BERKSHIRE HATHAWAY INC.

NEWS RELEASE

FOR IMMEDIATE RELEASE **May 2, 2008**

Omaha, NE (BRK.A; BRK.B) –

Berkshire's operating results for the first quarter of 2008 are summarized in the following paragraphs. In addition, so that investors and reporters may better understand our investment and derivatives results for this period, we have appended (p. 4) a section of Chairman Warren E. Buffett's letter from the 2007 Berkshire annual report. In this section, Mr. Buffett explains the workings of Berkshire's derivatives contracts and the accounting rules that apply to them. We also urge investors and reporters to read our 10-Q, which has been posted at www.berkshirehathaway.com. The limited information that follows in this press release is not adequate for making an informed investment judgment.

Earnings of Berkshire Hathaway Inc. and its consolidated subsidiaries for the quarters ended March 31, 2008 and 2007 are summarized below. Earnings are stated on an after-tax basis. (Dollar amounts are in millions, except for per share amounts).

	First Quarter 2008	First Quarter 2007
Net earnings	$ 940	$2,595
Investment and derivative gains (losses)	(991)	382
Operating earnings	$1,931	$2,213
Net earnings per Class A equivalent share	$ 607	$1,682
Investment and derivative gains (losses) per Class A equivalent share	(640)	248
Operating earnings per Class A equivalent share	$1,247	$1,434
Average Class A equivalent shares outstanding	1,548,395	1,542,809

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

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

	First Quarter 2008	First Quarter 2007
Insurance-underwriting	$ 181	$ 601
Insurance-investment income	802	748
Non-insurance businesses	950	894
Other	(2)	(30)
Operating earnings	$1,931	$2,213

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

With very limited exceptions, gains or losses from marketable securities are recorded only upon sale. Berkshire has large amounts of unrealized gains, and sales are never made with an eye to their effect on reported earnings. During the first quarter, our unrealized gains fell by $4.0 billion (leaving us a total of $27.8 billion in unrealized gains at the end of the quarter). That decline of $4.0 billion does not show in our reported earnings. What is included is a small realized gain: $115 million pre-tax and $75 million after-tax.

In contrast, accounting rules require that any *unrealized* gain or loss from derivatives contracts be regularly recorded in earnings. During the first quarter, Berkshire's derivatives had an unrealized pre-tax loss of $1.6 billion. However, that is a "net" figure, incorporating gains and losses in several different kinds of derivatives. Fundamentally, the size of that figure reflects the fact that we recorded a $1.7 billion unrealized loss in our two major categories of derivatives.

In explanation of that loss, we will begin with the first of these major categories, credit default swaps (CDS). The ones we hold are related to various high-yield indices. As is explained in the section of our 2007 annual report that is appended to this release, at yearend Berkshire had received $3.2 billion in premiums on these CDS contracts and, to that date, had paid $472 million in losses. The contracts – with original terms of about five years – expire in years 2009 through 2013, and our yearend financial statements carried a liability of $1.84 billion for future losses. The weighted length of the contracts was then 42 months and was therefore reduced to 39 months by the end of the first quarter.

In the first three months of 2008 our paid losses were $52 million, considerably *less* than we expect to average on a quarterly basis. Despite this favorable experience, we raised our liability figure to $2.26 billion, an increase dictated by market changes that reflect heightened worries about corporate credit. That increase led us to record a loss of $471 million for this particular CDS group.

We also added some new five-year positions, receiving premiums of $229 million. On these contracts we paid no losses but established a quarter-end liability of $248 million, This gave us an additional loss of $19 million. Therefore our aggregate first-quarter loss on our CDS positions was $490 million (the total of $471 million and $19 million).

Overall, we now hold $2.9 billion of cash from CDS contracts, all available to us for investing as we choose. When prices are right, as they have been recently, we like the credit insurance business and believe it will be profitable, even without our taking into account investment earnings on the substantial funds we hold.

Our second major category of derivatives is long-term equity put options that we sold on four major stock indices, including the S&P 500. These contracts come due between 2019 and 2028. As they expire, we will make payments to the holders of these puts only if the index in question is below its level at the time we wrote the put. If markets are higher, we will owe nothing. In the meantime, the premiums we have received are ours to invest freely.

At yearend we were holding $4.5 billion in premiums we had received for these puts and had recorded a liability of $4.6 billion for possible payments in 2019-2027. During the first quarter we received $383 million from the sale of additional puts, which are due in 2023-2028, and increased our overall liability to $6.2 billion. This change largely reflected the decline in world stock markets, but we also made valuation adjustments that took account of movements in foreign exchange rates and interest rates. Overall, our first-quarter accounting loss on our put contracts was $1.2 billion.

We believe that these contracts will prove profitable over the 15-20 year periods they cover, even if we exclude the investment income we can expect to earn on the $4.9 billion that we hold. However, as the first quarter indicates – and as we warned in our 2007 annual report – Berkshire's earnings may swing widely because of the accounting regulations that govern the reporting of derivatives contracts.

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

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

Comment on Regulation G

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

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

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

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Excerpt from Berkshire Hathaway Inc.'s
2007 Annual Report – Chairman's Letter

Last year I told you that Berkshire had 62 derivative contracts that I manage. (We also have a few left in the General Re runoff book.) Today, we have 94 of these, and they fall into two categories.

First, we have written 54 contracts that require us to make payments if certain bonds that are included in various high-yield indices default. These contracts expire at various times from 2009 to 2013. At yearend we had received $3.2 billion in premiums on these contracts; had paid $472 million in losses; and in the worst case (though it is extremely unlikely to occur) could be required to pay an additional $4.7 billion.

We are certain to make many more payments. But I believe that on premium revenues alone, these contracts will prove profitable, leaving aside what we can earn on the large sums we hold. Our yearend liability for this exposure was recorded at $1.8 billion and is included in "Derivative Contract Liabilities" on our balance sheet.

The second category of contracts involves various put options we have sold on four stock indices (the S&P 500 plus three foreign indices). These puts had original terms of either 15 or 20 years and were struck at the market. We have received premiums of $4.5 billion, and we recorded a liability at yearend of $4.6 billion. The puts in these contracts are exercisable *only* at their expiration dates, which occur between 2019 and 2027, and Berkshire will then need to make a payment only if the index in question is quoted at a level below that existing on the day that the put was written. Again, I believe these contracts, in aggregate, will be profitable and that we will, in addition, receive substantial income from our investment of the premiums we hold during the 15- or 20-year period.

Two aspects of our derivative contracts are particularly important. First, in all cases we hold the money, which means that we have *no* counterparty risk.

Second, accounting rules for our derivative contracts differ from those applying to our investment portfolio. In that portfolio, changes in value are applied to the net worth shown on Berkshire's balance sheet, but do not affect earnings unless we sell (or write down) a holding. Changes in the value of a derivative contract, however, must be applied each quarter to earnings.

Thus, our derivative positions will sometimes cause large swings in reported earnings, even though Charlie and I might believe the intrinsic value of these positions has changed little. He and I will not be bothered by these swings – even though they could easily amount to $1 billion or more in a quarter – and we hope you won't be either. You will recall that in our catastrophe insurance business, we are always ready to trade increased volatility in reported earnings in the short run for greater gains in net worth in the long run. That is our philosophy in derivatives as well.