primarily of railroad tank cars, intermodal tank containers and other equipment in the transportation and equipment services businesses. As of December 31, 2012, the minimum future lease rentals to be received on the equipment lease fleet (including rail cars leased from others) were as follows (in millions): 2013 – $730; 2014 – $574; 2015 – $436; 2016 – $314; 2017 – $193; and thereafter – $245.

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

	Ranges of estimated useful life	December 31, 2012	December 31, 2011
Railroad:			
Land	—	$ 5,950	$ 5,925
Track structure and other roadway	5 – 100 years	38,255	36,760
Locomotives, freight cars and other equipment	5 – 37 years	6,528	5,533
Construction in progress	—	963	885
Utilities and energy:			
Utility generation, distribution and transmission system	5 – 80 years	42,682	40,180
Interstate pipeline assets	3 – 80 years	6,354	6,245
Independent power plants and other assets	3 – 30 years	1,860	1,106
Construction in progress	—	2,647	1,559
		105,239	98,193
Accumulated depreciation		(17,555)	(15,979)
		$ 87,684	$ 82,214

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.

(11) 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

Notes to Consolidated Financial Statements *(Continued)*

(11) Derivative contracts *(Continued)*

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).

	December 31, 2012			December 31, 2011		
	Assets [3]	Liabilities	Notional Value	Assets [3]	Liabilities	Notional Value
Equity index put options	$—	$7,502	$33,357[1]	$—	$ 8,499	$34,014[1]
Credit default	41	429	11,691[2]	55	1,527	24,194[2]
Other, principally interest rate and foreign currency	130	2		268	156	
Counterparty netting	—	—		(67)	(43)	
	$171	$7,933		$256	$10,139	

[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 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 each of the three years ending December 31, 2012 were as follows (in millions).

	2012	2011	2010
Equity index put options	$ 997	$(1,787)	$ 172
Credit default	894	(251)	250
Other, principally interest rate and foreign currency	72	(66)	(161)
	$1,963	$(2,104)	$ 261

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.

At December 31, 2012, the aggregate intrinsic value (which is the undiscounted liability assuming the contracts are settled on their future expiration dates based on the December 31, 2012 index values and foreign currency exchange rates) was approximately $3.9 billion. At December 31, 2011, the aggregate intrinsic value of these contracts, assuming the contracts were settled on that date, was approximately $6.2 billion. 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 8 years at December 31, 2012.

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.

At December 31, 2012, state/municipality credit contract exposures 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 19 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 December 31, 2012 had an aggregate notional value of approximately $3.9 billion. All of these contracts will expire in 2013. Premiums under individual corporate credit

Notes to Consolidated Financial Statements *(Continued)*

(11) Derivative contracts *(Continued)*

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 December 31, 2012, our collateral posting requirement under contracts with collateral provisions was $40 million compared to $238 million at December 31, 2011. 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 $71 million as of December 31, 2012 and December 31, 2011, respectively. Derivative contract liabilities are included in accounts payable, accruals and other liabilities of railroad, utilities and energy businesses and were $234 million and $336 million as of December 31, 2012 and December 31, 2011, 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.

(12) Supplemental cash flow information

A summary of supplemental cash flow information for each of the three years ending December 31, 2012 is presented in the following table (in millions).

	2012	2011	2010
Cash paid during the period for:			
Income taxes	$4,695	$2,885	$ 3,547
Interest:			
Insurance and other businesses	352	243	185
Railroad and utilities and energy businesses	1,829	1,821	1,667
Finance and financial products businesses	620	662	708
Non-cash investing and financing activities:			
Liabilities assumed in connection with business acquisitions	1,751	5,836	31,406
Common stock issued in the acquisition of BNSF	—	—	10,577
Common stock issued in the acquisition of noncontrolling interests in Wesco Financial Corporation	—	245	—
Borrowings assumed in connection with certain property, plant and equipment additions	406	647	—

Notes to Consolidated Financial Statements *(Continued)*

(13) Unpaid losses and loss adjustment expenses

The liabilities for unpaid losses and loss adjustment expenses are based upon estimates of the ultimate claim costs associated with property and casualty claim occurrences as of the balance sheet dates including estimates for incurred but not reported ("IBNR") claims. Considerable judgment is required to evaluate claims and establish estimated claim liabilities. A reconciliation of the changes in liabilities for unpaid losses and loss adjustment expenses of our property/casualty insurance subsidiaries for each of the three years ending December 31, 2012 is as follows (in millions).

	2012	2011	2010
Unpaid losses and loss adjustment expenses:			
Gross liabilities at beginning of year	$ 63,819	$ 60,075	$ 59,416
Ceded losses and deferred charges at beginning of year	(7,092)	(6,545)	(6,879)
Net balance at beginning of year	56,727	53,530	52,537
Incurred losses recorded during the year:			
Current accident year	22,239	23,031	20,357
Prior accident years	(2,126)	(2,202)	(2,270)
Total incurred losses	20,113	20,829	18,087
Payments during the year with respect to:			
Current accident year	(9,667)	(9,269)	(7,666)
Prior accident years	(10,628)	(8,854)	(9,191)
Total payments	(20,295)	(18,123)	(16,857)
Unpaid losses and loss adjustment expenses:			
Net balance at end of year	56,545	56,236	53,767
Ceded losses and deferred charges at end of year	6,944	7,092	6,545
Foreign currency translation adjustment	186	(100)	(312)
Business acquisitions	485	591	75
Gross liabilities at end of year	$ 64,160	$ 63,819	$ 60,075

Incurred losses recorded during the current year but attributable to a prior accident year ("prior accident years") reflects the amount of estimation error charged or credited to earnings in each calendar year with respect to the liabilities established as of the beginning of that year. We reduced the beginning of the year net losses and loss adjustment expenses liability by $2,507 million in 2012, $2,780 million in 2011 and $2,793 million in 2010, which excludes the effects of the changes in reserve discount and deferred charge balances referred to below. In each of the past three years, the reductions reflected lower than expected private passenger auto, medical malpractice and casualty reinsurance losses. In 2011, we also recorded a sizable reduction in unpaid losses associated with retroactive reinsurance contracts. Accident year loss estimates are regularly adjusted to consider emerging loss development patterns of prior years' losses, whether favorable or unfavorable.

Incurred losses for prior accident years also include charges associated with the changes in deferred charge balances related to retroactive reinsurance contracts incepting prior to the beginning of the year and net discounts recorded on liabilities for certain workers' compensation claims. The aggregate charges included in prior accident years' incurred losses were $381 million in 2012, $578 million in 2011 and $523 million in 2010. Net discounted workers' compensation liabilities at December 31, 2012 and 2011 were $2,155 million and $2,250 million, respectively, reflecting net discounts of $1,990 million and $2,130 million, respectively.

We are exposed to environmental, asbestos and other latent injury claims arising from insurance and reinsurance contracts. Liability estimates for environmental and asbestos exposures include case basis reserves and also reflect reserves for legal and other loss adjustment expenses and IBNR reserves. IBNR reserves are determined based upon our historic general liability exposure base and policy language, previous environmental loss experience and the assessment of current trends of environmental law, environmental cleanup costs, asbestos liability law and judgmental settlements of asbestos liabilities.

The liabilities for environmental, asbestos and latent injury claims and claims expenses net of reinsurance recoverables were approximately $14.0 billion at December 31, 2012 and $13.9 billion at December 31, 2011. These liabilities included

Notes to Consolidated Financial Statements *(Continued)*

(13) Unpaid losses and loss adjustment expenses *(Continued)*

approximately $12.4 billion at December 31, 2012 and $12.3 billion at December 31, 2011 of liabilities assumed under retroactive reinsurance contracts. Liabilities arising from retroactive contracts with exposure to claims of this nature are generally subject to aggregate policy limits. Thus, our exposure to environmental and latent injury claims under these contracts is, likewise, limited. We monitor evolving case law and its effect on environmental and latent injury claims. Changing government regulations, newly identified toxins, newly reported claims, new theories of liability, new contract interpretations and other factors could result in significant increases in these liabilities. Such development could be material to our results of operations. We are unable to reliably estimate the amount of additional net loss or the range of net loss that is reasonably possible.

(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 December 31, 2012.

	Weighted Average Interest Rate	December 31, 2012	December 31, 2011
Insurance and other:			
Issued by Berkshire due 2013-2047	2.3%	$ 8,323	$ 8,287
Short-term subsidiary borrowings	0.4%	1,416	1,490
Other subsidiary borrowings due 2013-2035	5.9%	3,796	3,991
		$13,535	$13,768

In January 2012, Berkshire issued $1.1 billion of 1.9% senior notes due in 2017 and $600 million of 3.4% senior notes due in 2022 and in February 2012 repaid maturing debt of $1.7 billion. 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	December 31, 2012	December 31, 2011
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	$ 5,363
Subsidiary and other debt due 2013-2042	4.9%	17,002	14,552
Issued by BNSF due 2013-2097	5.5%	14,533	12,665
		$36,156	$32,580

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 2012, MidAmerican and subsidiaries issued or acquired approximately $3.1 billion of new term debt with interest rates from 1.43% to 5.75% and maturities ranging from 2013 to 2042 and repaid existing term debt of approximately $1.6 billion. In March and August 2012, BNSF issued $2.5 billion in new debentures in the aggregate with interest rates ranging from 3.05% to 4.4% and maturities ranging from 2022 to 2042. In 2012, BNSF repaid approximately $500 million of existing term debt. BNSF’s borrowings are primarily unsecured. As of December 31, 2012, 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	December 31, 2012	December 31, 2011
Finance and financial products:			
Issued by Berkshire Hathaway Finance Corporation (“BHFC”) due 2013-2042	4.1%	$11,186	$11,531
Issued by other subsidiaries due 2013-2036	5.0%	1,859	2,505
		$13,045	$14,036

Notes to Consolidated Financial Statements *(Continued)*

(14) Notes payable and other borrowings *(Continued)*

The borrowings of BHFC, a wholly owned finance subsidiary of Berkshire, are fully and unconditionally guaranteed by Berkshire. In May and September 2012, BHFC issued in the aggregate $2.35 billion of senior notes with interest rates ranging from 1.6% to 4.4% and maturities ranging from 2017 to 2042. In 2012, BHFC repaid $2.7 billion of maturing senior notes. 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 $4.1 billion in the aggregate of unused lines of credit and commercial paper capacity at December 31, 2012, to support short-term borrowing programs and provide additional liquidity. In addition to borrowings of BHFC, Berkshire guarantees approximately $4 billion of other subsidiary borrowings as of December 31, 2012. 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.

Principal repayments expected during each of the next five years are as follows (in millions).

	2013	2014	2015	2016	2017
Insurance and other	$ 4,160	$1,341	$1,981	$ 875	$1,418
Railroad, utilities and energy	2,477	1,638	1,190	751	1,176
Finance and financial products	3,874	1,301	1,625	155	1,558
	$10,511	$4,280	$4,796	$1,781	$4,152

(15) Income taxes

The liabilities for income taxes reflected in our Consolidated Balance Sheets are as follows (in millions).

	December 31, 2012	December 31, 2011
Currently payable (receivable)	$ (255)	$ (229)
Deferred	43,883	37,105
Other	866	928
	$44,494	$37,804

The tax effects of temporary differences that give rise to significant portions of deferred tax assets and deferred tax liabilities are shown below (in millions).

	December 31, 2012	December 31, 2011
Deferred tax liabilities:		
Investments – unrealized appreciation and cost basis differences	$16,075	$ 11,404
Deferred charges reinsurance assumed	1,392	1,449
Property, plant and equipment	29,715	28,414
Other	6,485	6,378
	53,667	47,645
Deferred tax assets:		
Unpaid losses and loss adjustment expenses	(924)	(967)
Unearned premiums	(660)	(572)
Accrued liabilities	(3,466)	(3,698)
Derivative contract liabilities	(1,131)	(1,676)
Other	(3,603)	(3,627)
	(9,784)	(10,540)
Net deferred tax liability	$43,883	$ 37,105

Notes to Consolidated Financial Statements *(Continued)*

(15) Income taxes *(Continued)*

We have not established deferred income taxes with respect to undistributed earnings of certain foreign subsidiaries. Earnings expected to remain reinvested indefinitely were approximately $7.9 billion as of December 31, 2012. Upon distribution as dividends or otherwise, such amounts would be subject to taxation in the U.S. as well as foreign countries. However, U.S. income tax liabilities would be offset, in whole or in part, by allowable tax credits deriving from income taxes previously paid to foreign jurisdictions. Further, repatriation of all earnings of foreign subsidiaries would be impracticable to the extent that such earnings represent capital needed to support normal business operations in those jurisdictions. As a result, we currently believe that any incremental U.S. income tax liabilities arising from the repatriation of distributable earnings of foreign subsidiaries would not be material.

Income tax expense reflected in our Consolidated Statements of Earnings for each of the three years ending December 31, 2012 is as follows (in millions).

	2012	2011	2010
Federal	$5,695	$3,474	$4,546
State	384	444	337
Foreign	845	650	724
	$6,924	$4,568	$5,607
Current	$4,711	$2,897	$3,668
Deferred	2,213	1,671	1,939
	$6,924	$4,568	$5,607

Income tax expense is reconciled to hypothetical amounts computed at the U.S. federal statutory rate for each of the three years ending December 31, 2012 in the table below (in millions).

	2012	2011	2010
Earnings before income taxes	$22,236	$15,314	$19,051
Hypothetical amounts applicable to above computed at the federal statutory rate	$ 7,783	$ 5,360	$ 6,668
Dividends received deduction and tax exempt interest	(518)	(497)	(504)
State income taxes, less federal income tax benefit	250	289	219
Foreign tax rate differences	(280)	(208)	(154)
U.S. income tax credits	(319)	(241)	(182)
BNSF holding gain	—	—	(342)
Other differences, net	8	(135)	(98)
	$ 6,924	$ 4,568	$ 5,607

We file income tax returns in the United States and in state, local and foreign jurisdictions. We are under examination by the taxing authorities in many of these jurisdictions. We have settled tax return liabilities with U.S. federal taxing authorities for years before 2005. During 2012, Berkshire and the U.S. Internal Revenue Service ("IRS") tentatively resolved all proposed adjustments for the 2005 through 2009 tax years at the IRS Appeals level. In 2012, the IRS commenced auditing Berkshire's consolidated U.S. federal income tax returns for the 2010 and 2011 tax years. We are also under audit or subject to audit with respect to income taxes in many state and foreign jurisdictions. It is reasonably possible that certain of our income tax examinations will be settled within the next twelve months. We currently do not believe that the outcome of unresolved issues or claims is likely to be material to our Consolidated Financial Statements.

At December 31, 2012 and 2011, net unrecognized tax benefits were $866 million and $928 million, respectively. Included in the balance at December 31, 2012, are $616 million of tax positions that, if recognized, would impact the effective tax rate. The remaining balance in net unrecognized tax benefits principally relates to tax positions for which the ultimate recognition is highly certain but for which there is uncertainty about the timing of such recognition. Because of the impact of deferred tax accounting, other than interest and penalties, the difference in recognition period would not affect the annual effective tax rate but would accelerate the payment of cash to the taxing authority to an earlier period. As of December 31, 2012, we do not expect any material changes to the estimated amount of unrecognized tax benefits in the next twelve months.

Notes to Consolidated Financial Statements *(Continued)*

(16) Dividend restrictions – Insurance subsidiaries

Payments of dividends by our insurance subsidiaries are restricted by insurance statutes and regulations. Without prior regulatory approval, our principal insurance subsidiaries may declare up to approximately \$10.6 billion as ordinary dividends before the end of 2013.

Combined shareholders' equity of U.S. based property/casualty insurance subsidiaries determined pursuant to statutory accounting rules (Statutory Surplus as Regards Policyholders) was approximately \$106 billion at December 31, 2012 and \$95 billion at December 31, 2011. Statutory surplus differs from the corresponding amount determined on the basis of GAAP due to differences in accounting for certain assets and liabilities. For instance, deferred charges reinsurance assumed, deferred policy acquisition costs, certain unrealized gains and losses on investments in fixed maturity securities and related deferred income taxes are recognized for GAAP but not for statutory reporting purposes. In addition, under statutory reporting, goodwill is amortized over 10 years, whereas under GAAP, goodwill is not amortized and is subject to periodic tests for impairment.

(17) Fair value measurements

Our financial assets and liabilities are summarized below 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. As of December 31, 2012 and 2011, the carrying values and fair values of financial assets and liabilities were as follows (in millions).

	Carrying Value	Fair Value	Quoted Prices (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
December 31, 2012—Assets and liabilities carried at fair value:					
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	15,750	15,750	—	—	15,750
Derivative contract assets (1)	220	220	1	128	91
Derivative contract liabilities:					
Railroad, utilities and energy (2)	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	—
December 31, 2012—Assets and liabilities not carried at fair value:					
Other investments	\$ 5,259	\$ 6,134	\$ —	\$ —	\$ 6,134
Loans and finance receivables	12,809	11,991	—	304	11,687
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

Notes to Consolidated Financial Statements *(Continued)*

(17) Fair value measurements *(Continued)*

	Carrying Value	Fair Value	Quoted Prices (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
December 31, 2011—Assets and liabilities carried at fair value:					
Investments in fixed maturity securities:					
U.S. Treasury, U.S. government corporations and agencies	$ 2,935	$ 2,935	$ 843	$ 2,090	$ 2
States, municipalities and political subdivisions	3,070	3,070	—	3,069	1
Foreign governments	10,843	10,843	4,444	6,265	134
Corporate bonds	12,448	12,448	—	11,801	647
Mortgage-backed securities	2,892	2,892	—	2,892	—
Investments in equity securities	76,991	76,991	76,906	63	22
Other investments	11,669	11,669	—	—	11,669
Derivative contract assets *(1)*	327	327	—	205	122
Derivative contract liabilities:					
Railroad, utilities and energy *(2)*	336	336	12	320	4
Finance and financial products:					
Equity index put options	8,499	8,499	—	—	8,499
Credit default	1,527	1,527	—	—	1,527
Other	113	113	—	113	—

(1) *Included in other assets.*

(2) *Included in accounts payable, accruals and other liabilities.*

As of December 31, 2011, the carrying values and fair values of financial assets and liabilities that are not carried at fair value were as follows (in millions).

	Carrying Value	Fair Value
Other investments	$ 5,252	$ 6,258
Loans and finance receivables	13,934	13,126
Notes payable and other borrowings:		
Insurance and other	13,768	14,334
Railroad, utilities and energy	32,580	38,257
Finance and financial products	14,036	14,959

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.

(17) Fair value measurements *(Continued)*

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 each of the three years ending December 31, 2012 follow (in millions).

	Investments in fixed maturity securities	Investments in equity securities	Other investments	Net derivative contract liabilities
Balance at December 31, 2009	$ 918	$ 304	$20,614	$(9,196)
Gains (losses) included in:				
Earnings	—	—	1,305	471
Other comprehensive income	16	(8)	(358)	—
Regulatory assets and liabilities	—	—	—	(33)
Acquisitions, dispositions and settlements	9	(1)	(3,972)	533
Transfers into (out of) Level 3	(142)	(260)	—	3
Balance at December 31, 2010	801	35	17,589	(8,222)
Gains (losses) included in:				
Earnings	—	—	—	(2,035)
Other comprehensive income	5	(13)	(2,120)	(3)
Regulatory assets and liabilities	—	—	—	144
Acquisitions	17	—	5,000	(68)
Dispositions	(39)	—	—	—
Settlements, net	—	—	—	275
Transfers into (out of) Level 3	—	—	(8,800)	1
Balance at December 31, 2011	784	22	11,669	(9,908)
Gains (losses) included in:				
Earnings	—	—	—	1,873
Other comprehensive income	5	13	4,081	—
Regulatory assets and liabilities	—	—	—	(2)
Dispositions	(8)	—	—	—
Settlements, net	—	—	—	190
Transfers out of Level 3	(129)	—	—	—
Balance at December 31, 2012	$ 652	$ 35	$15,750	$(7,847)

During 2011, we transferred our investments in GS Preferred Stock and GE Preferred Stock from Level 3 to Level 2 given the then pending redemptions of the investments which occurred on April 18, 2011 and October 17, 2011, respectively. On September 1, 2011, we acquired preferred stock and common stock warrants of the Bank of America Corporation at an aggregate cost of $5 billion.

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.

Notes to Consolidated Financial Statements *(Continued)*

(17) Fair value measurements *(Continued)*

Quantitative information as of December 31, 2012, 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	$11,860	Discounted cash flow	Expected duration	10 years
			Discount for transferability restrictions and subordination	97 basis points
Common stock warrants	3,890	Warrant pricing model	Discount for transferability and hedging restrictions	19%
Net derivative liabilities:				
Equity index put options	7,502	Option pricing model	Volatility	21%
Credit default-states/ municipalities	421	Discounted cash flow	Credit spreads	85 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 the 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)*

(18) Common stock

Changes in Berkshire's issued and outstanding common stock during the three years ending December 31, 2012 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, 2009	1,055,281	—	1,055,281	744,701,300	—	744,701,300
Shares issued in the acquisition of BNSF	80,931	—	80,931	20,976,621	—	20,976,621
Conversions of Class A common stock to Class B common stock and exercises of replacement stock options issued in a business acquisition	(188,752)	—	(188,752)	285,312,547	—	285,312,547
Balance at December 31, 2010	947,460	—	947,460	1,050,990,468	—	1,050,990,468
Shares issued to acquire noncontrolling interests of Wesco Financial Corporation	—	—	—	3,253,472	—	3,253,472
Conversions of Class A common stock to Class B common stock and exercises of replacement stock options issued in a business acquisition	(9,118)	—	(9,118)	15,401,421	—	15,401,421
Treasury shares acquired	—	(98)	(98)	—	(801,985)	(801,985)
Balance at December 31, 2011	938,342	(98)	938,244	1,069,645,361	(801,985)	1,068,843,376
Conversions of Class A common stock to Class B common stock and exercises of replacement stock options issued in a business acquisition	(33,814)	—	(33,814)	53,748,595	—	53,748,595
Treasury shares acquired	—	(9,475)	(9,475)	—	(606,499)	(606,499)
Balance at December 31, 2012	904,528	(9,573)	894,955	1,123,393,956	(1,408,484)	1,121,985,472

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 1,642,945 shares outstanding as of December 31, 2012 and 1,650,806 shares outstanding as of December 31, 2011. In addition to our common stock, 1,000,000 shares of preferred stock are authorized, but none are issued and outstanding.

In September 2011, Berkshire's Board of Directors ("Berkshire's Board") approved a common stock repurchase program under which Berkshire may repurchase its Class A and Class B shares at prices no higher than a 10% premium over the book value of the shares. In December 2012, Berkshire's Board amended the repurchase program by raising the price limit to no higher than a 20% premium over book value. 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)*

(19) Accumulated other comprehensive income

A summary of the net changes in after-tax accumulated comprehensive income attributable to Berkshire Hathaway shareholders' for each of the three years ending December 31, 2012 follows (in millions).

	Unrealized appreciation of investments	Foreign currency translation	Prior service and actuarial gains/losses of defined benefit plans	Other	Accumulated other comprehensive income
Balance at December 31, 2009	$18,785	$ (30)	$ (824)	$(138)	$17,793
Other comprehensive income (loss)	2,838	(193)	(51)	195	2,789
Transactions with noncontrolling interests	15	(17)	22	(19)	1
Balance at December 31, 2010	21,638	(240)	(853)	38	20,583
Other comprehensive income (loss)	(2,144)	(144)	(720)	3	(3,005)
Transactions with noncontrolling interests	132	1	(16)	(41)	76
Balance at December 31, 2011	19,626	(383)	(1,589)	—	17,654
Other comprehensive income (loss)	9,647	267	(21)	(47)	9,846
Transactions with noncontrolling interests	(19)	(4)	9	14	—
Balance at December 31, 2012	$29,254	$(120)	$(1,601)	$ (33)	$27,500

(20) Pension plans

Several of our subsidiaries individually sponsor defined benefit pension plans covering certain employees. Benefits under the plans are generally based on years of service and compensation, although benefits under certain plans are based on years of service and fixed benefit rates. Our subsidiaries make contributions to the plans, generally, to meet regulatory requirements. Additional amounts may be contributed on a discretionary basis.

The components of net periodic pension expense for each of the three years ending December 31, 2012 are as follows (in millions).

	2012	2011	2010
Service cost	$ 247	$ 191	$ 165
Interest cost	583	568	543
Expected return on plan assets	(610)	(579)	(528)
Other, primarily amortization of actuarial losses	220	102	69
Net pension expense	$ 440	$ 282	$ 249

The accumulated benefit obligation is the actuarial present value of benefits earned based on service and compensation prior to the valuation date. As of December 31, 2012 and 2011, the accumulated benefit obligation was $12,915 million and $11,947 million, respectively. The projected benefit obligation ("PBO") is the actuarial present value of benefits earned based upon service and compensation prior to the valuation date and, if applicable, includes assumptions regarding future compensation levels. A reconciliation of the changes in the PBOs for each of the years ending December 31, 2012 and 2011 is shown in the table that follows (in millions).

	2012	2011
Projected benefit obligation, beginning of year	$12,992	$10,598
Service cost	247	191
Interest cost	583	568
Benefits paid	(879)	(579)
Business acquisitions	8	1,017
Actuarial (gains) or losses and other	1,122	1,197
Projected benefit obligation, end of year	$14,073	$12,992

Notes to Consolidated Financial Statements *(Continued)*

(20) Pension plans *(Continued)*

Benefit obligations under qualified U.S. defined benefit pension plans are funded through assets held in trusts. Pension obligations under certain non-U.S. plans and non-qualified U.S. plans are unfunded. As of December 31, 2012, PBOs of non-qualified U.S. plans and non-U.S. plans which are not funded through assets held in trusts were $1,048 million. A reconciliation of the changes in assets of all plans for each of the years ending December 31, 2012 and 2011 is presented in the table that follows (in millions).

	2012	2011
Plan assets at beginning of year	$ 9,150	$8,246
Employer contributions	649	523
Benefits paid	(879)	(579)
Actual return on plan assets	1,429	361
Business acquisitions	6	632
Other	81	(33)
Plan assets at end of year	$10,436	$9,150

Fair value measurements for pension assets as of December 31, 2012 and 2011 follow (in millions).

	Total Fair Value	Quoted Prices (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
December 31, 2012				
Cash and equivalents	$ 900	$ 345	$ 555	$ —
Government obligations	899	529	370	—
Investment funds	2,069	413	1,650	6
Corporate debt obligations	689	86	603	—
Equity securities	5,444	5,211	233	—
Other	435	12	97	326
	$10,436	$6,596	$3,508	$332
December 31, 2011				
Cash and equivalents	$ 830	$ 797	$ 33	$ —
Government obligations	915	534	380	1
Investment funds	1,872	402	1,465	5
Corporate debt obligations	1,180	95	1,085	—
Equity securities	3,618	3,432	186	—
Other	735	37	314	384
	$ 9,150	$5,297	$3,463	$390

Refer to Note 17 for a discussion of the three levels in the hierarchy of fair values. Pension assets measured at fair value with significant unobservable inputs (Level 3) for the years ending December 31, 2012 and 2011 consisted primarily of real estate and limited partnership interests. Pension plan assets are generally invested with the long-term objective of earning amounts sufficient to cover expected benefit obligations, while assuming a prudent level of risk. Allocations may change as a result of changing market conditions and investment opportunities. The expected rates of return on plan assets reflect subjective assessments of expected invested asset returns over a period of several years. Generally, past investment returns are not given significant consideration when establishing assumptions for expected long-term rates of returns on plan assets. Actual experience will differ from the assumed rates.

Benefits payments expected over the next ten years are as follows (in millions): 2013 – $704; 2014 – $708; 2015 – $719; 2016 – $701; 2017 – $750; and 2018 to 2022 – $3,877. Sponsoring subsidiaries expect to contribute $377 million to defined benefit pension plans in 2013.

Notes to Consolidated Financial Statements *(Continued)*

(20) Pension plans *(Continued)*

The net funded status of the defined benefit pension plans is summarized in the table that follows (in millions).

	December 31, 2012	December 31, 2011
Amounts recognized in the Consolidated Balance Sheets:		
Accounts payable, accruals and other liabilities	$3,441	$3,686
Losses and loss adjustment expenses	256	214
Other assets	(60)	(58)
	$3,637	$3,842

A reconciliation of the pre-tax accumulated other comprehensive income (loss) related to defined benefit pension plans for each of the two years ending December 31, 2012 follows (in millions). We estimate that $221 million of the balance at December 31, 2012 will be included in pension expense in 2013.

	2012	2011
Balance at beginning of year	$(2,521)	$(1,395)
Amount included in net periodic pension expense	130	76
Gains (losses) current period and other	(125)	(1,202)
Balance at end of year	$(2,516)	$(2,521)

Weighted average interest rate assumptions used in determining projected benefit obligations and net periodic pension expense were as follows.

	2012	2011
Applicable to pension benefit obligations:		
Discount rate	4.0%	4.6%
Expected long-term rate of return on plan assets	6.6	6.9
Rate of compensation increase	3.6	3.7
Discount rate applicable to pension expense	4.5	5.3

Several of our subsidiaries also sponsor defined contribution retirement plans, such as 401(k) or profit sharing plans. Employee contributions to the plans are subject to regulatory limitations and the specific plan provisions. Several of the plans provide that the subsidiary match these contributions up to levels specified in the plans and provide for additional discretionary contributions as determined by management. Employer contributions expensed with respect to these plans were $637 million, $572 million and $567 million for the years ending December 31, 2012, 2011 and 2010, respectively.

(21) Contingencies and Commitments

We are parties in a variety of legal actions arising out of the normal course of business. In particular, such legal actions affect our insurance and reinsurance businesses. Such litigation generally seeks to establish liability directly through insurance contracts or indirectly through reinsurance contracts issued by Berkshire subsidiaries. Plaintiffs occasionally seek punitive or exemplary damages. We do not believe that such normal and routine litigation will have a material effect on our financial condition or results of operations. Berkshire and certain of its subsidiaries are also involved in other kinds of legal actions, some of which assert or may assert claims or seek to impose fines and penalties. We believe that any liability that may arise as a result of other pending legal actions will not have a material effect on our consolidated financial condition or results of operations.

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

Notes to Consolidated Financial Statements *(Continued)*

(21) Contingencies and Commitments *(Continued)*

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 is subject to approval by Heinz shareholders, receipt of regulatory approvals and other customary closing conditions, and is expected to close 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 lease certain manufacturing, warehouse, retail and office facilities as well as certain equipment. Rent expense for all operating leases was $1,401 million in 2012, $1,288 million in 2011 and $1,204 million in 2010. Future minimum rental payments for operating leases having initial or remaining non-cancelable terms in excess of one year are as follows. Amounts are in millions.

2013	2014	2015	2016	2017	After 2017	Total
$1,186	$1,060	$930	$841	$716	$3,894	$8,627

Our subsidiaries regularly make commitments in the ordinary course of business to purchase goods and services used in their businesses. The most significant of these commitments relate to our railroad, utilities and energy and fractional aircraft ownership businesses. As of December 31, 2012, future purchase commitments under all subsidiary arrangements are expected to be paid as follows: $13.1 billion in 2013, $5.4 billion in 2014, $4.1 billion in 2015, $3.0 billion in 2016, $2.5 billion in 2017 and $10.6 billion after 2017.

Pursuant to the terms of our Marmon acquisition agreement we are required to acquire substantially all remaining Marmon noncontrolling interests in March 2014. The consideration to be paid will be contingent upon future operating results of Marmon. Pursuant to the terms of shareholder agreements with noncontrolling shareholders in certain of our other less than wholly-owned subsidiaries, we may be obligated to acquire their equity ownership interests. If we acquired all outstanding noncontrolling interests, including Marmon, as of December 31, 2012, we estimate the cost would have been approximately $6 billion. However, the timing and the amount of any such future payments that might be required are contingent on future actions of the noncontrolling owners and/or future operating results of the related subsidiaries.

Berkshire has a 50% interest in a joint venture, Berkadia Commercial Mortgage ("Berkadia"), with Leucadia National Corporation ("Leucadia") having the other 50% interest. Berkadia is a servicer of commercial real estate loans in the U.S., performing primary, master and special servicing functions for U.S. government agency programs, commercial mortgage-backed securities transactions, banks, insurance companies and other financial institutions. A significant source of funding for Berkadia's operations is through the issuance of commercial paper. Repayment of the commercial paper is supported by a $2.5 billion surety policy issued by a Berkshire insurance subsidiary. Leucadia has agreed to indemnify Berkshire for one-half of any losses incurred under the policy. As of December 31, 2012, the aggregate amount of commercial paper outstanding was $2.47 billion.

Notes to Consolidated Financial Statements *(Continued)*

(22) Business segment data

Our reportable business segments are organized in a manner that reflects how management views those business activities. Certain businesses have been grouped together for segment reporting based upon similar products or product lines, marketing, selling and distribution characteristics, even though those business units are operated under separate local management.

The tabular information that follows shows data of reportable segments reconciled to amounts reflected in our Consolidated Financial Statements. Intersegment transactions are not eliminated in instances where management considers those transactions in assessing the results of the respective segments. Furthermore, our management does not consider investment and derivative gains/losses or amortization of purchase accounting adjustments related to Berkshire's acquisition in assessing the performance of reporting units. Collectively, these items are included in reconciliations of segment amounts to consolidated amounts.

Business Identity	Business Activity
GEICO	Underwriting private passenger automobile insurance mainly by direct response methods
General Re	Underwriting excess-of-loss, quota-share and facultative reinsurance worldwide
Berkshire Hathaway Reinsurance Group	Underwriting excess-of-loss and quota-share reinsurance for insurers and reinsurers
Berkshire Hathaway Primary Group	Underwriting multiple lines of property and casualty insurance policies for primarily commercial accounts
BNSF	Operates one of the largest railroad systems in North America
Clayton Homes, XTRA, CORT and other financial services ("Finance and financial products")	Proprietary investing, manufactured housing and related consumer financing, transportation equipment leasing and furniture leasing
Marmon	An association of approximately 150 manufacturing and service businesses that operate within 11 diverse business sectors
McLane Company	Wholesale distribution of groceries and non-food items
MidAmerican	Regulated electric and gas utility, including power generation and distribution activities in the U.S. and internationally; domestic real estate brokerage

Notes to Consolidated Financial Statements *(Continued)*

(22) Business segment data *(Continued)*

Other businesses not specifically identified with reportable business segments consist of a large, diverse group of manufacturing, service and retailing businesses. A disaggregation of our consolidated data for each of the three most recent years is presented in the tables which follow on this and the following two pages (in millions).

	Revenues			Earnings before income taxes		
	2012	2011	2010	2012	2011	2010
Operating Businesses:						
Insurance group:						
Underwriting:						
GEICO	$ 16,740	$ 15,363	$ 14,283	$ 680	$ 576	$ 1,117
General Re	5,870	5,816	5,693	355	144	452
Berkshire Hathaway Reinsurance Group	9,672	9,147	9,076	304	(714)	176
Berkshire Hathaway Primary Group	2,263	1,749	1,697	286	242	268
Investment income	4,474	4,746	5,186	4,454	4,725	5,145
Total insurance group	39,019	36,821	35,935	6,079	4,973	7,158
BNSF (1)	20,835	19,548	15,059	5,377	4,741	3,611
Finance and financial products	4,110	4,014	4,264	848	774	689
Marmon	7,171	6,925	5,967	1,137	992	813
McLane Company	37,437	33,279	32,687	403	370	369
MidAmerican	11,747	11,291	11,305	1,644	1,659	1,539
Other businesses (2)	38,647	32,202	27,956	4,591	3,675	3,092
	158,966	144,080	133,173	20,079	17,184	17,271
Reconciliation of segments to consolidated amount:						
Investment and derivative gains/losses	3,425	(830)	2,346	3,425	(830)	2,346
Interest expense, not allocated to segments	—	—	—	(271)	(221)	(208)
Eliminations and other	72	438	666	(997)	(819)	(358)
	$162,463	$143,688	$136,185	$22,236	$15,314	$19,051

(1) *From acquisition date of February 12, 2010.*

(2) *Includes Lubrizol from the acquisition date of September 16, 2011.*

	Capital expenditures			Depreciation of tangible assets		
	2012	2011	2010	2012	2011	2010
Operating Businesses:						
Insurance group	$ 61	$ 40	$ 40	$ 57	$ 56	$ 66
BNSF (1)	3,548	3,325	1,829	1,573	1,480	1,221
Finance and financial products	367	331	233	184	180	204
Marmon	817	514	307	479	484	507
McLane Company	225	188	166	149	129	129
MidAmerican	3,380	2,684	2,593	1,440	1,333	1,262
Other businesses (2)	1,377	1,109	812	1,264	1,021	890
	$9,775	$8,191	$5,980	$5,146	$4,683	$4,279

(1) *From acquisition date of February 12, 2010.*

(2) *Includes Lubrizol from the acquisition date of September 16, 2011.*

Notes to Consolidated Financial Statements *(Continued)*

(22) Business segment data *(Continued)*

	Goodwill at year-end		Identifiable assets at year-end		
	2012	2011	2012	2011	2010
Operating Businesses:					
Insurance group:					
GEICO	$ 1,372	$ 1,372	$ 30,986	$ 27,253	$ 25,631
General Re	13,532	13,532	30,477	28,442	29,196
Berkshire Hathaway Reinsurance and Primary Groups	607	607	118,819	104,913	104,383
Total insurance group	15,511	15,511	180,282	160,608	159,210
BNSF	14,836	14,803	56,839	55,282	53,476
Finance and financial products	1,036	1,032	24,412	23,919	24,692
Marmon	814	727	11,230	10,597	10,047
McLane Company	705	155	5,090	4,107	4,018
MidAmerican	5,377	5,253	46,856	42,039	40,045
Other businesses *	16,244	15,732	36,875	34,994	24,144
	$54,523	$53,213	361,584	331,546	315,632
Reconciliation of segments to consolidated amount:					
Corporate and other			11,345	7,888	7,591
Goodwill			54,523	53,213	49,006
			$427,452	$392,647	$372,229

* *Includes Lubrizol, acquired in 2011.*

Insurance premiums written by geographic region (based upon the domicile of the insured or reinsured) are summarized below. Dollars are in millions.

	Property/Casualty			Life/Health		
	2012	2011	2010	2012	2011	2010
United States	$23,186	$22,253	$21,539	$3,504	$3,100	$3,210
Western Europe	4,387	4,495	3,377	1,114	880	945
All other	2,319	1,089	918	1,217	1,090	927
	$29,892	$27,837	$25,834	$5,835	$5,070	$5,082

In 2012, 2011 and 2010, premiums written and earned attributable to Western Europe were primarily in the United Kingdom, Germany, Switzerland and Luxembourg. In 2012, 2011 and 2010, property/casualty insurance premiums earned included approximately $3.4 billion, $2.9 billion and $2.4 billion, respectively, from Swiss Reinsurance Company Ltd. and its affiliates. Life/health insurance premiums written and earned in the United States included approximately $1.5 billion in 2012 and 2011 and $2.1 billion in 2010 from a single contract with Swiss Re Life & Health America Inc., an affiliate of Swiss Reinsurance Company Ltd.

Consolidated sales and service revenues in 2012, 2011 and 2010 were $83.3 billion, $72.8 billion and $67.2 billion, respectively. Approximately 84% of such amounts in 2012 were in the United States compared with approximately 86% in 2011 and 88% in 2010. The remainder of sales and service revenues were primarily in Europe and Canada. In each of the three years ending December 31, 2012, consolidated sales and service revenues included approximately $12 billion of sales to Wal-Mart Stores, Inc., which were primarily related to McLane's wholesale distribution business.

Approximately 96% of our revenues in 2012 and 2011 from railroad, utilities and energy businesses were in the United States versus 97% in 2010. In each year, most of the remainder was attributed to the United Kingdom. At December 31, 2012, 91% of our consolidated net property, plant and equipment was located in the United States with the remainder primarily in Europe and Canada.

Notes to Consolidated Financial Statements *(Continued)*

(22) Business segment data *(Continued)*

Premiums written and earned by the property/casualty and life/health insurance businesses are summarized below (in millions).

	Property/Casualty			Life/Health		
	2012	2011	2010	2012	2011	2010
Premiums Written:						
Direct	$20,796	$18,512	$17,128	$ 554	$ 67	$ 3
Assumed	9,668	9,867	9,171	5,391	5,133	5,203
Ceded	(572)	(542)	(465)	(110)	(130)	(124)
	$29,892	$27,837	$25,834	$5,835	$5,070	$5,082
Premiums Earned:						
Direct	$20,204	$18,038	$16,932	$ 554	$ 67	$ 3
Assumed	9,142	9,523	9,266	5,356	5,099	5,208
Ceded	(600)	(522)	(536)	(111)	(130)	(124)
	$28,746	$27,039	$25,662	$5,799	$5,036	$5,087

(23) Quarterly data

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

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
2012				
Revenues	$38,147	$38,546	$41,050	$44,720
Net earnings attributable to Berkshire *	3,245	3,108	3,920	4,551
Net earnings attributable to Berkshire per equivalent Class A common share	1,966	1,882	2,373	2,757
2011				
Revenues	$33,720	$38,274	$33,739	$37,955
Net earnings attributable to Berkshire *	1,511	3,417	2,278	3,048
Net earnings attributable to Berkshire per equivalent Class A common share	917	2,072	1,380	1,846

* *Includes realized investment gains/losses, other-than-temporary impairment losses on investments and derivative gains/losses. Derivative gains/losses include significant amounts related to non-cash changes in the fair value of long-term contracts arising from short-term changes in equity prices, interest rates and foreign currency rates, among other factors. After-tax investment and derivative gains/losses for the periods presented above are as follows (in millions):*

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Investment and derivative gains/losses – 2012	$580	$(612)	$ 521	$1,738
Investment and derivative gains/losses – 2011	(82)	713	(1,534)	382

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None

Item 9A. Controls and Procedures

At the end of the period covered by this Annual Report on Form 10-K, the Corporation carried out an evaluation, under the supervision and with the participation of the Corporation's management, including the Chairman (Chief Executive Officer) and the Senior Vice President (Chief Financial Officer), of the effectiveness of the design and operation of the Corporation's disclosure controls and procedures pursuant to Exchange Act Rule 13a-15. Based upon that evaluation, the Chairman (Chief Executive Officer) and the Senior Vice President (Chief Financial Officer) concluded that the Corporation's disclosure controls and procedures are effective in timely alerting them to material information relating to the Corporation (including its consolidated subsidiaries) required to be included in the Corporation's periodic SEC filings. The report called for by Item 308(a) of Regulation S-K is incorporated herein by reference to Management's Report on Internal Control Over Financial Reporting, included on page 62 of this report. The attestation report called for by Item 308(b) of Regulation S-K is incorporated herein by reference to Report of Independent Registered Public Accounting Firm, included on page 63 of this report. There has been no change in the Corporation's internal control over financial reporting during the quarter ended December 31, 2012 that has materially affected, or is reasonably likely to materially affect, the Corporation's internal control over financial reporting.

Item 9B. Other Information

None

Part III

Except for the information set forth under the caption "Executive Officers of the Registrant" in Part I hereof, information required by this Part (Items 10, 11, 12, 13 and 14) is incorporated by reference from the Registrant's definitive proxy statement, filed pursuant to Regulation 14A, for the Annual Meeting of Shareholders of the Registrant to be held on May 4, 2013, which meeting will involve the election of directors.

Part IV

Item 15. Exhibits and Financial Statement Schedules

(a) 1. *Financial Statements*

The following Consolidated Financial Statements, as well as the Report of Independent Registered Public Accounting Firm, are included in Part II Item 8 of this report:

2. *Financial Statement Schedule*

Other schedules are omitted because they are not required, information therein is not applicable, or is reflected in the Consolidated Financial Statements or notes thereto.

(b) *Exhibits*

See the "Exhibit Index" at page 108.

SIGNATURES

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

BERKSHIRE HATHAWAY INC.

Date: March 1, 2013

/s/ MARC D. HAMBURG

Marc D. Hamburg
Senior Vice President and
Principal Financial Officer

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

/s/ WARREN E. BUFFETT **Warren E. Buffett**	Chairman of the Board of Directors—Chief Executive Officer	March 1, 2013 Date
/s/ HOWARD G. BUFFETT **Howard G. Buffett**	Director	March 1, 2013 Date
/s/ STEPHEN B. BURKE **Stephen B. Burke**	Director	March 1, 2013 Date
/s/ SUSAN L. DECKER **Susan L. Decker**	Director	March 1, 2013 Date
/s/ WILLIAM H. GATES III **William H. Gates III**	Director	March 1, 2013 Date
/s/ DAVID S. GOTTESMAN **David S. Gottesman**	Director	March 1, 2013 Date
/s/ CHARLOTTE GUYMAN **Charlotte Guyman**	Director	March 1, 2013 Date
/s/ DONALD R. KEOUGH **Donald R. Keough**	Director	March 1, 2013 Date
/s/ CHARLES T. MUNGER **Charles T. Munger**	Vice Chairman of the Board of Directors	March 1, 2013 Date
/s/ THOMAS S. MURPHY **Thomas S. Murphy**	Director	March 1, 2013 Date
/s/ RONALD L. OLSON **Ronald L. Olson**	Director	March 1, 2013 Date
/s/ WALTER SCOTT, JR. **Walter Scott, Jr.**	Director	March 1, 2013 Date
/s/ MARC D. HAMBURG **Marc D. Hamburg**	Senior Vice President—Principal Financial Officer	March 1, 2013 Date
/s/ DANIEL J. JAKSICH **Daniel J. Jaksich**	Vice President—Principal Accounting Officer	March 1, 2013 Date

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of
Berkshire Hathaway Inc.
Omaha, Nebraska

We have audited the consolidated financial statements of Berkshire Hathaway Inc. and subsidiaries (the "Company") as of December 31, 2012 and 2011, and for each of the three years in the period ended December 31, 2012, and the Company's internal control over financial reporting as of December 31, 2012, and have issued our report thereon dated March 1, 2013; such consolidated financial statements and report are included elsewhere in this Form 10-K. Our audits also included the financial statement schedule of the Company listed in Item 15. This financial statement schedule is the responsibility of the Company's management. Our responsibility is to express an opinion based on our audits. In our opinion, such financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

/s/ DELOITTE & TOUCHE LLP

Omaha, Nebraska
March 1, 2013

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

Schedule I

Balance Sheets

	December 31, 2012	December 31, 2011
Assets:		
Cash and cash equivalents	$ 10,557	$ 7,289
Investments in fixed maturity and equity securities	66	38
Investments in and advances to/from consolidated subsidiaries	185,996	166,219
Other assets	51	49
	$196,670	$173,595
Liabilities and Shareholders' Equity:		
Accounts payable, accrued interest and other liabilities	$ 277	$ 129
Income taxes	423	329
Notes payable and other borrowings	8,323	8,287
	9,023	8,745
Berkshire Hathaway shareholders' equity	187,647	164,850
	$196,670	$173,595

Statements of Earnings and Comprehensive Income

	Year ended December 31, 2012	2011	2010
Income items:			
From consolidated subsidiaries:			
Dividends and distributions	$ 6,799	$ 5,883	$ 4,493
Undistributed earnings	8,301	4,546	8,546
	15,100	10,429	13,039
Other income	88	101	115
	15,188	10,530	13,154
Cost and expense items:			
General and administrative	129	61	34
Interest to affiliates, net	4	5	6
Other interest	196	146	130
Income taxes	35	64	17
	364	276	187
Net earnings attributable to Berkshire Hathaway shareholders	14,824	10,254	12,967
Other comprehensive income attributable to Berkshire Hathaway shareholders	9,846	(3,005)	2,789
Comprehensive income attributable to Berkshire Hathaway shareholders	$24,670	$ 7,249	$15,756

See Note to Condensed Financial Information

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

Schedule I (continued)

Statements of Cash Flows

	Year ended December 31,		
	2012	2011	2010
Cash flows from operating activities:			
Net earnings attributable to Berkshire Hathaway shareholders	$14,824	$10,254	$ 12,967
Adjustments to reconcile net earnings to cash flows from operating activities:			
Undistributed earnings of subsidiaries	(8,301)	(4,546)	(8,546)
Income taxes payable	80	69	34
Other	101	70	31
Net cash flows from operating activities	6,704	5,847	4,486
Cash flows from investing activities:			
Purchases of fixed maturity securities	—	—	(98)
Sales of fixed maturity securities	—	298	—
Investments in and advances to subsidiaries	(1,525)	(3,633)	(11,929)
Net cash flows from investing activities	(1,525)	(3,335)	(12,027)
Cash flows from financing activities:			
Proceeds from borrowings	1,740	2,021	8,137
Repayments of borrowings	(1,751)	(2,094)	(117)
Acquisitions of noncontrolling interests	(800)	(1,811)	(1)
Acquisitions of treasury stock	(1,296)	(67)	—
Other	196	112	153
Net cash flows from financing activities	(1,911)	(1,839)	8,172
Increase in cash and cash equivalents	3,268	673	631
Cash and cash equivalents at beginning of year	7,289	6,616	5,985
Cash and cash equivalents at end of year	$10,557	$ 7,289	$ 6,616
Other cash flow information:			
Income taxes paid	$ 3,406	$ 1,882	$ 2,325
Interest paid	180	122	69

Note to Condensed Financial Information

In February 2010, Berkshire issued $8.0 billion aggregate par amount of senior notes. The proceeds from these borrowings together with approximately $3.9 billion of available cash were contributed to a wholly-owned subsidiary in connection with the acquisition of all remaining outstanding shares of the Burlington Northern Santa Fe Corporation. In February 2011, $2.0 billion of the senior notes matured and in August 2011, Berkshire issued $2.0 billion of new senior notes with variable interest rates and fixed interest rates of up to 3.75% and with maturities ranging from 2014 to 2021. In January 2012, Berkshire issued $1.1 billion of 1.9% senior notes due in 2017 and $600 million of 3.4% senior notes due in 2022 and in February 2012, repaid maturing debt of $1.7 billion. In January 2013, Berkshire issued $2.6 billion of new 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. Berkshire's borrowings at December 31, 2012 and 2011 also included $323 million and $287 million, respectively, under investment agreements. Berkshire's aggregate borrowings as of December 31, 2012, mature in each of the next five years as follows: 2013—$2,600 million; 2014—$753 million; 2015—$1,709 million; 2016—$751 million; and 2017—$1,100 million.

Berkshire Hathaway Inc. has guaranteed debt obligations of certain of its subsidiaries. As of December 31, 2012, the unpaid balance of subsidiary debt guaranteed by Berkshire totaled approximately $16 billion. Berkshire's guarantee of

Schedule I *(Continued)*

Note to Condensed Financial Information *(Continued)*

subsidiary debt is an absolute, unconditional and irrevocable guarantee for the full and prompt payment when due of all present and future payment obligations. Berkshire also provides guarantees in connection with long-term equity index put option and credit default contracts entered into by a subsidiary. The estimated fair value of liabilities recorded under such contracts was approximately $7.9 billion as of December 31, 2012. The amount of subsidiary payments under these contracts, if any, is contingent upon future events. The timing of subsidiary payments, if any, will not be fully known for several decades.

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 is subject to approval by Heinz shareholders, receipt of regulatory approvals and other customary closing conditions, and is expected to close in the third quarter of 2013.

EXHIBIT INDEX

Exhibit No.	
2(i)	Agreement and Plan of Merger dated as of June 19, 1998 between Registrant and General Re Corporation. Incorporated by reference to Annex I to Registration Statement No. 333-61129 filed on Form S-4.
2(ii)	Agreement and Plan of Merger dated as of November 2, 2009 by and among Berkshire, R Acquisition Company, LLC and BNSF. Incorporated by reference to Annex A to Registration Statement No. 333-163343 on Form S-4.
3(i)	Restated Certificate of Incorporation Incorporated by reference to Exhibit 3(i) to Form 10-K filed on March 1, 2010.
3(ii)	By-Laws Incorporated by reference to Exhibit 3.1 to Form 8-K filed on November 9, 2010.
4.1	Indenture, dated as of December 22, 2003, between Berkshire Hathaway Finance Corporation, Berkshire Hathaway Inc. and The Bank of New York Mellon Trust Company, N.A. (as successor to J.P. Morgan Trust Company, National Association), as trustee. Incorporated by reference to Exhibit 4.1 on Form S-4 of Berkshire Hathaway Finance Corporation and Berkshire Hathaway Inc. filed on February 4, 2004.
4.2	Indenture, dated as of February 1, 2010, among Berkshire, Berkshire Hathaway Finance Corporation and The Bank of New York Mellon Trust Company, N.A., as trustee. Incorporated by reference to Exhibit 4.1 to Berkshire's Registration Statement on Form S-3 filed on February 1, 2010. **Other instruments defining the rights of holders of long-term debt of Registrant and its subsidiaries are not being filed since the total amount of securities authorized by all other such instruments does not exceed 10% of the total assets of the Registrant and its subsidiaries on a consolidated basis as of December 31, 2012. The Registrant hereby agrees to furnish to the Commission upon request a copy of any such debt instrument to which it is a party.**
10.1	Equity Commitment Letter of Berkshire Hathaway Inc. with Hawk Acquisition Holding Corporation dated February 13, 2013. Incorporated by reference to Exhibit 10.1 on Form 8-K of Berkshire Hathaway Inc. filed on February 14, 2013.
12	Calculation of Ratio of Consolidated Earnings to Consolidated Fixed Charges
14	Code of Ethics Berkshire's Code of Business Conduct and Ethics is posted on its Internet website at *www.berkshirehathaway.com*
21	Subsidiaries of Registrant
23	Consent of Independent Registered Public Accounting Firm
31	Rule 13a—14(a)/15d-14(a) Certifications
32	Section 1350 Certifications
95	Mine Safety Disclosures
101	The following financial information from Berkshire Hathaway Inc.'s Annual Report on Form 10-K for the year ended December 31, 2012, formatted in XBRL (Extensible Business Reporting Language) includes: (i) the Consolidated Balance Sheets as of December 31, 2012 and 2011, (ii) the Consolidated Statements of Earnings for each of the three years ended December 31, 2012, 2011 and 2010, (iii) Consolidated Statements of Comprehensive Income for each of the three years ended December 31, 2012, 2011 and 2010, (iv) the Consolidated Statements of Changes in Shareholders' Equity for each of the three years ended December 31, 2012, 2011 and 2010, (v) the Consolidated Statements of Cash Flows for each of the three years ended December 31, 2012, 2011 and 2010 and (vi) the Notes to Consolidated Financial Statements and Schedule I, tagged in summary and detail.

Reg. S-K
Item 601
Exhibit 12

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

	Year Ended December 31,				
	2012	2011	2010	2009	2008
Net earnings attributable to Berkshire Hathaway shareholders	$14,824	$10,254	$12,967	$ 8,055	$4,994
Income tax expense	6,924	4,568	5,607	3,538	1,978
Earnings attributable to noncontrolling interests	488	492	527	386	602
Earnings from equity method investments	—	—	(50)	(427)	—
Dividends from equity method investees	—	—	20	132	—
Fixed charges	3,304	3,219	3,084	2,279	2,276
Earnings available for fixed charges	$25,540	$18,533	$22,155	$13,963	$9,850
Fixed charges					
Interest on indebtedness (including amortization of debt discount and expense)	$ 2,744	$ 2,664	$ 2,558	$ 1,992	$1,963
Rentals representing interest and other	560	555	526	287	313
	$ 3,304	$ 3,219	$ 3,084	$ 2,279	$2,276
Ratio of earnings to fixed charges	7.73x	5.76x	7.18x	6.13x	4.33x

Reg. S-K
Item 601
Exhibit 21

BERKSHIRE HATHAWAY INC.
Subsidiaries of Registrant (1)
December 31, 2012

Company Name	Domicile or State of Incorporation
Acme Brick Company	Delaware
Acme Building Brands, Inc.	Delaware
Albecca Inc.	Georgia
Anderson Hardwood Floors, LLC	Georgia
Applied Underwriters, Inc.	Nebraska
Ben Bridge Corporation	Washington
Ben Bridge Jeweler, Inc.	Washington
Benjamin Moore & Co.	New Jersey
Benjamin Moore & Co., Limited	Canada
Berkshire Hathaway Assurance Corporation	New York
Berkshire Hathaway Credit Corporation	Nebraska
Berkshire Hathaway Finance Corporation	Delaware
Berkshire Hathaway Homestate Insurance Company	Nebraska
Berkshire Hathaway International Insurance Limited (UK)	United Kingdom
Berkshire Hathaway Life Insurance Company of Nebraska	Nebraska
BH Media Group, Inc.	Delaware
BHSF, Inc.	Delaware
BH Finance LLC	Nebraska
BH Shoe Holdings, Inc.	Delaware
BNSF Railway Company	Delaware
Boat America Corporation	Virginia
Borsheim Jewelry Company, Inc.	Nebraska
Brooks Sports, Inc.	Washington
The Buffalo News, Inc.	Delaware
Burlington Northern Santa Fe, LLC	Delaware
Bushwick Metals LLC	Delaware
Business Wire, Inc.	Delaware
California Insurance Company	California
Campbell Hausfeld/Scott Fetzer Company	Delaware
CE Electric UK Holdings	United Kingdom
Central States Indemnity Co. of Omaha	Nebraska
Central States of Omaha Companies, Inc.	Nebraska
Cerro Flow Products LLC	Delaware
Cerro Wire LLC	Delaware
Clal U.S. Holdings	Delaware
Clayton Homes, Inc.	Delaware
CMH Homes, Inc.	Tennessee
CMH Manufacturing, Inc.	Tennessee
CMH Parks, Inc.	Tennessee
Columbia Insurance Company	Nebraska
CORT Business Services Corporation	Delaware
CTB International Corp. ("CTBI")	Indiana
Cypress Insurance Company	California
Delta Wholesale Liquors, Inc.	Tennessee
Ecowater Systems LLC	Delaware
Empire Distributors, Inc.	Georgia
Empire Distributors of North Carolina, Inc.	Georgia
EXSIF Worldwide, Inc.	Delaware
Faraday Reinsurance Co. Limited	United Kingdom
Faraday Underwriting Limited	United Kingdom
The Fechheimer Brothers Company	Delaware

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Exhibit 21**

**BERKSHIRE HATHAWAY INC.
Subsidiaries of Registrant (1)
December 31, 2012**

Company Name	Domicile or State of Incorporation
FlightSafety International Inc.	New York
FlightSafety Services Corporation	Delaware
Forest River, Inc.	Indiana
Freo Group Pty Ltd	Australia
Fruit of the Loom, Inc.	Delaware
Garan, Incorporated	Virginia
GEICO Advantage Insurance Company	Nebraska
GEICO Casualty Company	Maryland
GEICO Choice Insurance Company	Nebraska
GEICO Corporation	Delaware
GEICO General Insurance Company	Maryland
GEICO Indemnity Company	Maryland
GEICO Secure Insurance Company	Nebraska
GRD Holdings Corporation	Delaware
Gen Re Intermediaries Corporation	New York
General Re Life Corporation	Connecticut
General Re Corporation	Delaware
General Re Financial Products Corporation	Delaware
General Reinsurance Corporation	Delaware
General Star Indemnity Company	Delaware
General Star National Insurance Company	Delaware
General Reinsurance AG	Germany
General Reinsurance Africa Ltd.	South Africa
General Reinsurance Australia Ltd.	Australia
General Reinsurance Life Australia Ltd.	Australia
Genesis Insurance Company	Connecticut
Global Cranes Pty Ltd	Australia
Government Employees Insurance Company	Maryland
GUARD Insurance Group, Inc.	Delaware
Helzberg's Diamond Shops, Inc.	Missouri
H. H. Brown Shoe Company, Inc.	Delaware
Homemakers Plaza, Inc.	Iowa
HomeServices of America, Inc.	Delaware
Horizon Wine & Spirits – Nashville, Inc.	Tennessee
Horizon Wine & Spirits – Chattanooga, Inc.	Tennessee
International Dairy Queen, Inc.	Delaware
IMC International Metalworking Companies B.V.	Netherlands
IMC (Germany) Holdings GmbH	Germany
Ingersoll Cutting Tool Company	Delaware
Ingersoll Werkzeuge GmbH	Germany
Iscar Ltd.	Israel
Johns Manville	Delaware
Johns Manville Corporation	Delaware
Johns Manville Slovakia, a.s.	Slovakia
Jordan's Furniture, Inc.	Massachusetts
Justin Brands, Inc.	Delaware
Justin Industries, Inc.	Texas
Kahn Ventures, Inc.	Georgia
The Kansas Bankers Surety Company	Kansas

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BERKSHIRE HATHAWAY INC.
Subsidiaries of Registrant (1)
December 31, 2012

Company Name	Domicile or State of Incorporation
Kern River Gas Transmission Company	Texas
KR Holding, LLC	Delaware
L.A. Darling Company LLC	Delaware
Larson-Juhl US LLC	Georgia
Lipotec, S.A.	Spain
Lubrizol Advanced Materials Europe BVBA	Belgium
Lubrizol Advanced Materials International, Inc.	Delaware
Lubrizol Advanced Materials, Inc.	Delaware
The Lubrizol Corporation	Ohio
Lubrizol France SAS	France
Lubrizol (Gibraltar) Limited	Gibraltar
Lubrizol (Gibraltar) Limited Luxembourg SCS	Luxembourg
Lubrizol (Gibraltar) Minority Limited	Gibraltar
Lubrizol Holdings France SAS	France
Lubrizol International, Inc.	Cayman Islands
Lubrizol Luxembourg S.a.r.l.	Luxembourg
Lubrizol Overseas Trading Corporation	Delaware
Marmon Holdings, Inc.	Delaware
Marmon/Keystone LLC	Delaware
Marquis Jet Holdings, Inc.	Delaware
Marquis Jet Partners, Inc.	Delaware
McLane Company, Inc.	Texas
McLane Foodservice, Inc.	Texas
Meadowbrook Meat Company, Inc.	North Carolina
The Medical Protective Company	Indiana
Medical Protective Corporation	Indiana
Meyn Holding B.V.	Netherlands
Meyn Food Processing Technology B.V.	Netherlands
MHC Inc.	Iowa
MidAmerican Energy Company	Iowa
MidAmerican Energy Holdings Company	Iowa
MidAmerican Funding, LLC	Iowa
MiTek Industries, Inc.	Delaware
Mount Vernon Fire Insurance Company	Pennsylvania
National Fire & Marine Insurance Company	Nebraska
National Indemnity Company	Nebraska
National Indemnity Company of the South	Florida
National Indemnity Company of Mid-America	Iowa
National Liability & Fire Insurance Company	Connecticut
Nebraska Furniture Mart, Inc.	Nebraska
Nederlandse Reassurantie Groep NV	Netherlands
NetJets Inc.	Delaware
NFM of Kansas, Inc.	Kansas
NNGC Acquisition, LLC	Delaware
Northern Electric plc.	United Kingdom
Northern Natural Gas Company	Delaware
Northern Powergrid (Northeast) Limited	United Kingdom
Northern Powergrid (Yorkshire) plc.	United Kingdom
Northern Powergrid Holdings Company	United Kingdom
Northern Powergrid Limited	United Kingdom
Oak River Insurance Company	Nebraska

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BERKSHIRE HATHAWAY INC.
Subsidiaries of Registrant (1)
December 31, 2012

Company Name	Domicile or State of Incorporation
Omaha World-Herald Company	Delaware
OTC Worldwide Holdings, Inc.	Delaware
Oriental Trading Company, Inc.	Delaware
PacifiCorp	Oregon
Princeton Insurance Company	New Jersey
The Pampered Chef, Ltd.	Illinois
PPW Holdings LLC	Delaware
Precision Steel Warehouse, Inc.	Illinois
Railsplitter Holdings Corporation	Delaware
R.C. Willey Home Furnishings	Utah
Redwood Fire and Casualty Insurance Company	Nebraska
Richline Group, Inc.	Delaware
RSCC Wire & Cable LLC	Delaware
Russell Brands, LLC	Delaware
Sager Electrical Supply Co. Inc.	Massachusetts
Schuller GmbH	Germany
Scott Fetzer Company	Delaware
Scott Fetzer Financial Group, Inc.	Delaware
See’s Candies, Inc.	California
See’s Candy Shops, Inc.	California
Shaw Contract Flooring Services, Inc.	Georgia
Shaw Industries Group, Inc.	Georgia
Söfft Shoe Company, LLC	Delaware
Star Furniture Company	Texas
Sterling Crane LLC	Delaware
TaeguTec Ltd.	Korea
TTI, Inc.	Delaware
Tungaloy Corporation	Japan
Unarco Industries LLC	Delaware
Union Tank Car Company	Delaware
Union Underwear Company, Inc.	Delaware
United States Liability Insurance Company	Pennsylvania
U.S. Investment Corporation	Pennsylvania
U.S. Underwriters Insurance Company	North Dakota
Vanderbilt Mortgage and Finance, Inc.	Tennessee
Vanity Fair Brands, LP	Delaware
Webb Wheel Products, Inc.	Delaware
Wells Lamont LLC	Delaware
Wesco-Financial Insurance Company	Nebraska
World Book/Scott Fetzer Company, Inc.	Nebraska
XTRA Corporation	Delaware
XTRA Finance Corporation	Delaware
XTRA Lease LLC	Delaware
XTRA LLC	Maine
Yorkshire Electricity Group plc.	United Kingdom
Yorkshire Power Group Limited	United Kingdom

(1) Each of the named subsidiaries is not necessarily a “significant subsidiary” as defined in Rule 1-02(w) of Regulation S-X, and Berkshire has several additional subsidiaries not named above. The unnamed subsidiaries, considered in the aggregate as a single subsidiary, would not constitute a “significant subsidiary” at the end of the year covered by this report.

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CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement No. 333-186257 on Form S-3 and Registration Statement Nos. 333-53046, 333-64284, 333-70609, 333-74312, 333-75612, 333-101662, 333-164962, 333-164961, 333-164959, 333-164958, 333-111614 and 333-179885 on Form S-8 of our reports dated March 1, 2013, relating to the consolidated financial statements and financial statement schedule of Berkshire Hathaway Inc., and the effectiveness of Berkshire Hathaway Inc.'s internal control over financial reporting, appearing in this Annual Report on Form 10-K of Berkshire Hathaway Inc. for the year ended December 31, 2012.

/s/ DELOITTE & TOUCHE LLP

Omaha, Nebraska
March 1, 2013

EXHIBIT 31.1

FORM 10-K

Year ended December 31, 2012

Rule 13a-14(a)/15d-14(a) Certifications

CERTIFICATIONS

I, Warren E. Buffett, certify that:

1. I have reviewed this annual report on Form 10-K of Berkshire Hathaway Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 1, 2013

/s/ WARREN E. BUFFETT

Chairman—Principal Executive Officer

EXHIBIT 31.2

FORM 10-K

Year ended December 31, 2012

Rule 13a-14(a)/15d-14(a) Certifications

CERTIFICATIONS

I, Marc D. Hamburg, certify that:

1. I have reviewed this annual report on Form 10-K of Berkshire Hathaway Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 1, 2013

/s/ MARC D. HAMBURG

Senior Vice President—Principal Financial Officer

EXHIBIT 32.1

FORM 10-K

Section 1350 Certifications

Year ended December 31, 2012

I, Warren E. Buffett, Chairman and Chief Executive Officer of Berkshire Hathaway Inc. (the "Company"), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that to the best of my knowledge:

(1) the Annual Report on Form 10-K of the Company for the period ended December 31, 2012 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: March 1, 2013

/s/ WARREN E. BUFFETT

Warren E. Buffett
Chairman and Chief Executive Officer

EXHIBIT 32.2

FORM 10-K

Section 1350 Certifications

Year ended December 31, 2012

I, Marc D. Hamburg, Senior Vice President and Chief Financial Officer of Berkshire Hathaway Inc. (the "Company"), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that to the best of my knowledge:

(1) the Annual Report on Form 10-K of the Company for the period ended December 31, 2012 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: March 1, 2013

/S/ MARC D. HAMBURG

Marc D. Hamburg
Senior Vice President and Chief Financial Officer

EXHIBIT 95

MINE SAFETY VIOLATIONS AND OTHER LEGAL MATTER DISCLOSURES PURSUANT TO SECTION 1503(a) OF THE DODD-FRANK WALL STREET REFORM AND CONSUMER PROTECTION ACT

PacifiCorp and its subsidiaries operate coal mines and coal processing facilities and Acme Brick and its affiliates operate 20 clay, shale and limestone excavation facilities (collectively, the "mining facilities") that are regulated by the Federal Mine Safety and Health Administration ("MSHA") under the Federal Mine Safety and Health Act of 1977 (the "Mine Safety Act"). MSHA inspects mining facilities on a regular basis. The total number of reportable Mine Safety Act citations, orders, assessments and legal actions for the year ended December 31, 2012 are summarized in the table below and are subject to contest and appeal. The severity and assessment of penalties may be reduced or, in some cases, dismissed through the contest and appeal process. Amounts are reported regardless of whether PacifiCorp or Acme has challenged or appealed the matter. Coal, clay and other reserves that are not yet mined and mines that are closed or idled are not included in the information below as no reportable events occurred at those locations during the year ended December 31, 2012. There were no mining-related fatalities during the year ended December 31, 2012. PacifiCorp and Acme have not received any notice of a pattern, or notice of the potential to have a pattern, of violations of mandatory health or safety standards that are of such nature as could have significantly and substantially contributed to the cause and effect of coal or other mine health or safety hazards under Section 104(e) of the Mine Safety Act during the year ended December 31, 2012.

	Mine Safety Act					Total	Legal Actions		
Mining Facilities	Section 104 Significant and Substantial Citations(1)	Section 104(b) Orders(2)	Section 104(d) Citations/ Orders(3)	Section 110(b)(2) Violations(4)	Section 107(a) Imminent Danger Orders(5)	Value of Proposed MSHA Assessments (in thousands)	Pending as of Last Day of Period(6)	Instituted During Period	Resolved During Period
Coal:									
Deer Creek	12	—	1	—	—	$ 38	5	5	12
Bridger (surface)	5	—	—	—	—	6	2	2	4
Bridger (underground)	44	—	8	—	1	173	26	21	12
Cottonwood Preparatory Plant	—	—	—	—	—	—	—	—	—
Wyodak Coal Crushing Facility	—	—	—	—	—	—	—	—	—
Clay, shale and limestone:									
Minnesota	—	—	—	—	—	—	—	—	—
Malvern	2	—	—	—	—	—	—	—	—
Wheeler	—	—	—	—	—	—	—	—	—
Eureka	—	—	—	—	—	—	—	—	—
Fort Smith	1	—	—	—	—	—	—	—	—
Kanopolis	—	—	—	—	—	—	—	—	—
Oklahoma City	—	—	—	—	—	—	—	—	—
Tulsa	—	—	—	—	—	—	—	—	—
Denver	—	—	—	—	—	—	—	—	—
Bennett	—	—	—	—	—	—	—	—	—
Denton	—	—	—	—	—	—	—	—	—
Elgin	—	—	—	—	—	—	—	—	—
McQueeney	—	—	—	—	—	—	—	—	—
Garrison	—	—	—	—	—	—	—	—	—
Sealy	—	—	—	—	—	—	—	—	—
Texas Clay	1	—	—	—	—	—	—	—	—
Leeds	—	—	—	—	—	—	—	—	—
Montgomery	—	—	—	—	—	—	—	—	—
Lueders	—	—	—	—	—	—	—	—	—
Cordova	—	—	—	—	—	—	—	—	—

(1) Citations for alleged violations of mandatory health and safety standards that could significantly or substantially contribute to the cause and effect of a safety or health hazard under Section 104 of the Mine Safety Act.

(2) For alleged failure to totally abate the subject matter of a Mine Safety Act Section 104(a) citation within the period specified in the citation.

(3) For alleged unwarrantable failure (i.e., aggravated conduct constituting more than ordinary negligence) to comply with a mandatory health or safety standard.

(4) For alleged flagrant violations (i.e., reckless or repeated failure to make reasonable efforts to eliminate a known violation of a mandatory health or safety standard that substantially and proximately caused, or reasonably could have been expected to cause, death or serious bodily injury).

(5) For the existence of any condition or practice in a coal or other mine which could reasonably be expected to cause death or serious physical harm before such condition or practice can be abated. The order related to Bridger was subsequently reconsidered and vacated by MSHA.

(6) Amounts include contests of 29 proposed penalties under Subpart C and contests of four citations or orders under Subpart B of the Federal Mine Safety and Health Review Commission's procedural rules. The pending legal actions are not exclusive to citations, notices, orders and penalties assessed by MSHA during the reporting period.