

BERKSHIRE STOCK ELECTIONS

The information that appears below and on the following pages should assist former Burlington Northern Santa Fe ("BNSF") shareholders who made a stock election in connection with the merger of BNSF with and into a subsidiary of Berkshire Hathaway Inc. ("BRK") in determining any gain or loss on the exchange of BNSF shares for BRK shares and cash and also for calculating the tax basis of BRK shares received in the exchange.

Merger Closing Date – February 12, 2010

Proration Factor – 0.922489735 (represents percentage of BNSF shares exchanged for BRK stock)

BRK Class A Exchange Rate – 0.000897423

Class A Fraction Multiplier – 1,499.473414299 (used to determine the number of BRK Class B shares that the Berkshire Class A fraction represents)

Class B Fraction Multiplier – \$74.3129 (used to determine the amount of cash received in lieu of fractional BRK Class B shares)

The following example will illustrate how to use the factors. Assume a BNSF shareholder owned 3,500 BNSF shares and made a stock election.

BNSF shares to Receive BRK Stock = $3,500 \times 0.922489735 = 3,228.714$

BNSF shares to Receive Cash = $3,500 - 3,228.714 = 271.286$

BRK Class A Shares = $3,228.714 \times 0.000897423 = 2.898$

BRK Class B Shares = $0.898 \times 1,499.473414299 = 1,346.527$

BRK Class A Shares Received = 2

BRK Class B Shares Received = 1,346

Cash in Lieu of Berkshire Class B Fraction = $\$74.3129 \times .527 = \39.16

Cash for BNSF Shares Receiving Cash = $271.286 \times \$100 = \$27,128.60$

MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE MERGER

General

The following is a summary of the material U.S. Federal income tax consequences of the merger. This discussion is based upon the Code, Treasury regulations, judicial authorities, published positions of the Internal Revenue Service ("IRS"), and other applicable authorities, all as currently in effect and all of which are subject to change or differing interpretations (possibly with retroactive effect). This discussion is limited to U.S. holders (as defined below) who hold their shares of BNSF common stock as capital assets for U.S. Federal income tax purposes (generally, assets held for investment). This discussion does not address the tax consequences applicable to BNSF stockholders who are not U.S. holders, nor does it address all of the tax consequences that may be relevant to particular U.S. holders who are subject to special treatment under U.S. Federal income tax laws, including, without limitation, financial institutions, insurance companies, partnerships and other pass-through entities, tax-exempt organizations, regulated investment companies, real estate investment trusts, dealers in securities or currencies, U.S. persons whose functional currency is not the U.S. dollar, traders in securities that elect to use a mark-to-market method of accounting, persons that hold BNSF common stock as part of a straddle, hedge, constructive sale or conversion transaction, and U.S. holders who acquired their shares of BNSF common stock through the exercise of an employee stock option or otherwise as compensation.

If a partnership or other entity taxed as a partnership holds BNSF common stock, the tax treatment of a partner in the partnership generally will depend upon the status of the partner and the activities of the partnership. Partnerships holding BNSF common stock and partners in such partnerships should consult their tax advisors about the tax consequences of the merger to them.

This discussion does not address the tax consequences of the merger under state, local or foreign tax laws. This discussion also does not address the tax consequences of any transaction other than the merger.

BNSF STOCKHOLDERS ARE URGED TO CONSULT WITH THEIR OWN TAX ADVISORS AS TO THE TAX CONSEQUENCES OF THE MERGER IN THEIR PARTICULAR CIRCUMSTANCES, INCLUDING THE APPLICABILITY AND EFFECT OF U.S. FEDERAL (INCLUDING THE ALTERNATIVE MINIMUM TAX), STATE, LOCAL OR FOREIGN AND OTHER TAX LAWS AND OF CHANGES IN THOSE LAWS.

For purposes of this section, the term "U.S. holder" means a beneficial owner of BNSF common stock that for U.S. Federal income tax purposes is (1) an individual who is a citizen or resident of the United States, (2) a corporation, or other entity treated as a corporation for U.S. Federal income tax purposes, created or organized in or under the laws of the United States or any state or the District of Columbia, (3) an estate that is subject to U.S. Federal income tax on its income regardless of its source, or (4) a trust (i) the substantial decisions of which are controlled by one or more U.S. persons and which is subject to the primary supervision of a U.S. court, or (ii) that has validly elected under applicable Treasury regulations to be treated as a U.S. person for U.S. Federal income tax purposes.

Tax Consequences of the Merger Generally

The obligations of Berkshire and BNSF to complete the merger are conditioned on, among other things, the receipt by each of Berkshire and BNSF of tax opinions from Munger Tolles and Cravath, respectively, dated the closing date of the merger, to the effect that for U.S. Federal income tax purposes the merger will qualify as a reorganization within the meaning of Section 368 of the Code and that each of Berkshire, NICO and BNSF will be a party to the reorganization within the meaning of Section 368(b) of the Code. These opinions will be subject to customary qualifications and assumptions, including that the merger will be completed according to the terms of the merger agreement. In rendering the tax opinions, each counsel may require and rely on representations of Berkshire, NICO, BNSF, and their affiliates, to be delivered at the time of closing. If any such assumption or representation is or becomes inaccurate, the U.S. Federal income tax consequences of the merger could be

adversely affected. Neither of these tax opinions will be binding on the IRS. Neither Berkshire nor BNSF intends to request any ruling from the IRS as to the U.S. Federal income tax consequences of the merger. Consequently, no assurance can be given that the IRS will not assert, or that a court will not sustain, a position contrary to any of the tax consequences set forth below or any of the tax consequences described in the tax opinions.

The following discussion assumes that the merger qualifies as a reorganization within the meaning of Section 368 of the Code and that each of Berkshire, NICO and BNSF is a party to the reorganization within the meaning of Section 368(b) of the Code.

Tax Consequences of the Merger for Berkshire, Berkshire Stockholders and BNSF

No gain or loss will be recognized by Berkshire, Berkshire stockholders, or BNSF.

Tax Consequences of the Merger for U.S. Holders of BNSF Common Stock

The U.S. Federal income tax consequences of the merger to a U.S. holder of BNSF common stock will depend on whether such U.S. holder receives cash, shares of Berkshire common stock or a combination of cash and stock in exchange for such U.S. holder's BNSF common stock. At the time a U.S. holder makes a cash or stock election pursuant to the terms of the merger agreement, such U.S. holder will not know whether, and to what extent, the proration provisions of the merger agreement will alter the mix of consideration such U.S. holder will receive. As a result, the tax consequences to such U.S. holder will not be ascertainable with certainty until such U.S. holder knows the precise amount of cash and shares of Berkshire common stock that such U.S. holder will receive pursuant to the merger.

Exchange of BNSF common stock solely for Berkshire common stock

Except as discussed below, see "—Cash in Lieu of Fractional Shares of Berkshire Common Stock," a U.S. holder who exchanges all of its shares of BNSF common stock solely for shares of Berkshire common stock in the merger will not recognize gain or loss in connection with such exchange.

A U.S. holder's aggregate tax basis in the Berkshire common stock received in the merger, including any fractional shares deemed received by the U.S. holder under the treatment discussed below in "—Cash in Lieu of Fractional Shares of Berkshire Common Stock," generally will equal such U.S. holder's aggregate tax basis in the BNSF common stock surrendered by such U.S. holder in the merger. The holding period for the shares of Berkshire common stock received by such U.S. holder in the merger, including any fractional shares deemed received by the U.S. holder under the treatment discussed below in "—Cash in Lieu of Fractional Shares of Berkshire Common Stock," generally will include the holding period for the shares of BNSF common stock exchanged therefor.

Exchange of BNSF common stock solely for cash

A U.S. holder who exchanges all of its shares of BNSF common stock solely for cash in the merger generally will recognize capital gain or loss equal to the difference between the amount of cash received by such U.S. holder and the U.S. holder's adjusted tax basis in the BNSF common stock exchanged therefor.

Any capital gain or loss generally will be long-term capital gain or loss if the U.S. holder held the shares of BNSF common stock for more than one year at the effective time of the merger. Currently, long-term capital gains of an individual generally are subject to a maximum U.S. Federal income tax rate of 15% and short-term capital gains of an individual generally are subject to a maximum U.S. Federal income tax rate of 35%. The deductibility of capital losses is subject to limitations.

Exchange of BNSF common stock for a combination of Berkshire common stock and cash

Except as discussed below, see “—Cash in Lieu of Fractional Shares of Berkshire Common Stock,” a U.S. holder who exchanges shares of BNSF common stock for a combination of Berkshire common stock and cash will recognize gain (but not loss) equal to the lesser of (i) the excess, if any, of the amount of cash plus the fair market value of any Berkshire common stock received in the merger, over such U.S. holder’s adjusted tax basis in the shares of BNSF common stock surrendered by such U.S. holder in the merger and (ii) the amount of cash received by such U.S. holder in the merger (other than cash received in lieu of fractional shares of Berkshire common stock). For purposes of this calculation, the fair market value of Berkshire common stock is based on the trading price of that stock on the date of the merger, rather than on the ten-day average price used in calculating the number of shares of Berkshire common stock to be issued to the stockholder.

In the case of any U.S. holder who acquired different blocks of BNSF common stock at different times and at different prices, any realized gain or loss will be determined separately for each identifiable block of shares exchanged in the merger, and a loss realized on the exchange of one block of shares cannot be used to offset a gain realized on the exchange of another block of shares. Such U.S. holder should consult its tax advisor prior to the exchange with regard to identifying the bases or holding periods of the particular shares of Berkshire common stock received in the merger.

Generally, a U.S. holder’s aggregate tax basis in the Berkshire common stock received by such U.S. holder in the merger, including any fractional shares deemed received by the U.S. holder under the treatment discussed below in “—Cash in Lieu of Fractional Shares of Berkshire Common Stock,” will equal such U.S. holder’s aggregate tax basis in the BNSF common stock surrendered in the merger, increased by the amount of taxable gain or dividend income (see below), if any, recognized by such U.S. holder in the merger (other than with respect to cash received in lieu of fractional shares of Berkshire common stock), and decreased by the amount of cash, if any, received by such U.S. holder in the merger (other than cash received in lieu of fractional shares of Berkshire common stock). The holding period for the shares of Berkshire common stock received in the merger, including any fractional shares deemed received by the U.S. holder under the treatment discussed below in “—Cash in Lieu of Fractional Shares of Berkshire Common Stock,” generally will include the holding period for the shares of BNSF common stock exchanged therefor.

Any capital gain generally will be long-term capital gain if the U.S. holder held the shares of BNSF common stock for more than one year at the effective time of the merger. Currently, long-term capital gains of an individual generally are subject to a maximum U.S. Federal income tax rate of 15% and short term capital gains of an individual generally are subject to a maximum U.S. Federal income tax rate of 35%. In some cases, such as if a U.S. holder actually or constructively owns Berkshire common stock immediately after the merger, such gain may be treated as having the effect of the distribution of a dividend to such U.S. holder, under the tests set forth in Section 302 of the Code, in which case such gain would be treated as ordinary dividend income. These rules are complex and dependent upon the specific factual circumstances particular to each U.S. holder. Consequently, each U.S. holder that may be subject to those rules should consult its tax advisor as to the application of these rules to the particular facts relevant to such U.S. holder.

Cash in Lieu of Fractional Shares of Berkshire Common Stock

A U.S. holder who receives cash instead of a fractional share of Berkshire common stock will be treated as having received the fractional share of Berkshire common stock pursuant to the merger and then as having exchanged the fractional share of Berkshire common stock for cash in a redemption by Berkshire. In general, this deemed redemption will be treated as a sale or exchange and a U.S. holder will recognize gain or loss equal to the difference between (i) the amount of cash received by such U.S. holder and (ii) the portion of the basis of the shares of BNSF common stock allocable to such fractional interest. Such gain or loss generally will constitute capital gain or loss and will be long-term capital gain or loss if the U.S. holder’s holding period for the BNSF common stock exchanged by such U.S. holder is greater than one year as of the effective time. The deductibility of capital losses is subject to limitations.

Information Reporting and Backup Withholding

Cash payments received in the merger by a U.S. holder may, under certain circumstances, be subject to information reporting and backup withholding at a rate of 28% of the cash payable to the U.S. holder, unless the U.S. holder provides proof of an applicable exemption, furnishes its taxpayer identification number (in the case of individuals; their social security number) and otherwise complies with all applicable requirements of the backup withholding rules. Any amounts withheld from payments to a U.S. holder under the backup withholding rules are not additional tax and will be allowed as a refund or credit against the U.S. holder's U.S. Federal income tax liability, provided the required information is timely furnished to the IRS.

Reporting Requirements

A U.S. holder who receives shares of Berkshire common stock as a result of the merger will be required to retain records pertaining to the merger. Each U.S. holder who is required to file a U.S. tax return and who is a "significant holder" that receives Berkshire common stock in the merger will be required to file a statement with the significant holder's U.S. Federal income tax return setting forth such significant holder's basis (determined immediately before the exchange) in the BNSF common stock surrendered and the fair market value (determined immediately before the exchange) of the BNSF common stock that is exchanged by such significant holder. Generally, a "significant holder" is a U.S. holder who receives shares of Berkshire common stock in the merger and who, immediately before the merger, owned at least 5% of the outstanding stock of BNSF (by vote or value) or securities of BNSF with a tax basis of \$1 million or more.