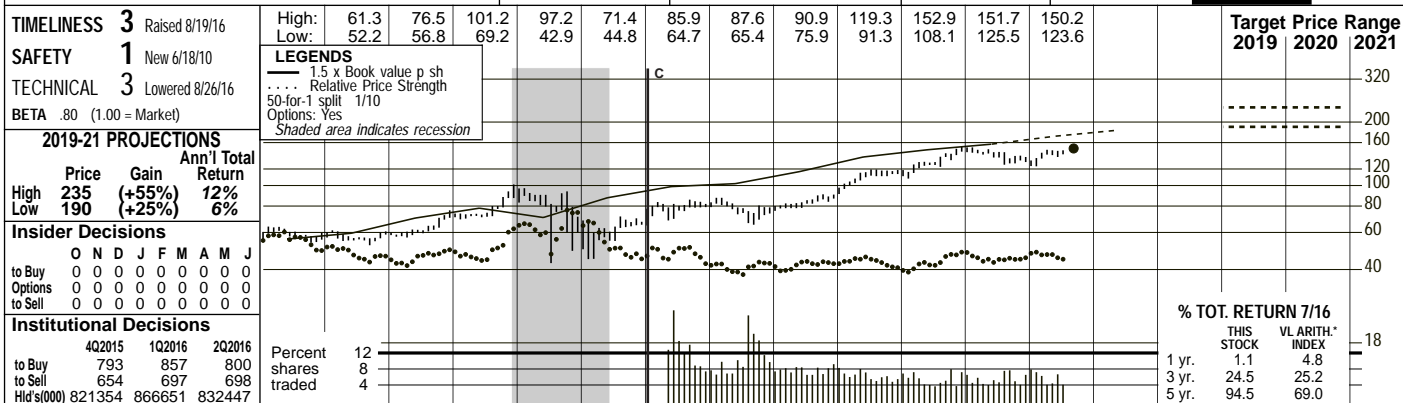


BERKSHIRE HATH. 'B' NYSE-BRKB

RECENT PRICE **150.23** P/E RATIO **16.4** (Trailing: 14.5 Median: NMF) RELATIVE P/E RATIO **0.87** DIV'D YLD **Nil** VALUE LINE



	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	© VALUE LINE PUB. LLC	19-21
10.36	13.71	10.99	11.98	12.44	12.95	14.02	14.88	16.74	16.75	18.40	20.00	20.00	Premiums Earned p sh	27.15
3.73	5.26	4.30	4.76	4.54	2.62	3.87	5.31	4.28	6.93	7.25	8.00	8.00	Invest. Inc (loss) p sh	10.00
28.52	32.03	35.71	31.60	38.11	42.45	46.92	53.70	57.98	61.83	64.00	67.00	67.00	Other Income p sh	75.00
2.50	2.23	2.14	1.51	2.49	2.14	2.73	3.30	3.18	2.95	3.55	3.90	3.90	Underwriting Income p sh	5.15
4.76	5.70	2.15	3.46	5.29	4.14	5.24	7.89	8.06	9.77	9.00	9.80	9.80	Earnings p sh AC	12.50
--	--	--	--	--	--	--	--	--	--	Nil	Nil	Nil	Div'ds Decl'd p sh	Nil
46.88	52.07	47.03	58.36	65.90	68.23	77.73	91.05	98.62	104.91	114.30	122.45	122.45	Book Value p sh B	132.65
2312.7	2318.6	2223.4	2326.8	2472.2	2476.2	2464.8	2454.4	2464.3	2465.2	2450.0	2450.0	2450.0	Common Shs. Outst'g C	2450.0

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017		19-21
135%	150%	173%	107%	119%	115%	93%	121%	132%	133%				Price to Book Value	160%
13.3	13.7	37.8	18.1	14.8	19.0	15.9	14.0	16.2	14.3				Avg Ann'l P/E Ratio	17.0
.72	.72	2.30	1.20	.94	1.19	1.00	.79	.85	.73				Relative P/E Ratio	1.05
--	--	--	--	--	--	--	--	--	--				Avg Ann'l Div'd Yield	Nil
23964	31783	25525	27884	30749	32075	34545	36684	41253	41294	45080	49000	49000	Premiums Earned	66500
8627	12205	8705.0	11073	11217	6488	9539	13081	10539	17092	19000	20500	20500	Investment Income (loss)	24000
65948	74257	82966	73536	94219	105125	115648	132385	142881	152435	160000	170000	170000	Other Income	200000
54.5%	66.1%	63.7%	65.5%	58.8%	64.9%	58.2%	58.0%	64.0%	64.2%	63.0%	62.0%	62.0%	Loss to Prem. Earned	62.0%
21.4%	17.6%	16.8%	21.9%	20.0%	18.6%	22.3%	19.8%	17.0%	18.2%	18.0%	18.5%	18.5%	Expense to Prem Written	19.0%
24.1%	16.3%	19.5%	12.6%	21.2%	16.5%	19.5%	22.2%	19.0%	17.6%	19.0%	19.5%	19.5%	Underwriting Margin	19.0%
32.8%	32.7%	26.1%	30.6%	29.4%	29.8%	31.1%	31.1%	28.2%	30.1%	30.0%	30.0%	30.0%	Income Tax Rate	30.0%
11015	13213	4994	8055	12967	10254	12916	19476	19860	24083	22050	24010	24010	Net Profit (\$mill)	30625
108419	120733	109267	135785	162934	168961	191588	224485	243027	258627	280000	300000	300000	Shr. Equity (\$mill) B	325000
10.2%	10.9%	4.6%	5.9%	8.0%	6.1%	6.7%	8.7%	8.2%	9.3%	8.0%	8.0%	8.0%	Return on Shr. Equity	9.5%
--	--	--	--	--	--	--	--	--	--	Nil	Nil	Nil	All Div'ds to Net Prof	Nil

EQUITY INVESTMENTS as of 6/30/16
 Positions (12) of \$1.8 billion or more:
 Wells Fargo (479,704,270 shares)
 Coca Cola Co. (400,000,000 shares)
 IBM (81,232,303 shares)
 American Express (151,610,700 shares)
 Wal-Mart Stores, Inc. (40,226,402 shares)
 Charter Communications (9,337,491 shares)
 U.S. Bancorp (85,063,167 shares)
 Davita (38,565,570 shares)
 Kraft Heinz (325,634,818 shares)
 Moody's (24,669,778 shares)
 Deere (21,959,246 shares)
 Phillips 66 (78,782,000 shares)
 Market Value of all equities: \$129.7 bill.

Common Shares 2,465,783,561 Class B shares
 Includes 788,894 Class A shrs, as if converted.
as of 7/28/16
MARKET CAP: \$370 billion (Large Cap)

FINANCIAL POSITION 2014 2015 6/30/16 (\$MILL.)
 Bonds 27397 25988 23744
 Stocks 115529 110212 102563
 Cash 57974 61181 61788
 Other 325286 354876 404721
 Total Assets 526186 552257 592816
 Unearned Prems 11944 13311 14768
 Reserves 71477 73144 74708
 Other 199738 207175 237082
 Total Liabilities 383159 293630 326558

ANNUAL RATES Past Past Est'd '13-'15 of change (per sh) 10 Yrs. 5 Yrs. to '19-'21
 Earnings p sh 24.0% 25.0% 9.0%
 Dividends -- -- Nil
 Book Value 19.0% 6.0% 8.0%

Cal-endar	NET PREMIUMS EARNED (\$ mill.)				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2013	9377	8815	9270	9222	36684
2014	9416	9323	12717	9797	41253
2015	9540	10400	10514	10840	41294
2016	11124	10799	11403	11754	45080
2017	12000	12200	12350	12450	49000

Cal-endar	EARNINGS PER SHARE A				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2013	1.98	1.84	2.05	2.02	7.89
2014	1.91	2.59	1.87	1.69	8.06
2015	2.10	1.63	3.82	2.22	9.77
2016	2.27	2.03	2.30	2.40	9.00
2017	2.45	2.50	2.40	2.45	9.80

Cal-endar	QUARTERLY DIVIDENDS PAID				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2014					
2015					
2016					

NO DIVIDENDS BEING PAID

(A) Based on diluted shares outstanding. Earnings include investment gains/(losses) and derivative gains and losses. Next earnings report due late Oct. (B) Incl. goodwill. In 6/30/16, \$79.2 billion; \$32.13/share. (C) In mill. Split B shares 50-to-1 in January 2010. Each B share is now worth 1/1500 of an A share.

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BUSINESS: Berkshire Hathaway Inc. is a holding company owning subsidiaries engaged in property and casualty insurance on a direct and reinsurance basis through GEICO, General Re and Berkshire Reinsurance. Other business activities include electric utilities, railroads, flight training services, candy manufacturing, ice cream, building products, newspapers, retailing, fine jewelry, etc. Also, fractional ownership programs for general aviation (NetJets), energy (Mid-American Energy). Has approximately 361,270 employees. Officers & directors control 23.4% of voting power (3/16 proxy). Chrmn. & CEO: Warren E. Buffett. Vice Chrmn.: Charles T. Munger, Inc.: DE. Addr.: 3555 Farnam Street, Omaha, Nebraska 68131. Tel.: 402-346-1400. Internet: www.berkshirehathaway.com.

Berkshire Hathaway registered a nearly 25% year-to-year increase in earnings during the June period. Earnings per share including capital gains and losses from investments clocked in at \$2.03. We include these items, which isn't the normal protocol in the insurance industry, since Berkshire's profits are highly correlated to its investment portfolio. On the insurance side, net premiums earned climbed 3.8%, which is a respectable showing, since price increases have been increasingly difficult to come by in aggregate, given less-than-stellar supply and demand dynamics.

Earnings might dip this year, but 2015's strong performance makes for a tough comparison. Berkshire's earnings are a bit more difficult to project than its P/C insurance peers because of its broad diversity and immense investment portfolio. That said, we believe last year's \$9.77-a-share tally will be difficult to match. Looking at it with a bit more granularity, Railroads, Utilities, and Energy posted a 15.4% year-over-year decline in operating earnings, to just under \$2.5 billion for the first six months of the year.

Assuming this trend continues over the back half of the year, this would be a factor in the insurance behemoth's likely bottom-line decrease compared to 2015. **Berkshire always appears to have an eye out for acquisitions.** The company has made a couple of large deals over the past few years. Earlier this year, it finalized its purchase of Precision Castparts for \$37.2 billion, giving it a significant presence in the aerospace supplier market. A few years prior, it initiated a 26.8% stake in Kraft Heinz. We look for further deals down the road, given Berkshire's lucrative finances.

These shares offer slightly-above-average gains potential for the pull to 2019-2021. Acquisitions, which aren't included in our forecast until consummated, could add meaningfully to our growth assumptions. The company's diversified status enables it to withstand sluggish conditions in the insurance market better than most of its peers. The stock's 1 (Highest) Safety rank and below-market Beta coefficient may pique the interests of conservative investors.

Alan G. House
 September 9, 2016

Company's Financial Strength		A++
Stock's Price Stability		100
Price Growth Persistence		75
Earnings Predictability		50

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