

Warren Buffett's Letters To Berkshire Shareholders 2003

巴菲特致股东的信 2003 年

Note: The following table appears in the printed Annual Report on the facing page of the Chairman's Letter and is referred to in that letter.

附注：下表系董事长致股东信的参考资料，并载于年度报告的封面。

Berkshire's Corporate Performance vs. the S&P 500

Year	Annual Percentage Change		Relative Results (1)-(2)
	in Per-Share Book Value of Berkshire (1)	in S&P 500 with Dividends Included (2)	
1965	23.8	10.0	13.8
1966	20.3	(11.7)	32.0
1967	11.0	30.9	(19.9)
1968	19.0	11.0	8.0
1969	16.2	(8.4)	24.6
1970	12.0	3.9	8.1
1971	16.4	14.6	1.8
1972	21.7	18.9	2.8
1973	4.7	(14.8)	19.5
1974	5.5	(26.4)	31.9
1975	21.9	37.2	(15.3)
1976	59.3	23.6	35.7
1977	31.9	(7.4)	39.3
1978	24.0	6.4	17.6
1979	35.7	18.2	17.5
1980	19.3	32.3	(13.0)
1981	31.4	(5.0)	36.4
1982	40.0	21.4	18.6
1983	32.3	22.4	9.9
1984	13.6	6.1	7.5
1985	48.2	31.6	16.6
1986	26.1	18.6	7.5
1987	19.5	5.1	14.4
1988	20.1	16.6	3.5
1989	44.4	31.7	12.7
1990	7.4	(3.1)	10.5
1991	39.6	30.5	9.1
1992	20.3	7.6	12.7
1993	14.3	10.1	4.2
1994	13.9	1.3	12.6
1995	43.1	37.6	5.5
1996	31.8	23.0	8.8
1997	34.1	33.4	.7
1998	48.3	28.6	19.7
1999	.5	21.0	(20.5)

2000	6.5	(9.1)	15.6
2001	(6.2)	(11.9)	5.7
2002	10.0	(22.1)	32.1
2003	21.0	28.7	(7.7)
Average Annual Gain — 1965-2003	22.2	10.4	11.8
Overall Gain — 1964-2003	259,485	4,743	

Notes: Data are for calendar years with these exceptions: 1965 and 1966, year ended 9/30; 1967, 15 months ended 12/31.

资料以历年制为准，除了 1965 年及 1966 年系至 9/30; 1967 年则为至 12/31 的 15 个月。

Starting in 1979, accounting rules required insurance companies to value the equity securities they hold at market rather than at the lower of cost or market, which was previously the requirement. In this table, Berkshire's results through 1978 have been restated to conform to the changed rules. In all other respects, the results are calculated using the numbers originally reported.

从 1979 年开始，会计原则规定保险公司持有的股权投资必须采用市价法取代原先的成本与市价孰低法，在本表中，1978 年以前的资料已依照该原则重新调整，除此之外，其它的数字皆依照原则的结果未作更动。

The S&P 500 numbers are pre-tax where as the Berkshire numbers are after-tax. If a corporation such as Berkshire were simply to have owned the S&P 500 and accrued the appropriate taxes, its results would have lagged the S&P 500 in years when that index showed a positive return, but would have exceeded the S&P in years when the index showed a negative return. Over the years, the tax costs would have caused the aggregate lag to be substantial.

S&P 500 指数系以税前为准，而 Berkshire 的数字则属于税后，如果 Berkshire 直接投资 S&P 500 并依此课征相关税负，则当 S&P 500 的报酬为正时，Berkshire 的表现将不如 S&P 500，相反地若 S&P 500 的报酬为负时，Berkshire 的表现将优于 S&P 500，就长期而言，Berkshire 额外负担的税负成本将使得中间的差异日益扩大。

BERKSHIRE HATHAWAY INC. 波克夏海瑟威股份有限公司

To the Shareholders of Berkshire Hathaway Inc.:

致 Berkshire 公司全体股东:

Our gain in net worth during 2003 was \$13.6 billion, which increased the per-share book value of both our Class A and Class B stock by 21%. Over the last 39 years (that is, since present management took over) per-share book value has grown from \$19 to \$50,498, a rate of 22.2% compounded annually.*

经结算本公司 2003 年的净值增加了 136 亿美元, A 股或 B 股每股的帐面净值增加了 21.0%, 累计过去 39 年以来, 也就是自从现有经营阶层接手之后, 每股净值由当初的 19 元成长到现在的 50,498 美元, 年复合成长率约为 22.2%*。

It's per-share intrinsic value that counts, however, not book value. Here, the news is good: Between 1964 and 2003, Berkshire morphed from a struggling northern textile business whose intrinsic value was less than book into a widely diversified enterprise worth far more than book. Our 39-year gain in intrinsic value has therefore somewhat exceeded our 22.2% gain in book. (For a better understanding of intrinsic value and the economic principles that guide Charlie Munger, my partner and Berkshire's vicechairman, and me in running Berkshire, please read our Owner's Manual, beginning on page 69.)

我们真正在乎的是实质价值, 而非帐面价值, 而庆幸的是, 从 1964 年到 2003 年期间, Berkshire 已经从一家原本摇摇欲坠的北方纺织公司, 蜕变成一个跨足各个产业的大型集团, 其实质价值大幅超越帐面价值, 39 年来实质价值的成长率甚至远超过帐面价值 22.2% 的成长率, (想要对实质价值与本人及查理孟格经营 Berkshire 的原则有更多的了解的人, 我建议大家阅读 69 页的股东手册)。

Despite their shortcomings, book value calculations are useful at Berkshire as a slightly understated gauge for measuring the long-term rate of increase in our intrinsic value. The calculation is less relevant, however, than it once was in rating any single year's performance versus the S&P 500 index (a comparison we display

on the facing page). Our equity holdings, including convertible preferreds, have fallen considerably as a percentage of our net worth, from an average of 114% in the 1980s, for example, to an average of 50% in 2000-03. Therefore, yearly movements in the stock market now affect a much smaller portion of our net worth than was once the case.

虽然并非完美，但计算帐面价值仍不失为于衡量实质价值长期成长率的有效工具，只是单一年度净值的表现与 S&P 500 指数的比较(相关比较参阅首页)，其意义已不若以往，主要原因在于我们股票投资部位，包含可转换特别股在内，占我们净值的比重已经大幅下降，从 1980 年代早期的 114%，到 2000-03 年的 50%，也因此股市波动对于我们净值影响的程度已经大不如前。

Nonetheless, Berkshire's long-term performance versus the S&P remains all-important. Our shareholders can buy the S&P through an index fund at very low cost. Unless we achieve gains in per-share intrinsic value in the future that outdo the S&P's performance, Charlie and I will be adding nothing to what you can accomplish on your own.

不过即便如此，Berkshire 相对于 S&P 长期的表现还是顶重要的，因为股东们现在可以非常低的手续费买到指数型基金，间接投资 S&P，因此除非在未来我们能够以高于 S&P 的速度累积每股实质价值，否则查理跟我就没有存在的价值。

If we fail, we will have no excuses. Charlie and I operate in an ideal environment. To begin with, we are supported by an incredible group of men and women who run our operating units. If there were a Corporate Cooperstown, its roster would surely include many of our CEOs. Any shortfall in Berkshire's results will not be caused by our managers.

如果做不到，我们将没有任何借口，因为查理跟我拥有相当理想的工作环境，首先我们背后拥有超级坚强的经营团队支持我们的营运，如果有企业名人堂(译注：Cooperstown 为美国职棒名人堂所在地)，那么我们旗下许多经理人肯定可以名列其中，所以错误一定不会是我们这些明星经理人造成的。

Additionally, we enjoy a rare sort of managerial freedom. Most companies are saddled with institutional constraints. A company's history, for example, may commit it to an industry that now offers limited opportunity. A more common problem is a shareholder constituency that pressures its manager to dance to Wall Street's

s tune. Many CEOs resist, but others give in and adopt operating and capital allocation policies far different from those they would choose if left to themselves.

此外，我们在管理上享有极其罕见的自由弹性，大部分的公司身上都背负了组织的包袱，举例来说，企业过去辉煌的历史可能使得其受困于前景有限的产业，更常见的问题是来自于股东的压力，迫使其经理人必须随着华尔街的基调起舞，虽然多数经理人抗拒，但还是有不少人屈服，被迫改采不同的营运与资金运用政策。

At Berkshire, neither history nor the demands of owners impede intelligent decision-making. When Charlie and I make mistakes, they are - in tennis parlance - unforced errors. 在 Berkshire，我们完全没有历史或股东的压力来妨碍我们做出明智的决定，所以当查理跟我本人犯错时，套用网球界常用的术语-那肯定是「非受迫性失误」。

*All figures used in this report apply to Berkshire's A shares, the successor to the only stock that the company had outstanding before 1996. The B shares have an economic interest equal to 1/30th that of the A.

*在年报中所谓的每股数字系以 A 级普通股约当数为基础，这是本公司在 1996 年以前流通在外唯一的一种股份，B 级普通股则拥有 A 级普通股三十分之一的权利。

Operating Earnings 营业利益

When valuations are similar, we strongly prefer owning businesses to owning stocks. During most of our years of operation, however, stocks were much the cheaper choice. We therefore sharply tilted our asset allocation in those years toward equities, as illustrated by the percentages cited earlier.

当评估出来的价值差不多，我们强烈偏爱拥有一整家企业胜于持有部份股票，当然在我们经营的大多数年头里，股票往往还是比较便宜的选择，也因此在我们的资产组合中，股票投资还是占大多数，其比例如同先前所提到的。

In recent years, however, we've found it hard to find significantly undervalued stocks, a difficulty greatly accentuated by the mushrooming of the funds we must deploy. Today, the number of stocks that can be purchased in large enough quantities to move the performance needle at Berkshire is a small fraction of the number

that existed a decade ago. (Investment managers often profit far more from piling up assets than from handling those assets well. So when one tells you that increased funds won't hurt his investment performance, step back: His nose is about to grow.)

然而近年来，我们发现越来越难再找到股价被低估的股票，尤其是当我们手头上可运用的资金不断地大量涌入，时至今日，规模足以撼动 Berkshire 绩效指针的股票种类已屈指可数，（基金经理人通常依靠累积基金规模而非基金绩效而获益，所以如果有人告诉你基金规模不会影响绩效的话，小心点！注意他的鼻子是否开始变长）。

The shortage of attractively-priced stocks in which we can put large sums doesn't bother us, providing we can find companies to purchase that (1) have favorable and enduring economic characteristics; (2) are run by talented and honest managers and (3) are available at a sensible price. We have purchased a number of such businesses in recent years, though not enough to fully employ the gusher of cash that has come our way. In buying businesses, I've made some terrible mistakes, both of commission and omission. Overall, however, our acquisitions have led to decent gains in per-share earnings.

找不到大量价格便宜的股票对我们并不会造成困扰，只要我们能够找到具备以下三项特点的公司(1)拥有长期竞争优势；(2)由才德兼具的经理人所经营，以及(3)可以用合理的价格买到。近年来，尽管仍不足以消化源源不断流入的资金，我们确实买进不少这类的企业，在企业购并方面，我犯过许多可怕的错误，不论是已经造成的或是该做未做的，然而总的来说，这些购并案还是让我们每股盈余有不错的表现。

Below is a table that quantifies that point. But first we need to warn you that growth-rate presentations can be significantly distorted by a calculated selection of either initial or terminal dates. For example, if earnings are tiny in a beginning year, a long-term performance that was only mediocre can be made to appear sensational. That kind of distortion can come about because the company at issue was minuscule in the base year - which means that only a handful of insiders actually benefited from the touted performance - or because a larger company was then operating at just above breakeven. Picking a terminal year that is particularly buoyant will also favorably bias a calculation of growth.

下表足以量化以上的论点，但首先我要提醒大家的是，成长率可能因为基期或末期期间点选择的不同而有相当大的差异，比如说，如果所选择的基期盈余很低，那么一个寻常的绩效也可能让人觉得很可观，实际上却只有少数人能够受惠，或只是一家赚取微薄利润的大公司，同样地，选定盈余

偏高的末期也可以让成长率特别好看。

The Berkshire Hathaway that present management assumed control of in 1965 had long been sizable. But in 1964, it earned only \$175,586 or 15 cents per share, so close to breakeven that any calculation of earnings growth from that base would be meaningless. At the time, however, even those meager earnings looked good: Over the decade following the 1955 merger of Berkshire Fine Spinning Associates and Hathaway Manufacturing, the combined operation had lost \$10.1 million and many thousands of employees had been let go. It was not a marriage made in heaven.

自1965年现有经营阶层取得控制权以来，Berkshire的规模就已经相当大，但1964年这家公司只不过赚了175,586美元，每股盈余约当15美分，这几乎仅仅勉强打平，因此以此基期所计算的成长率可以说毫无意义，但是考量当时的时空背景，如此微薄的盈余也聊胜于无，自从1955年Berkshire纺织与Hathaway工业合并后的十年，该公司累计亏损了1,010万美元，数千名员工被解雇，这显然不是天作之合。

Against this background, we give you a picture of Berkshire's earnings growth that begins in 1968, but also includes subsequent base years spaced five years apart. A series of calculations is presented so that you can decide for yourself which period is most meaningful. I've started with 1968 because it was the first full year we operated National Indemnity, the initial acquisition we made as we began to expand Berkshire's business.

基于这样的背景，我们决定以1968年做为基期，来描述Berkshire盈余成长的幅度，并且另外再以每五年为间距计算成长率，一系列不同的计算方式主要是想让大家得以自行判断选择最合理的解释，之所以选择1968年，是因为那年是我们开始经营国家产险的年头，该公司是Berkshire第一家对外扩张的购并对象。

I don't believe that using 2003 as the terminal year distorts our calculations. It was a terrific year for our insurance business, but the big boost that gave to earnings was largely offset by the pathetically low interest rates we earned on our large holdings of cash equivalents (a condition that will not last). All figures shown below, it should be noted, exclude capital gains.

另外我也不认为选择2003年为末期就会大幅改变我们的计算结果，虽然当年我们保险事业表现极佳，但是这部份的高获利，却被手头上大量闲置资金赚取的微薄利息所抵消掉(相信这种情况不会维持太久)，有一点必须特别说明的是，以下所有显示的数字并未包含资本利得在内。

Operating Earnings

Operating Earnings

Subsequent Compounded

Year	in \$ millions	Per Share in\$	Growth Rate of Per-Share Earnings	
1964	.2	.15	Not meaningful	(1964-2003)
1968	2.7	2.69	22.8%	(1968-2003)
1973	11.9	12.18	20.8%	(1973-2003)
1978	30.0	29.15	21.1%	(1978-2003)
1983	48.6	45.60	24.3%	(1983-2003)
1988	313.4	273.37	18.6%	(1988-2003)
1993	477.8	413.19	23.9%	(1993-2003)
1998	1,277.0	1,020.49	28.2%	(1998-2003)
2003	5,422.0	3,531.32		

We will continue the capital allocation practices we have used in the past. If stocks become significantly cheaper than entire businesses, we will buy them aggressively. If selected bonds become attractive, as they did in 2002, we will again load up on these securities. Under any market or economic conditions, we will be happy to buy businesses that meet our standards. And, for those that do, the bigger the better. Our capital is underutilized now, but that will happen periodically. It's a painful condition to be in - but not as painful as doing something stupid. (I speak from experience.)

往后我们仍将维持过去惯用的资金分配方式，如果买股票比买整家公司便宜，我们就会大肆采购，如果特定的债券够吸引人，就像是 2002 年一样，我们就会买进满手的这类债券，而不管市场或经济状况如何，我们随时都很乐意买进符合我们标准的企业，而且规模最好越大越好，目前我们的资金并未被充分利用，这种情况时而有之，虽然这让人感到不太好受，但那总比干蠢事好得多，（我可是我从惨痛的教训学来）。

Overall, we are certain Berkshire's performance in the future will fall far short of what it has been in the past. Nonetheless, Charlie and I remain hopeful that we can deliver results that are modestly above average. That's what we're being paid for.

总的来说，可以确定的是 Berkshire 往后的表现肯定远不及过去的绩效，但尽管如此，查理跟我还是希望我们的成绩能够高于一般平均，这也是我们存在的意义。

Acquisitions

购并活动

As regular readers know, our acquisitions have often come about in strange ways. None, however, had a more unusual genesis than our purchase last year of Clayton Homes.

熟悉的读者都知道，我们的购并案的来源通常都很特殊，但再也没有比去年买进 Clayton 房屋更特别的了。

The unlikely source was a group of finance students from the University of Tennessee, and their teacher, Dr. Al Auxier. For the

past five years, Al has brought his class to Omaha, where the group tours Nebraska Furniture Mart and Borsheim's, eats at Gorat's and then comes to Kiewit Plaza for a session with me. Usually about 40 students participate.

这件购并案的构想系出自于田纳西大学一群财经系的学生以及老师 Al Auxier 博士，过去五年来，Al 每年都会带他的学生到 Omaha 进行参访，参观 NFM 家具店及波仙珠宝店、到 Gorat's 吃牛排，之后再回到 Kiewit 大楼与我一叙，通常学生人数在 40 位左右。

After two hours of give-and-take, the group traditionally presents me with a thank-you gift. (The doors stay locked until they do.) In past years it's been items such as a football signed by Phil Fulmer and a basketball from Tennessee's famous women's team. 在经过二小时的你来我往之后，参访团按例都会赠送一份纪念品给我，(不拿上来，门是不会开的)，往年的礼物，不是 Phil Fulmer 亲自签名的足球，不然就是田纳西州著名女子篮球队的篮球。

This past February, the group opted for a book - which, luckily for me, was the recently-published autobiography of Jim Clayton, founder of Clayton Homes. I already knew the company to be the class act of the manufactured housing industry, knowledge I acquired after earlier making the mistake of buying some distressed junk debt of Oakwood Homes, one of the industry's largest companies. At the time of that purchase, I did not understand how atrocious consumer-financing practices had become throughout most of the manufactured housing industry. But I learned: Oakwood rather promptly went bankrupt.

不过今年二月，参访团却选择赠送给我一本书- 那是 Clayton 房屋创办人-Jim Clayton 当时刚出版的自传，我很久以前就知道该公司是组合房屋建筑业的金字招牌，这源于过去我投资另一家同业 Oakwood 房屋垃圾债券的惨痛教训，刚开始在我买进的当头，我本来不清楚这行业的消费贷款竞争情况是如此的惨烈，不过不用多久，当 Oakwood 破产后，我就晓得了。

Manufactured housing, it should be emphasized, can deliver very good value to home purchasers. Indeed, for decades, the industry has accounted for more than 15% of the homes built in the U.S. During those years, moreover, both the quality and variety of manufactured houses consistently improved.

但是有一点必须强调的是，组合房屋业对于购屋者来说，绝对是一大福音，事实上过去数十年来，这行业提供的房屋约占全美建造房屋的 15%，更重要的是，所建造房屋的品质与类型一直不断在提升当中。

Progress in design and construction was not matched, however, by progress in distribution and financing. Instead, as the years went by, the industry's business model increasingly centered on the ability of both the retailer and manufacturer to unload terrible loans on naive lenders. When "securitization" then became popular in the 1990s, further distancing the supplier of funds from the lending transaction, the industry's conduct went from bad to worse. Much of its volume a few years back came from buyers who shouldn't have bought, financed by lenders who shouldn't have lent. The consequence has been huge numbers of repossessions and pitifully low recoveries on the units repossessed.

然而设计与建造技术的改良，却远不及行销与融资方式的演进，到最后这几年，这行经营的诀窍逐渐变质成如何将零售商与制造商背负的不良贷款转嫁到不知情的金主身上，当权益证券化开始在 1990 年代盛行时，进一步使得资金提供者无法提供借贷，业者的行径也越加脱轨，导致几年来许多不该买房子的人进场买房子，不该借钱给人的人借钱给人，最后的结果是大量的房屋产权被收回，即便顺利收回也损失不贷。

Oakwood participated fully in the insanity. But Clayton, though it could not isolate itself from industry practices, behaved considerably better than its major competitors.

Oakwood 从头到尾都参与了这场闹剧，反观 Clayton 虽然无法完全撇清，但情况比起其它主要竞争对手来说，要轻微许多。

Upon receiving Jim Clayton's book, I told the students how much I admired his record and they took that message back to Knoxville, home of both the University of Tennessee and Clayton Homes. Al then suggested that I call Kevin Clayton, Jim's son and the CEO, to express my views directly. As I talked with Kevin, it became clear that he was both able and a straight-shooter.

在收到 Jim Clayton 的自传后，我向在场的学生们表示个人相当崇拜他的事迹，于是他们将这项讯息带回家乡 Knoxville，那也是田纳西大学与 Clayton 房屋的所在地，随后 Al 更建议我打通电话给 Jim Clayton 的儿子，Clayton 房屋现任总裁-Kevin，直接表达我个人的看法，在我跟 Kevin 一聊之后，马上就了解他是一个能干且有话直说的人。

Soon thereafter, I made an offer for the business based solely on Jim's book, my evaluation of Kevin, the public financials of Clayton and what I had learned from the Oakwood experience. Clayton's board was receptive, since it understood that the large-scale financing

Clayton would need in the future might be hard to get. Lenders had fled the industry and securitizations, when possible at all, carried far more expensive and restrictive terms than was previously the case. This tightening was particularly serious for Clayton, whose earnings significantly depended on securitizations.

不久之后，我便出价打算买下这家公司，其判断依据仅仅基于 Jim 的自传、我个人对于 Kevin 的评价、Clayton 房屋公开的财务信息以及个人从投资 Oakwood 所得的经验，Clayton 董事会采取接受的态度，因为他们深知未来很难再为 Clayton 找到所需如此大规模的融资来源，金主大举逃离这产业，至于唯一可行的权益证券化却必须付出比以往更高昂的成本与更严格的条件，这种压迫的感觉，在盈余偏向依赖资产证券化的 Clayton 身上尤其明显。

Today, the manufactured housing industry remains awash in problems. Delinquencies continue high, repossessed units still abound and the number of retailers has been halved. A different business model is required, one that eliminates the ability of the retailer and salesman to pocket substantial money up front by making sales financed by loans that are destined to default. Such transactions cause hardship to both buyer and lender and lead to a flood of repossessions that then undercut the sale of new units. Under a proper model - one requiring significant down payments and shorter-term loans - the industry will likely remain much smaller than it was in the 90s. But it will deliver to home buyers an asset in which they will have equity, rather than disappointment, upon resale.

直到现在，组合房屋建筑业乃未摆脱问题的沉痾，逾期放款依旧高涨、收回余屋量可观，而中介零售商仅剩一半存活下来，实在有必要发展出一套全新的经营模式，一套可以防止中介商及业务员将注定会违约的交易所得的大笔佣金放入私人口袋的有效方法，这类的交易使得买方与借贷方双双陷入困境，另一方面大量涌现的断头户，更将导致新建的成屋去化不易，在这套合理的制度下，买方将必须支付一大笔订金，并签订期间较短的借款合同，虽然此举将导致整个产业的规模远较 90 年代大幅萎缩，但此举将让购屋者在日后出售房屋时，真正靠此资产受益，而不是一连串的懊悔。

In the “full circle” department, Clayton has agreed to buy the assets of Oakwood. When the transaction closes, Clayton’s manufacturing capacity, geographical reach and sales outlets will be substantially increased. As a byproduct, the debt of Oakwood that we own, which we bought at a deep discount, will probably return a small profit to us.

为了使得交易更加圆满，Clayton 也已经同意买下 Oakwood 的资产，在这项交易完成之后，Clayton 组合房屋的产能、经营区域以及销售通路将大幅增长，另外附带的是，我们当初以大幅折价买进的 Oakwood 垃圾债券，现在不但债权收回有望，甚至还能小赚一笔。

And the students? In October, we had a surprise “graduation” ceremony in Knoxville for the 40 who sparked my interest in Clayton. I donned a mortarboard and presented each student with both a PhD (for phenomenal, hard-working dealmaker) from Berkshire and a B share. Al got an A share. If you meet some of the new Tennessee shareholders at our annual meeting, give them your thanks. And ask them if they’ve read any good books lately.

至于那 40 位有功的学生，我们十月在 Knoxville 举办了一次特别的毕业典礼，我身着学士帽，亲自颁发每位学生一张 Berkshire PhD(专门用以表彰对于 Berkshire 购并有功人员)外加每人一股 Berkshire B 股，至于 Al 教授则获赠一股 A 股，所以如果各位在今年的股东大会上遇到来自田纳西州的新股东，请向他们表示感谢，并记得顺便问问他们最近读了什么新书。

* * * * *

In early spring, Byron Trott, a Managing Director of Goldman Sachs, told me that Wal-Mart wished to sell its McLane subsidiary. McLane distributes groceries and nonfood items to convenience stores, drug stores, wholesale clubs, mass merchandisers, quick service restaurants, theaters and others. It’s a good business, but one not in the mainstream of Wal-Mart’s future. It’s made to order, however, for us.

今年初春，高盛证券一位执行董事-Byron Trott 告诉我，威名百货有意出售其子公司-McLane，该公司专门为便利商店、药妆店、量贩店、快餐店、戏院等通路，提供配送杂货以及非食品等物流服务，这是一家好公司，可惜却不是威名百货未来发展的核心事业，然而对我们来说，她却有如量身订做。

McLane has sales of about \$23 billion, but operates on paper-thin margins - about 1% pre-tax - and will swell Berkshire’s sales figures far more than our income. In the past, some retailers had shunned McLane because it was owned by their major competitor. Grady Rosier, McLane’s superb CEO, has already landed some of these accounts - he was in full stride the day the deal closed - and more will come.

McLane 的年营业额高达 230 亿美元，但利润却相当微薄，税前利润率约当 1%，所以其对 Berkshire 营收的膨胀将远大于盈余的贡献，在过去，某些

通路商碍于 McLane 为主要对手的子公司而放弃她的服务，然而在该公司杰出经理人 Grady Rosier 的带领下，已经成功攻下部份市场，即便是交易完成当头，他依然在大步迈进当中。

For several years, I have given my vote to Wal-Mart in the balloting for Fortune Magazine's "Most Admired" list. Our McLane transaction reinforced my opinion. To make the McLane deal, I had a single meeting of about two hours with Tom Schoewe, Wal-Mart's CFO, and we then shook hands. (He did, however, first call Bentonville). Twenty-nine days later Wal-Mart had its money. We did no "due diligence." We knew everything would be exactly as Wal-Mart said it would be - and it was. I should add that Byron has now been instrumental in three Berkshire acquisitions. He understands Berkshire far better than any investment banker with whom we have talked and - it hurts me to say this - earns his fee. I'm looking forward to deal number four (as, I am sure, is he).

多年来，个人一直将财富杂志每年固定举办的年度最佳企业奖投给威名百货，在 McLane 的交易完成后，更加加深我的看法，在交易过程中，我只跟威名百货的财务长 Tom Schoewe 有过一次二小时的单独会面，之后双方就握手达成共识，（那也是他第一次造访 Bentonville），29 天之后，威名百货就拿到钱，我们没有执行任何实地查核程序，我们确信所有情况都会像威名所说的那样，事后证明确实如此，有一点我要特别强调的是，截至目前为止，Byron 累计已对三件 Berkshire 购并案有所启发，他比过去任何一位与我们有过接触的投资银行家都了解 Berkshire，而且我也不得不承认，他已赚了我們不少顾问费，不过我还是深深期待第四件案子发生，（而我相信他也还期待！）。

Taxes

租税

On May 20, 2003, The Washington Post ran an op-ed piece by me that was critical of the Bush tax proposals. Thirteen days later, Pamela Olson, Assistant Secretary for Tax Policy at the U.S. Treasury, delivered a speech about the new tax legislation saying, "That means a certain midwestern oracle, who, it must be noted, has played the tax code like a fiddle, is still safe retaining all his earnings." I think she was talking about me.

2003 年 5 月 20 号，华盛顿邮报的社论版面刊登了本人关于布什减税政策的评论，13 天后，美国财政部主管税务政策的助理秘书 Pamela Olson，在一场租税新法令的演讲中提到，「这代表，我必须这样说，某位擅长玩弄税法的中西部圣人，将可以放心地留住他赚到的所有钱」，我想她讲的

正是我本人!

Alas, my “fiddle playing” will not get me to Carnegie Hall - or even to a high school recital. Berkshire, on your behalf and mine, will send the Treasury \$3.3 billion for tax on its 2003 income, a sum equaling 2½% of the total income tax paid by all U.S. corporations in fiscal 2003. (In contrast, Berkshire’s market valuation is about 1% of the value of all American corporations.) Our payment will almost certainly place us among our country’s top ten taxpayers. Indeed, if only 540 taxpayers paid the amount Berkshire will pay, no other individual or corporation would have to pay anything to Uncle Sam. That’s right: 290 million Americans and all other businesses would not have to pay a dime in income, social security, excise or estate taxes to the federal government. (Here’s the math: Federal tax receipts, including social security receipts, in fiscal 2003 totaled \$1.782 trillion and 540 “Berkshires,” each paying \$3.3 billion, would deliver the same \$1.782 trillion.)

可惜的是，我的琴技不要说无法让我进入卡内基音乐厅，甚至可能连高中音乐会都派不上用场，Berkshire 2003 年总计缴交了 33 亿美元的所得税，约占全美所有企业缴交国库的 2.5%，（相对之下，Berkshire 的市值仅占全美企业总值的 1%），这金额肯定可以让我们名列全美纳税大户前十名，没错，假使全只要有 540 个像 Berkshire 这样的纳税人，不论是企业或是个人，其它所有人都不必再缴一毛的税给美国政府，让我再说一次，全美其余 2.9 亿的人民以及其它公司不必再支付一毛的所得税、社会保险费、不动产契税给联邦政府，（这里有一个简单的数学算式，2003 年联邦政府税收，包含社会保险费在内，金额为 1.782 兆美元，只要有 540 个像 Berkshire，每位缴纳 33 亿美元就足矣!）。

Our federal tax return for 2002 (2003 is not finalized), when we paid \$1.75 billion, covered a mere 8,905 pages. As is required, we dutifully filed two copies of this return, creating a pile of paper seven feet tall. At World Headquarters, our small band of 15.8, though exhausted, momentarily flushed with pride: Berkshire, we felt, was surely pulling its share of our country’s fiscal load. 2002 年(2003 年尚未核定)Berkshire 总计缴了 17.5 亿美元，税务申报书厚达 8,905 页，，依规定税务申报书须附两份，叠起来有七英尺高，由在 Berkshire 的全球总部区区的 15.8 个人，拼死拼活赶出报告，因此我们可以大声地说：Berkshire 已经尽到其应尽的纳税义务。

But Ms. Olson sees things otherwise. And if that means Charlie and

I need to try harder, we are ready to do so.

但是 Olson 女士却有不同的看法，如果这代表查理跟我本人目前所作的努力还不够的话，我们唯有再加把劲了。

I do wish, however, that Ms. Olson would give me some credit for the progress I' ve already made. In 1944, I filed my first 1040, reporting my income as a thirteen-year-old newspaper carrier. The return covered three pages. After I claimed the appropriate business deductions, such as \$35 for a bicycle, my tax bill was \$7. I sent my check to the Treasury and it - without comment - promptly cashed it. We lived in peace.

不过我还是希望 Olson 女士能为我过去所做的努力给予一些赞许，回顾 1944 年当我还是一个年仅 13 岁的送报生时，第一次申报所得税，整个 1040 表只有三页，在减除 35 元的脚踏车扣抵之后，结算出应纳税额为 7.1 美元，我将支票寄给美国国库，并于不久之后兑现，一直以来，我们都相安无事。

* * * * *

I can understand why the Treasury is now frustrated with Corporate America and prone to outbursts. But it should look to Congress and the Administration for redress, not to Berkshire.

我可以体会为何财政部现在对于美国企业相当感冒，且已经到了忍无可忍的地步，但他们应该做的是将目标锁定在国会以及行政体系寻求解决之道，而不是将矛头对准 Berkshire。

Corporate income taxes in fiscal 2003 accounted for 7.4% of all federal tax receipts, down from a post-war peak of 32% in 1952. With one exception (1983), last year' s percentage is the lowest recorded since data was first published in 1934.

2003 年会计年度，美国企业全体累计缴纳所得税仅占联邦税收的 7.4%，远低于 1952 年战后 32% 的巅峰，除了 1983 年外，去年的比率是自 1934 年有统计数字以来最低的一年。

Even so, tax breaks for corporations (and their investors, particularly large ones) were a major part of the Administration' s 2002 and 2003 initiatives. If class warfare is being waged in America, my class is clearly winning. Today, many large corporations - run by CEOs whose fiddle-playing talents make your Chairman look like he is all thumbs - pay nothing close to the stated federal tax rate of 35%.

即便如此，企业及其投资人（尤其是大股东）享有更多的租税优惠，是 2002 年及 2003 年布什政府减税法案的主轴，如果今天美国发生阶级战争，则属于我们这一阶级显然将获得大胜，相较于其它美国大企业总裁所玩弄的技巧，本人的程度显然只能算是个三岁小孩，支付的所得税与法定联邦所得税率 35% 相差无几。

In 1985, Berkshire paid \$132 million in federal income taxes, and all corporations paid \$61 billion. The comparable amounts in 1995 were \$286 million and \$157 billion respectively. And, as mentioned, we will pay about \$3.3 billion for 2003, a year when all corporations paid \$132 billion. We hope our taxes continue to rise in the future - it will mean we are prospering - but we also hope that the rest of Corporate America antes up along with us. This might be a project for Ms. Olson to work on.

1985 年 Berkshire 支付了 1.32 亿美元的联邦所得税，而所有美国企业合计缴纳了 610 亿美元，相较于 1995 年，Berkshire 支付了 2.86 亿美元的税，而所有美国企业合计缴纳了 1,570 亿美元，另外刚刚说过，2003 年 Berkshire 支付了 33 亿美元的联邦所得税，但所有美国企业合计缴纳的金额却仅有 1,320 亿美元，我们期望未来 Berkshire 缴纳的所得税金额能够继续增加，因为那代表我们又赚了更多的钱，但在这同时，我们也希望其它美国企业也能够向我们看齐，我认为这才是 Olson 女士应该努力的方向。

Corporate Governance 公司治理

In judging whether Corporate America is serious about reforming itself, CEO pay remains the acid test. To date, the results aren't encouraging. A few CEOs, such as Jeff Immelt of General Electric, have led the way in initiating programs that are fair to managers and shareholders alike. Generally, however, his example has been more admired than followed.

在判断美国企业是否真的有心进行改革，CEO 的薪资报酬绝对是最关键的指针之一，然而直到现在，其结果显然令人感到相当失望，少数的 CEO 包含 GE 的 Jeff Immelt 带头推动公平对待经理人与股东双方的方案，然而总的来说，他的示范所获得表面的赞许显然远多于实际的跟进动作。

It's understandable how pay got out of hand. When management hires employees, or when companies bargain with a vendor, the intensity of interest is equal on both sides of the table. One party's gain is the other party's loss, and the money involved has real meaning to both. The result is an honest-to-God negotiation.

我们很容易理解薪资给付为何会失去控制，当管理阶层雇佣员工或是公司与供货商讨价还价时，双方的利益属于零和游戏，一方得利就等于就是另一方的损失，中间牵涉的利益对彼此都极具意义，所得结果一般相信较公正客观。

But when CEOs (or their representatives) have met with compensation committees, too often one side - the CEO's - has cared far more than the other about what bargain is struck. A CEO, for example, will always regard the difference between receiving options for 100,000 shares or for 500,000 as monumental. To a comp committee, however, the difference may seem unimportant - particularly if, as has been the case at most companies, neither grant will have any effect on reported earnings. Under these conditions, the negotiation often has a "play-money" quality.

但是当 CEO(或是其代表)与薪资委员会谈到报酬时，则 CEO 这边在乎最后敲定的条件的情况远胜于另一方，比如说，CEO 可能会对是否能多争取到 10 万股的认股权或是 50 万美元的年薪而耿耿于怀，然而对于另一边身为配角的委员会来说，这样的差异看起来似乎无关紧要，尤其是对大部分的公司来说，给或不给对于公司的盈余报表不会有任何影响，在这样的情况下，谈判的过程往往带点数字游戏性质。

Overreaching by CEOs greatly accelerated in the 1990s as compensation packages gained by the most avaricious - a title for which there was vigorous competition - were promptly replicated elsewhere. The couriers for this epidemic of greed were usually consultants and human relations departments, which had no trouble perceiving who buttered their bread. As one compensation consultant commented: "There are two classes of clients you don't want to offend - actual and potential."

CEO 越矩的行为在 1990 年代变本加厉，一旦某个离谱的薪资报酬方案被采纳，其它经理人立刻就会跟进比照，这种贪婪习气的媒介者，往往就是那些人力资源顾问与公关部门，他们很清楚谁才是喂奶给他们喝的娘，就像是一位人力资源顾问曾说的「有两种客户是你绝对不愿意得罪的，现有的以及潜在的」。

In proposals for reforming this malfunctioning system, the cry has been for "independent" directors. But the question of what truly motivates independence has largely been neglected.

在导正这个失控系统的改革方案中，呼声最高的是引进“独立”的董事，但问题是真正促使董事独立的因素却反而被忽视了。

In last year's report, I took a look at how "independent" directors - as defined by statute - had performed in the mutual fund field. The Investment Company Act of 1940 mandated such directors, and that means we've had an extended test of what statutory standards produce. In our examination last year, we looked at the record of fund directors in respect to the two key tasks board members should perform - whether at a mutual fund business or any other. These two all-important functions are, first, to obtain (or retain) an able and honest manager and then to compensate that manager fairly. 为此我特定检视了一下去年发布的一些年报，看看目前共同基金依照法令设置的独立董事是如何行使其职权的，独立董事设置的法源系根据1940年就订定的投资公司法，这也意味我们可以有一段很长的时间来检视法令订定后的成果，身为董事，不论是共同基金或是其它行业，有两项最重要的任务，分别是找到或留住才干品行兼备的经理人，以及给予其适当合理的报酬，因此我们乃针对基金董事有关这两项任务的表现记录进行检讨。

Our survey was not encouraging. Year after year, at literally thousands of funds, directors had routinely rehired the incumbent management company, however pathetic its performance had been. Just as routinely, the directors had mindlessly approved fees that in many cases far exceeded those that could have been negotiated. Then, when a management company was sold - invariably at a huge price relative to tangible assets - the directors experienced a "counter-revelation" and immediately signed on with the new manager and accepted its fee schedule. In effect, the directors decided that whoever would pay the most for the old management company was the party that should manage the shareholders' money in the future.

我们调查的结果并不乐观，年复一年，成千上万共同基金，不论其绩效有多惨，不断地续聘现任的基金管理公司，依照惯例，董事们毫不用心地核准远超过合理程度的管理费用，之后当管理公司被卖掉，通常会以高于实体净值的价格出售，董事们突然又“幡然悔改”，立刻与新的经理人签约，并全盘接受其所提出的收费结构，实际上，董事们的考量是谁愿意出最高价买下原有管理公司的人，就可以在未来管理投资人的钱。

Despite the lapdog behavior of independent fund directors, we did not conclude that they are bad people. They're not. But sadly, "boardroom atmosphere" almost invariably sedates their fiduciary genes.

尽管这些基金独立董事的摇摆狗行为，但不代表我们认为这些人是坏人，他们显然不是，但遗憾的是，董事会的气氛让他们的忠诚基因沉寂下来。

On May 22, 2003, not long after Berkshire's report appeared, the Chairman of the Investment Company Institute addressed its membership about "The State of our Industry." Responding to those who have "weighed in about our perceived failings," he mused, "It makes me wonder what life would be like if we'd actually done something wrong."

Be careful what you wish for.

2003年5月22日，在Berkshire的年报公布不久之后，投资公司协会的主席对其会员发表有关“产业现况”的报告时，在有人问到「衡量我们目前感受到的失败气氛」，他半开玩笑地回答，这让人不禁想到如果我们真的做错了什么事时，结果会怎样。

小心你的期望落空！

Within a few months, the world began to learn that many fund-management companies had followed policies that hurt the owners of the funds they managed, while simultaneously boosting the fees of the managers. Prior to their transgressions, it should be noted, these management companies were earning profit margins and returns on tangible equity that were the envy of Corporate America. Yet to swell profits further, they trampled on the interests of fund shareholders in an appalling manner.

就在几个月内，全世界慢慢开始明了许多基金管理公司过去一直以来，一面进行着伤害其所管理基金投资人权益的程序，一面又大幅膨胀基金经理人的管理费用，必须说明的是，这些基金管理公司在大幅越矩之前，本来就享有比一般美国企业还高的投资报酬率，但为了进一步膨胀获利，他们竟胆敢以骇世惊人的手法，践踏投资人的利益。

So what are the directors of these looted funds doing? As I write this, I have seen none that have terminated the contract of the offending management company (though naturally that entity has often fired some of its employees). Can you imagine directors who had been personally defrauded taking such a boyswill-be-boys attitude?

那么这些被掠夺的基金，其董事到底做了些什么??直到我下笔的时刻，我还没有看到任何一位董事跳出来终止与胆大妄为基金经理公司所签订的合约(虽然这些公司会意思意思开除几个员工)，我就不相信当这些董事自身的权益被侵害时，还会采取如此吊儿郎当的态度。

To top it all off, at least one miscreant management company has put itself up for sale, undoubtedly hoping to receive a huge sum

for “delivering” the mutual funds it has managed to the highest bidder among other managers. This is a travesty. Why in the world don't the directors of those funds simply select whomever they think is best among the bidding organizations and sign up with that party directly? The winner would consequently be spared a huge “payoff” to the former manager who, having flouted the principles of stewardship, deserves not a dime. Not having to bear that acquisition cost, the winner could surely manage the funds in question for a far lower ongoing fee than would otherwise have been the case. Any truly independent director should insist on this approach to obtaining a new manager.

更惨的是，至少有一家为非作歹的管理公司公开对外标售，明目张胆的意图将自己掌管资金出卖给出价最高的竞标者，这完全是一场拙劣的闹剧，为何这些董事就不能选出一个真心替投资人着想的管理公司，同时直接跟对方签约？如此得标者就可以省下一笔原本必须给前任经理人的巨额补偿金，因为这位奢言治理原则的经理人根本就不配拿到任何一毛钱，而由于不必承担这笔购并的成本，接任者肯定会接受以远比通常管理费率还低的收费来管理公司，我相信任何一位真正独立的董事都应该坚持采用这种方式选任新的基金经理人。

The reality is that neither the decades-old rules regulating investment company directors nor the new rules bearing down on Corporate America foster the election of truly independent directors. In both instances, an individual who is receiving 100% of his income from director fees - and who may wish to enhance his income through election to other boards - is deemed independent. That is nonsense. The same rules say that Berkshire director and lawyer Ron Olson, who receives from us perhaps 3% of his very large income, does not qualify as independent because that 3% comes from legal fees Berkshire pays his firm rather than from fees he earns as a Berkshire director. Rest assured, 3% from any source would not torpedo Ron's independence. But getting 20%, 30% or 50% of their income from director fees might well temper the independence of many individuals, particularly if their overall income is not large. Indeed, I think it's clear that at mutual funds, it has.

现实的情况是几十年规范投资公司董事的老规矩或者是压倒美国企业的新规定都无法选任出真正具独立性的董事，在两种情况下，一旦有人可以百分之百靠收取董事酬劳过活，那么他一定会想法子再去争取担任其它公司的董事，而离谱的是，这样的做法竟然还可以被视为独立，这实在完全没有道理，另一方面，根据相同的规定，在 Berkshire 董事之一的 Ron Olson 律师反而变得不独立，虽然他从 Berkshire 所得的收入仅占其整体收入的

3%，但他不被视为独立的理由，竟然是因为他领的是法律顾问费而非董事的酬劳，我想大家可以确定的是，不论这 3% 的来源为何，都不会妨碍到 Ron 的独立性，反之我认为不论名目为何，只要你从任何一个地方拿到 20%、30% 或 50%，那肯定就会影响到独立性，尤其考量到其它收入相对微薄之时，而我可以相当肯定的是在共同基金界的情况就是如此。

* * * * *

Let me make a small suggestion to “independent” mutual fund directors. Why not simply affirm in each annual report that “(1) We have looked at other management companies and believe the one we have retained for the upcoming year is among the better operations in the field; and (2) we have negotiated a fee with our managers comparable to what other clients with equivalent funds would negotiate.”

在这里让我对共同基金的董事们给予一个衷心的建议，大家为何不在基金年报上做出以下的声明。：(1) 在征询过其它基金管理公司后，我们确信目前选定的公司堪称业界一时之选；(2) 我们已经与基金经理人商议过管理费用，并获得与规模相当同业一致的收费水准。

It does not seem unreasonable for shareholders to expect fund directors - who are often receiving fees that exceed \$100,000 annually - to declare themselves on these points. Certainly these directors would satisfy themselves on both matters were they handing over a large chunk of their own money to the manager. If directors are unwilling to make these two declarations, shareholders should heed the maxim “If you don’ t know whose side someone is on, he’ s probably not on yours.”

我想投资人期望基金董事们能够做到上述这些声明的要求并不过分，尤其考量这些董事每年平均收到超过十万美元以上的高额酬劳，而且我们可以肯定的是如果他们在处理个人金钱的时候，他们也一定会做到以上这些事情，而如果有董事不愿做出以上这两点声明，投资人就必须特别小心，俗谚有云：如果你不确信他是不是站在你这边，那么他很可能就是敌人。

Finally, a disclaimer. A great many funds have been run well and conscientiously despite the opportunities for malfeasance that exist. The shareholders of these funds have benefited, and their managers have earned their pay. Indeed, if I were a director of certain funds, including some that charge above-average fees, I would enthusiastically make the two declarations I have suggested. Additionally, those index funds that are very low-cost (such as Vanguard’ s) are investor-friendly by definition and are the best

selection for most of those who wish to own equities.

最后，是一项声明，许多基金的运作相当正常良好，即使舞弊的机会确实存在，这些基金的投资人依然因此受惠，经理人也赚取其应得之份，确实如果我担任某些基金的董事，包含那些我认为收费过高的基金，我一定会积极地做出以上的那些声明，此外，还有一些收费相当低廉的指数型基金（比如说先锋基金）其本质相当适合某些投资人，我认为对于某些想要投资股票的人来说，算是相当不错的选择。

I am on my soapbox now only because the blatant wrongdoing that has occurred has betrayed the trust of so many millions of shareholders. Hundreds of industry insiders had to know what was going on, yet none publicly said a word. It took Eliot Spitzer, and the whistleblowers who aided him, to initiate a housecleaning. We urge fund directors to continue the job. Like directors throughout Corporate America, these fiduciaries must now decide whether their job is to work for owners or for managers.

现在的我就像是站在肥皂箱上，眼见公然露骨的行为不断发生，背叛了数百万投资人的信任，许多业内人士都相当清楚事件发生的来龙去脉，但就是没有人敢站出来说一句公道话，最后还是劳驾史匹哲检察官以及其它协助办案的执法同仁，出面来进行一次大清扫，我们敦促这些共同基金董事们继续执行这些工作，就像是全美其它企业的董事，这些受托的人士必须决定他们到底是为了投资人或是经理人服务。

Berkshire Governance

Berkshire 治理

True independence - meaning the willingness to challenge a forceful CEO when something is wrong or foolish - is an enormously valuable trait in a director. It is also rare. The place to look for it is among high-grade people whose interests are in line with those of rank-and-file shareholders - and are in line in a very big way.

真正的独立，代表的是当企业发生错误或是愚昧的事情时，董事有勇于挑战强势总裁的勇气，这是担任董事必须具备最重要的特质之一，可惜这种特质极其罕见，要找到这种特质必须从品格高尚且利益着眼点与一般股东一致的人士，一定要相当一致的才行。

We've made that search at Berkshire. We now have eleven directors and each of them, combined with members of their families, owns more than \$4 million of Berkshire stock. Moreover, all have held major stakes in Berkshire for many years. In the case of six of the eleven,

family ownership amounts to at least hundreds of millions and dates back at least three decades. All eleven directors purchased their holdings in the market just as you did; we've never passed out options or restricted shares. Charlie and I love such honest-to-God ownership. After all, who ever washes a rental car?

在 Berkshire 我们试着从内部寻找这类的人选,我们现在拥有十一位董事,而他们每一位,包含其家族成员在内,加起来总共持有价值超过 400 万美元的 Berkshire 股票,而且每位持股的时间都相当长,其中六位,其家族持股价值都超过数千万美元,持有时间甚至长达 30 年以上,同时所有董事的持股跟其它股东一样都是从公开市场用钱买来的,我们从来没有发放过选择权或是特别股,查理跟我喜欢这种俯仰无愧的持股方式,毕竟没有人会喜欢去洗外面租来的车。

In addition, director fees at Berkshire are nominal (as my son, Howard, periodically reminds me). Thus, the upside from Berkshire for all eleven is proportionately the same as the upside for any Berkshire shareholder. And it always will be.

此外, Berkshire 董事酬劳平平(我儿子-Howard 就时常提醒我这件事),换句话说, Berkshire 全体董事的利益按比例与其它任何一位 Berkshire 完全一致,一直以来皆是如此。

The downside for Berkshire directors is actually worse than yours because we carry no directors and officers liability insurance. Therefore, if something really catastrophic happens on our directors' watch, they are exposed to losses that will far exceed yours.

不过 Berkshire 董事们的不利的一面实际上远高于各位股东,因为我们没有投保任何的董事主管责任险,因此如果有任何可能的灾难发生在董事们身上,他们面临的损失将远高于各位。

The bottom line for our directors: You win, they win big; you lose, they lose big. Our approach might be called owner-capitalism. We know of no better way to engender true independence. (This structure does not guarantee perfect behavior, however: I've sat on boards of companies in which Berkshire had huge stakes and remained silent as questionable proposals were rubber-stamped.)

我们董事们的最后底线是,如果你们赢,他们就大赢,如果你们输,他们就大输,我们的方式或许可以被称之为所有者资本主义,我们不知道有什么方法可以维持真正的独立性,(虽然这样的安排无法保证一定会有完美的结局,但这比起我个人在 Berkshire 拥有大量股份的公司董事会担任董事,当大多数有疑问的提案提出时,董事会往往只能扮演橡皮图章的角色,

要好的太多了)。

In addition to being independent, directors should have business savvy, a shareholder orientation and a genuine interest in the company. The rarest of these qualities is business savvy - and if it is lacking, the other two are of little help. Many people who are smart, articulate and admired have no real understanding of business. That's no sin; they may shine elsewhere. But they don't belong on corporate boards. Similarly, I would be useless on a medical or scientific board (though I would likely be welcomed by a chairman who wanted to run things his way). My name would dress up the list of directors, but I wouldn't know enough to critically evaluate proposals. Moreover, to cloak my ignorance, I would keep my mouth shut (if you can imagine that). In effect, I could be replaced, without loss, by a potted plant.

除了要维持独立性，董事们也必须具备丰富的商务经验、以股东利益为导向再加上在这家公司拥有真正的利益，在这三样条件中，第一项尤为难得，如果缺乏这一项，其它两项的作用就不大，社会上有许多聪明、有思想且受人景仰的知名人物，但他们对企业却没有充足的了解，这并不是他们的错，或许他们可以在别的领域发光发亮，但他们并不适合待在企业的董事会内，就像我本人也不适合待在医学或科学的委员会一样(虽然我可能也会是一些想要为所欲为的主席所欢迎的对象)，个人的名声或许可以让董事会的组成更添光彩，但我却相当清楚自己没有足够的能力在这类的董事会上评论所提方案的可行性，更有甚者，为了要掩饰个人的无知，我可能会选择紧闭双唇(大家可以想象哪种景况)，事实上，如果我的位置可以由一个花盆来取代可能也无伤大雅。

Last year, as we moved to change our board, I asked for self-nominations from shareholders who believed they had the requisite qualities to be a Berkshire director. Despite the lack of either liability insurance or meaningful compensation, we received more than twenty applications. Most were good, coming from owner-oriented individuals having family holdings of Berkshire worth well over \$1 million. After considering them, Charlie and I - with the concurrence of our incumbent directors - asked four shareholders who did not nominate themselves to join the board: David Gottesman, Charlotte Guyman, Don Keough and Tom Murphy. These four people are all friends of mine, and I know their strengths well. They bring an extraordinary amount of business talent to Berkshire's board.

去年，我们着手调整董事会组织，我公开征求自认符合各项条件的股东自

告奋勇担任 Berkshire 董事，尽管没有董事责任险或者高额的董事报酬，我们还是接到超过 20 件以上的申请，大部分申请者的条件都相当不错，许多以股东利益为导向的个人连同家族持股都超过百万美元，但在考量这些报名者后，查理跟我，在其它现任董事们的同意之下，我们还是邀请其它四位未提名自己担任董事的人士加入董事会，他们分别是 David Gottesman、Charlotte Guyman、Don Keough 以及 Tom Murphy，这四位都是我个人的好朋友，我很了解他们的能力，他们也会为 Berkshire 董事会增添了不少商业色彩。

The primary job of our directors is to select my successor, either upon my death or disability, or when I begin to lose my marbles. (David Ogilvy had it right when he said: “ Develop your eccentricities when young. That way, when you get older, people won’ t think you are going gaga.” Charlie’ s family and mine feel that we overreacted to David’ s advice.)

董事会的主要责任就是选任未来接替我的人选，不管是在我死亡、失去能力或理智之后，（奥美广告创办人 David Ogilvy 曾说，在年轻时应该培养怪僻，这样等你老了之后，就没有人会认为你是阿达怪脚），查理跟我本人的家族都觉得我们俩对于 Ogilvy 的建议反应过度。

At our directors’ meetings we cover the usual run of housekeeping matters. But the real discussion - both with me in the room and absent - centers on the strengths and weaknesses of the four internal candidates to replace me.

在董事会开会时，我们除了进行例行的公式之外，真正实质的讨论-不论我有没有出席-主要的议题就是围绕在内部可能接替我四位人选各自的优缺点。

Our board knows that the ultimate scorecard on its performance will be determined by the record of my successor. He or she will need to maintain Berkshire’ s culture, allocate capital and keep a group of America’ s best managers happy in their jobs. This isn’ t the toughest task in the world - the train is already moving at a good clip down the track - and I’ m totally comfortable about it being done well by any of the four candidates we have identified. I have more than 99% of my net worth in Berkshire and will be happy to have my wife or foundation (depending on the order in which she and I die) continue this concentration.

我们的董事会相当了解，其功过将由其选定接任我的继承者实际的成绩来论定，他或是她必须要能够维持 Berkshire 的企业文化、分配资金同时让这群全美最优秀的经理人乐在各位的岗位上，这绝非世界上最困难的任

务，因为我们的事业早已步入正轨，而我个人对于目前四位可能接替我的人选都感到相当放心，目前我个人将超过 99%的身家都摆在 Berkshire 之上，而往后我也很乐见我太太或基金会(这取决于我跟她谁先死)将财产继续集中在 Berkshire。

Sector Results

部门成绩

As managers, Charlie and I want to give our owners the financial information and commentary we would wish to receive if our roles were reversed. To do this with both clarity and reasonable brevity becomes more difficult as Berkshire's scope widens. Some of our businesses have vastly different economic characteristics from others, which means that our consolidated statements, with their jumble of figures, make useful analysis almost impossible.

身为经理人，查理跟我希望能够提供给股东，若是角色互换，我们希望经营阶层能够提供给我们所有的财务信息与看法，而随着 Berkshire 的版图日益扩大，要做到透明化与合理简洁化其难度越来越高，我们旗下有些企业的经营性质与其它企业截然不同，这也代表着我们合并之后庞杂的数字与报表，实在难以进行任何合理有意义的分析。

On the following pages, therefore, we will present some balance sheet and earnings figures from our four major categories of businesses along with commentary about each. We particularly want you to understand the limited circumstances under which we will use debt, since typically we shun it. We will not, however, inundate you with data that has no real value in calculating Berkshire's intrinsic value. Doing so would likely obfuscate the most important facts. One warning: When analyzing Berkshire, be sure to remember that the company should be viewed as an unfolding movie, not as a still photograph. Those who focused in the past on only the snapshot of the day sometimes reached erroneous conclusions.

因此，在接下来的篇幅，我们将按旗下四大事业分别列示资产负债表与盈余数字并加以说明，特别要告诉大家的是，只有在罕见的情况下，我们才会举债经营，基本上我们一向对负债采取回避的态度，同时我们也不会塞给各位一些对于衡量 Berkshire 实质价值毫无意义的信息，因为那样做只会模糊了真正的焦点，另外要提醒大家，在分析 Berkshire 时，记得把它当作是一部正在上演的影片，而不是一张静止的照片，否则仅靠单一片段的信息有时很可能会得到错误的结论。

Insurance

保险事业

Let's start with insurance - since that's where the money is.
首先登场的是保险事业，因为这也是真正的重心所在。

The fountain of funds we enjoy in our insurance operations comes from "float," which is money that doesn't belong to us but that we temporarily hold. Most of our float arises because (1) premiums are paid upfront though the service we provide - insurance protection - is delivered over a period that usually covers a year and; (2) loss events that occur today do not always result in our immediately paying claims, since it sometimes takes years for losses to be reported (think asbestos), negotiated and settled.

我们经营保险事业所取得主要资金的来源就是浮存金，这笔钱并不属于我们而只是交给我们暂时保管，浮存金的来源包含(1)藉由我们所提供的服务-亦即保险防护时，所收到的保费，期间通常长达一年，(2)损失已经发生但却不必马上支付的理赔金，因为有些损失可能要经过一段很长的时间之后才会被通报、协商乃至于和解(就像是石棉案一样)。

Float is wonderful - if it doesn't come at a high price. The cost of float is determined by underwriting results, meaning how losses and expenses paid compare with premiums received. The property-casualty industry as a whole regularly operates at a substantial underwriting loss, and therefore often has a cost of float that is unattractive.

保险浮存金固然多多益善，但前提是其取得成本不能太高，浮存金的成本取决于核保绩效，也就是相对于收到的保费收入，支应损失及费用的比例，产物意外险通常都会产生核保损失，其结果往往导致浮存金的成本不太理想。

Overall, our results have been good. True, we've had five terrible years in which float cost us more than 10%. But in 18 of the 37 years Berkshire has been in the insurance business, we have operated at an underwriting profit, meaning we were actually paid for holding money. And the quantity of this cheap money has grown far beyond what I dreamed it could when we entered the business in 1967.

总的来说，我们的成绩相当出色，确实我们过去曾有五个年头浮存金的成本超过 10%，但是在 Berkshire 跨入保险领域的 37 个年头中，有 18 个年头享有核保利益，这代表我们以收取费用的方式保管这些资金，而这些便宜资金累积的速度远远超过当初 1967 年我介入这个行业时的预期。

Yearend Float (in \$ millions)

Year	GEICO	General Re	Other Reinsurance	Other Primary	Total
1967				20	20
1977			40	131	171
1987			701	807	1,508
1997	2,917		4,014	455	7,386
1998	3,125	14,909	4,305	415	22,754
1999	3,444	15,166	6,285	403	25,298
2000	3,943	15,525	7,805	598	27,871
2001	4,251	19,310	11,262	685	35,508
2002	4,678	22,207	13,396	943	41,224
2003	5,287	23,654	13,948	1,331	44,220

Last year was a standout. Float reached record levels and it came without cost as all major segments contributed to Berkshire's \$1.7 billion pre-tax underwriting profit.

去年的表现尤其杰出，累积的浮存金再度创下历史新高，这些资金不但没有成本，而且额外还贡献了 17 亿美元的税前核保利益。

Our results have been exceptional for one reason: We have truly exceptional managers. Insurers sell a non-proprietary piece of paper containing a non-proprietary promise. Anyone can copy anyone else's product. No installed base, key patents, critical real estate or natural resource position protects an insurer's competitive position. Typically, brands do not mean much either.

我们的成绩之所以能够这么出色，只有一个原因，那就是我们拥有真正杰出的经理人，保险公司贩售的是不具任何独特性的保单，任何人都可以仿制类似的产品，没有固定的基础、重要的专利、不动产或任何自然资源来保护现有竞争优势，而通常品牌的重要性也不那么明显。

The critical variables, therefore, are managerial brains, discipline and integrity. Our managers have all of these attributes - in spades. Let's take a look at these all-stars and their operations.

因此真正关键的因素还在于管理者的智能、纪律以及品格，我们旗下的经理人统统具备这样的特性，接下来就让我们一起来欣赏这些明星经理人以及他们的营运成果。

- • General Re had been Berkshire's problem child in the years following our acquisition of it in 1998. Unfortunately, it was a 400-pound child, and its negative impact on our overall performance was large.

通用再保在我们于 1998 年购并之后，一直就是 Berkshire 的问题小孩，更惨的是，他还是一个重达四百磅的巨无霸小孩，所以他的负面效应对我们整体表现的影响极为重大。

That's behind us: Gen Re is fixed. Thank Joe Brandon, its CEO, and his partner, Tad Montross, for that. When I wrote you last year, I thought that discipline had been restored to both underwriting and reserving, and events during 2003 solidified my view.

不过这已经是过去式，通用再保已经完全恢复，这要感谢 Joe Brandon 总裁以及他的伙伴 Tad Montross 为我们所作的一切，当我去年在写年报的时候，我以为所有核保的纪律以及损失准备的提列都已完全改进，2003 年所发生的事件更加加深我这样的看法。

That does not mean we will never have setbacks. Reinsurance is a business that is certain to deliver blows from time to time. But, under Joe and Tad, this operation will be a powerful engine driving Berkshire's future profitability.

当然这不代表以后就完全不会再有问题，再保险这行业本来就注定不时会有爆炸性事件发生，但在 Joe 及 Tad 的领导下，这家公司将会是 Berkshire 未来获利成长的重要推动力。

Gen Re's financial strength, unmatched among reinsurers even as we started 2003, further improved during the year. Many of the company's competitors suffered credit downgrades last year, leaving Gen Re, and its sister operation at National Indemnity, as the only AAA-rated companies among the world's major reinsurers.

通用再保的财务实力，是其它再保同业所无法比拟的，遑论 2003 年该公司的实力又更上一层楼，相形之下，许多同业在去年的信用评等纷纷被降级，使得通用再保以及其姊妹公司国家产险成为全世界主要再保险公司中，唯一具备三 A 最高信用评等等级的再保业者。

When insurers purchase reinsurance, they buy only a promise - one whose validity may not be tested for decades - and there are no promises in the reinsurance world equaling those offered by Gen Re and National Indemnity. Furthermore, unlike most reinsurers, we retain virtually all of the risks we assume. Therefore, our ability to pay is not dependent on the ability or willingness of others to reimburse us. This independent financial strength could be enormously important when the industry experiences the mega-catastrophe it surely will.

当保险公司购买再保险时，他们买下的只是一纸承诺，而其有效性可能要在几十年后才会受到考验，在再保险世界中，再没有任何一家公司可以比通用再保及国家产险更具保障性，此外，不像其它大部分的再保业者，我们几乎将所有承担的风险自留下来，因此我们的理赔能力，不必再依赖其

它再保公司的能力或意愿，这种独立的财务实力，在可预期一定会发生重大灾难的保险世界来说尤其重要。

- • Regular readers of our annual reports know of Ajit Jain' s incredible contributions to Berkshire' s prosperity over the past 18 years. He continued to pour it on in 2003. With a staff of only 23, Ajit runs one of the world' s largest reinsurance operations, specializing in mammoth and unusual risks.

经常阅读本公司年报的读者都知道 Ajit Jain 过去 18 年对于 Berkshire 的贡献是如此之大，2003 年他依然继续付出，在只有 23 位同仁的协助之下，Ajit 管理全世界最大的再保险业务，专门处理超大型非寻常的风险。

Often, these involve assuming catastrophe risks - say, the threat of a large California earthquake - of a size far greater than any other reinsurer will accept. This means Ajit' s results (and Berkshire' s) will be lumpy. You should, therefore, expect his operation to have an occasional horrible year. Over time, however, you can be confident of a terrific result from this one-of-a-kind manager.

这些业务通常包含承担一般再保公司无法承担的灾难风险，比如说加州大地震，这也意味 Ajit 以及 Berkshire 的绩效变动将会相当的大，所以大家最好有心里准备，在未来的某些年度，Ajit 的表现可能会非常的差，不过就长期而言，大家可以相信，堪称一时之选的 Ajit 绝对会是交出优异的成绩单。

Ajit writes some very unusual policies. Last year, for example, PepsiCo promoted a drawing that offered participants a chance to win a \$1 billion prize. Understandably, Pepsi wished to lay off this risk, and we were the logical party to assume it. So we wrote a \$1 billion policy, retaining the risk entirely for our own account. Because the prize, if won, was payable over time, our exposure in present-value terms was \$250 million. (I helpfully suggested that any winner be paid \$1 a year for a billion years, but that proposal didn' t fly.) The drawing was held on September 14. Ajit and I held our breath, as did the finalist in the contest, and we left happier than he. PepsiCo has renewed for a repeat contest in 2004.

Ajit 签过许多相当特别的保单，比方说去年百事可乐曾经举办过一次摸彩，参加者有机会可以获得 10 亿美元的大奖，我们可以理解，百事可乐一定会想要分散这样的风险，而我们正是最合适的人选，就这样我们签下了一笔保额 10 亿美元的保单，并独立承担所有的风险，依照游戏规则这笔奖金如果真的被抽到，将会分期支付，因此我们实际承担的风险现值只

有 2.5 亿美元，(我曾希望得奖者可以分 10 亿年领取奖金，不过这样的提案显然不被接受)，正式的摸彩活动在 9 月 14 日举行，Ajit 跟我屏息以待，当然最后的参赛者也一样，所幸最后笑着离开的是我们，百事可乐打算在 2004 年再度举办这项活动。

- • GEICO was a fine insurance company when Tony Nicely took over as CEO in 1992. Now it is a great one. During his tenure, premium volume has increased from \$2.2 billion to \$8.1 billion, and our share of the personal-auto market has grown from 2.1% to 5.0%. More important, GEICO has paired these gains with outstanding underwriting performance.

在 1992 年 Tony Nicely 接手时，GEICO 就已经是一家相当优秀的保险公司，现在它则蜕变成一家伟大的公司，在他任职期间，保费收入从原先的 22 亿美元成长到目前的 81 亿美元，而我们在小客车保险的市场占有率从 2.1% 成长为 5.0%，更重要的是，GEICO 更还拥有优异的核保成绩。

(We now pause for a commercial)

(中场休息时间来段广告)

It's been 67 years since Leo Goodwin created a great business idea at GEICO, one designed to save policyholders significant money. Go to Geico.com or call 1-800-847-7536 to see what we can do for you. 自从 67 年前，在 Leo Goodwin 的创意下建立了 GEICO 保险公司后，这家公司已为成千上万的保户节省了无数的金钱，请上 Geico.com 网站或是打电话到 1-800-847-7536，看看我们能为你做些什么。

(End of commercial)

(广告结束)

In 2003, both the number of inquiries coming into GEICO and its closure rate on these increased significantly. As a result our preferred policyholder count grew 8.2%, and our standard and non-standard policies grew 21.4%.

2003 年，不论是询问 GEICO 的电话以及成交率都大幅提升，总计我们特级保户人数成长了 8.2%，标准以及非标准的保单则成长了 21.4%。

GEICO's business growth creates a never-ending need for more employees and facilities. Our most recent expansion, announced in December, is a customer service center in - I'm delighted to say - Buffalo. Stan Lipsey, the publisher of our Buffalo News, was instrumental in bringing the city and GEICO together.

GEICO 的业务不断地成长使得我们必须一再扩充人员编制与配备，我很高兴向大家报告，最近的一次扩编是在去年 12 月，我们在水牛城设立一个

客户服务中心，水牛城日报的发行人-Stan Lipsey 对于引导 GEICO 进入水牛城有重大贡献。

The key figure in this matter, however, was Governor George Pataki. His leadership and tenacity are why Buffalo will have 2,500 new jobs when our expansion is fully rolled out. Stan, Tony, and I - along with Buffalo - thank him for his help.

这整起事件的主角，当属州长 George Pataki，在他的领导与坚持之下，我们的扩编计画得以完全实现，水牛城也因此增加了 2,500 个就业机会，Stan、Tony 以及我个人也包含水牛城都衷心感谢他的大力协助。

· Berkshire's smaller insurers had another terrific year. This group, run by Rod Eldred, John Kizer, Tom Nerney, Don Towle and Don Wurster, increased its float by 41%, while delivering an excellent underwriting profit. These men, though operating in unexciting ways, produce truly exciting results.

Berkshire 几个规模较小的保险事业同样也缔造了惊人的成绩，这个由 Rod Eldred、John Kizer、Tom Nerney、Don Towle 及 Don Wurster 领导的团体，浮存金成长了 41%，同时也维持优良的核保绩效，这些人的工作内容或许平淡无奇，但所创造的获利却极其惊人。

* * * * *

We should point out again that in any given year a company writing long-tail insurance (coverages giving rise to claims that are often settled many years after the loss-causing event takes place) can report almost any earnings that the CEO desires. Too often the industry has reported wildly inaccurate figures by misstating liabilities. Most of the mistakes have been innocent. Sometimes, however, they have been intentional, their object being to fool investors and regulators. Auditors and actuaries have usually failed to prevent both varieties of misstatement.

我们必须再一次指出，一个签发长尾型保险的公司(保单理赔范围通常在损失事件发生好几年后才会理赔的保单)，其经理几乎可以随心所欲的操控其短期的盈余数字，这行业因为负债错估而导致报表数字不真实可说是司空见惯的事，大部分的错误或许都是出于无心，但有时也有可能是故意的，其目的无非是想要误导投资人以及主管机关，而会计师以及精算师往往无法预防此类的事件发生。

I have failed on occasion too, particularly in not spotting Gen Re's unwitting underreserving a few years back. Not only did that mean

we reported inaccurate figures to you, but the error also resulted in our paying very substantial taxes earlier than was necessary. Aaarrggghh. I told you last year, however, that I thought our current reserving was at appropriate levels. So far, that judgment is holding up.

我自己也曾发生过失误，其中尤以未能发现通用再保几年前损失准备提列不当的过失，这不但代表我们提供不正确的报表数字给各位，同时也意味我们多支付大量税金了给政府，啊!(惨叫一声)，去年我不是才告诉各位我们目前提列的准备还是适当吗?? 目前这样的判断可能要暂时候住。

Here are Berkshire's pre-tax underwriting results by segment:
以下是 Berkshire 税前的核保成绩数字:

	Gain (Loss) in \$ millions		
	2003	2002	
Gen Re.....			\$
145	\$(1,393)		
Ajit's business excluding retroactive contracts	1,434	980	
Ajit's retroactive contracts*		(387)	
(433)			
GEICO.....			
452	416		
Other Primary.....			74
32			
Total			
\$1,718	\$(398)		

*These contracts were explained on page 10 of the 2002 annual report, available on the Internet at www.berkshirehathaway.com. In brief, this segment consists of a few jumbo policies that are likely to produce underwriting losses (which are capped) but also provide unusually large amounts of float.

这些合约已经在 2002 年的年报中解释过了，大家可以到 www.berkshirehathaway.com 找到相关的信息，简单的来说，这个部门包含了一些超大额的保单，极有可能产生的核保损失(所幸设有上限)但同样的我们也因此取得大量的浮存金。

Regulated Utility Businesses 公用事业

Through MidAmerican Energy Holdings, we own an 80.5% (fully diluted) interest in a wide variety of utility operations. The largest are (1) Yorkshire Electricity and Northern Electric, whose 3.7 million electric customers make it the third largest distributor of electricity in the U.K.; (2) MidAmerican Energy, which serves 689,000 electric customers in Iowa and; (3) Kern River and Northern Natural pipelines, which carry 7.8% of the natural gas transported

in the United States.

透过美中能源控股公司，我们持有众多公用事业 80.5% (按完全稀释基础) 的权益，其中主要的项目包括 (1) 拥有 370 万用户，英国第三大的电力公司约克夏电力以及北方电力 (2) 在爱荷华州拥有 68.9 万用户的美中能源公司 (3) 肯特河及北方天然等两条天然气输送管线，约占全美 7.8% 的天然气运能。

Berkshire has three partners, who own the remaining 19.5%: Dave Sokol and Greg Abel, the brilliant managers of the business, and Walter Scott, a long-time friend of mine who introduced me to the company. Because MidAmerican is subject to the Public Utility Holding Company Act ("PUHCA"), Berkshire' s voting interest is limited to 9.9%. Walter has the controlling vote.

剩下的 19.5% 权益则由 Berkshire 三位合作伙伴所持有，分别是 Dave Sokol 及 Greg Abel，他们是美中能源杰出的专业经理人，另外一位是 Walter Scott，他是我个人长期的好友，也是他引荐我投资这家公司的，由于美中能源公司受限于公用事业控股公司法 (PUHCA) 的规定，限制 Berkshire 的投票权最高只能达到 9.9%，所以 Walter 他拥有绝对的控制权。

Our limited voting interest forces us to account for MidAmerican in our financial statements in an abbreviated manner. Instead of our fully including its assets, liabilities, revenues and expenses in our statements, we record only a one-line entry in both our balance sheet and income account. It' s likely that some day, perhaps soon, either PUHCA will be repealed or accounting rules will change. Berkshire' s consolidated figures would then take in all of MidAmerican, including the substantial debt it utilizes.

受限的投票权使得我们仅能以相当简略的方式将美中能源的财务数字列入财务报表，而无法将该公司所有的资产负债以及营收损益列入 Berkshire 报表，依照会计原则我们只能按投资比例认列该公司的投资金额及损益，或许在不久的将来，PUHCA 会被取消或是会计原则有重大改变，那么届时美中能源所有的财务数字就会被列入 Berkshire 的合并报表之中，当然也包含其大量的融资负债在内。

The size of this debt (which is not now, nor will it be, an obligation of Berkshire) is entirely appropriate. MidAmerican' s diverse and stable utility operations assure that, even under harsh economic conditions, aggregate earnings will be ample to very comfortably service all debt.

美中能源债务的规模 (目前不是，以后也不会是 Berkshire 的责任) 还算是适当，其多元化且稳定的公用事业营运将可以确保即使在最严峻的经济情

势下，都能够累积足够的盈余来支应所有的债务。

At yearend, \$1.578 billion of MidAmerican's most junior debt was payable to Berkshire. This debt has allowed acquisitions to be financed without our three partners needing to increase their already substantial investments in MidAmerican. By charging 11% interest, Berkshire is compensated fairly for putting up the funds needed for purchases, while our partners are spared dilution of their equity interests.

截至年底，在美中能源大部分的次顺位债券中，15.78 亿美元是对 Berkshire 的债务，这笔债务让美中能源在进行购并时，可以不必再向其它三位已投入大笔资金的主要大股东掏钱，而藉由收取 11% 的利息，Berkshire 获得了提供资金所应得的合理对待，此外其它三位股东也免于稀释个人在这家公司的持股比例。

MidAmerican also owns a significant non-utility business, Home Services of America, the second largest real estate broker in the country. Unlike our utility operations, this business is highly cyclical, but nevertheless one we view enthusiastically. We have an exceptional manager, Ron Peltier, who, through both his acquisition and operational skills, is building a brokerage powerhouse.

美中能源另外还拥有一些非公用事业，那就是全美第二大不动产中介商-美国居家服务，不同于公用事业，这行业的景气波动相当的大，但我们仍然对其抱有热烈的期望，我们拥有一位优异的经理人-Ron Peltier，透过其经营及购并长才，正逐渐建立起一个房屋中介王国。

Last year, Home Services participated in \$48.6 billion of transactions, a gain of \$11.7 billion from 2002. About 23% of the increase came from four acquisitions made during the year. Through our 16 brokerage firms - all of which retain their local identities - we employ 16,343 brokers in 16 states. Home Services is almost certain to grow substantially in the next decade as we continue to acquire leading localized operations.

去年居家服务总计参与了 486 亿美元的交易案，较 2002 年又大大地成长了 117 亿，其中 23% 的成长来自于四件新的购并案，经由全美各地 16 个中介公司，他们全都保留原有公司名称，我们在 16 个州聘雇了 16,343 位业务人员，往后在未来十年居家服务仍将藉由购并的方式继续大幅成长。

* * * * *

Here's a tidbit for fans of free enterprise. On March 31, 1990, the day electric utilities in the U.K. were denationalized, Northern and Yorkshire had 6,800 employees in functions these companies continue today to perform. Now they employ 2,539. Yet the companies are serving about the same number of customers as when they were government owned and are distributing more electricity.

这里有一则相信所有企业自由化支持者都会珍惜的宝贵新闻，1990年3月1日，英国的国营电力事业正式民营化，当时北方与约克夏电力总共有6,800名员工，时至今日，在营运规模丝毫未缩减的情况下，员工降为2,539人，客户数与国营时相当，而输送的电力甚至比以往更多。

This is not, it should be noted, a triumph of deregulation. Prices and earnings continue to be regulated in a fair manner by the government, just as they should be. It is a victory, however, for those who believe that profit-motivated managers, even though they recognize that the benefits will largely flow to customers, will find efficiencies that government never will.

必须强调的是这并非自由化的胜利，价格以及盈余目前仍受到政府合理的管制，这点合情合理，这个胜利系属于那些相信以营利为导向的经理人，虽然所节省的利益大都回馈到客户的身上，所能展现以往政府自营时所未有的效率。

Here are some key figures on MidAmerican's operations:

以下是美中能源的几项重要数据：

Earnings (in \$ millions)	2003	2002
U.K. Utilities		\$ 289
		\$ 267
Iowa.....		
.... 269	241	
Pipelines		
... 261	104	
Home Services.....		
113	70	
Other (Net)		
144	108	
Earnings before corporate interest and tax	1,076	790
Corporate Interest, other than to Berkshire.....	(225)	(192)
Interest Payments to Berkshire		(184)
(118)		
Tax.....		
... (251)	(100)	

Net Earnings.....		\$ 416
\$ 380		
Earnings Applicable to Berkshire*.....	\$ 429	\$ 359
Debt Owed to Others.....		10,296
10,286		
Debt Owed to Berkshire		1,578
1,728		

*Includes interest paid to Berkshire (net of related income taxes) of \$118 in 2003 and \$75 in 2002.

*包含支付给 Berkshire 的利息(扣除所得税后),2003 年及 2002 年分别为 1.18 亿及 0.75 亿美元。

Finance and Financial Products

财务及金融商品

This sector includes a wide-ranging group of activities. Here's some commentary on the most important.

这个部门包含各种不同的营运,以下择要说明如下。

· I manage a few opportunistic strategies in AAA fixed-income securities that have been quite profitable in the last few years. These opportunities come and go - and at present, they are going. We sped their departure somewhat last year, thereby realizing 24% of the capital gains we show in the table that follows.

我个人所管理的一些三 A 评等的固定收益证券,过去几年的获利都还不错,这些机会来来去去,但就现阶段而言,我们找不到什么机会,反倒是去年我们主动弃他们而去,这部份的利益约占表上已实现收益的 24%。Though far from foolproof, these transactions involve no credit risk and are conducted in exceptionally liquid securities. We therefore finance the positions almost entirely with borrowed money. As the assets are reduced, so also are the borrowings. The smaller portfolio we now have means that in the near future our earnings in this category will decline significantly. It was fun while it lasted, and at some point we'll get another turn at bat. 虽然不是那么简单易懂,但由于这些交易未牵涉到信用风险,且多为流动性极高的有价证券,因此我们几乎都是以融资的方式买进这些部位,所以当这部份的资产减少,相对应的负债也跟着消失,目前仅存的少数部位意味着在未来这部份的收益将大幅减少,过去持有他们的经验相当愉快,我相信不久之后,又会轮到我们上场打击。

· A far less pleasant unwinding operation is taking place at Gen Re Securities, the trading and derivatives operation we inherited when we purchased General Reinsurance. 至于清理通用再保证券部门的经验就没有那么令人感到愉快了，衍生性金融商品交易部门在我们买进该公司时就已经存在了。

When we began to liquidate Gen Re Securities in early 2002, it had 23,218 outstanding tickets with 884 counterparties (some having names I couldn't pronounce, much less creditworthiness I could evaluate). Since then, the unit's managers have been skillful and diligent in unwinding positions. Yet, at yearend - nearly two years later - we still had 7,580 tickets outstanding with 453 counterparties. (As the country song laments, "How can I miss you if you won't go away?") 当我们在 2002 年初开始着手清算通用再保证券时，它还有 23,218 份合约流通在外，总计有 884 位交易对象(我甚至不会念某些交易对方的名字，更不用说要去评估这些公司的信用)，打从那时起，部门经理人就开始努力小心地清理这些部位，然而经过两年之后，直到去年底，我们还有 7,580 份合约流通在外，牵涉 453 个交易对象，(就像有首乡村歌曲形容的，如果你不离去，我又如何能想念你呢?)。

The shrinking of this business has been costly. We've had pre-tax losses of \$173 million in 2002 and \$99 million in 2003. These losses, it should be noted, came from a portfolio of contracts that - in full compliance with GAAP - had been regularly marked-to-market with standard allowances for future credit-loss and administrative costs. Moreover, our liquidation has taken place both in a benign market - we've had no credit losses of significance - and in an orderly manner. This is just the opposite of what might be expected if a financial crisis forced a number of derivatives dealers to cease operations simultaneously. 清除这个部门的代价相当高，光是 2002 年及 2003 年的税前损失就达到 1.73 亿美元及 0.99 亿美元，必须强调的是，这些损失全部来自于那些已依照一般公认会计原则按时依公平市价，参酌适当的未来信用损失估列以及行政成本的合约，更甚者，在我们清算的过程期间，市场的变动还算相当温和，处理过程也有条不紊，同时也未发现有任何重大的信用损失，这样的结局比起万一发生金融危机，许多衍生性金融商品交易双方同时无法履约的惨况，已算是不幸的大幸。

If our derivatives experience - and the Freddie Mac shenanigans of mind-blowing size and audacity that were revealed last year - makes you suspicious of accounting in this arena, consider yourself wised up. No matter how financially sophisticated you are, you can't possibly learn from reading the disclosure documents of a derivatives-intensive company what risks lurk in its positions. Indeed, the more you know about derivatives, the less you will feel

you can learn from the disclosures normally proffered you. In Darwin's words, "Ignorance more frequently begets confidence than does knowledge." 如果在看到我们处理衍生性金融商品的经验，加上 Freddie Mac 去年被揭发大规模的舞弊行为后，让你开始怀疑这方面的会计原则，这就表示你变聪明了，不管你具备有多丰富的金融知识，你都无法经由阅读这些从事衍生性金融商品公司的相关揭露文件来了解它到底背负了多少潜藏的风险，事实上，你越了解这些衍生性金融商品，你就越知道这些制式文件能够给你的讯息多么地有限，套句达尔文的话，初生之犊不畏虎，越无知胆子越大，越有经验就越怕死。

* * * * *

And now it's confession time: I'm sure I could have saved you \$100 million or so, pre-tax, if I had acted more promptly to shut down Gen Re Securities. Both Charlie and I knew at the time of the General Reinsurance merger that its derivatives business was unattractive. Reported profits struck us as illusory, and we felt that the business carried sizable risks that could not effectively be measured or limited. Moreover, we knew that any major problems the operation might experience would likely correlate with troubles in the financial or insurance world that would affect Berkshire elsewhere. In other words, if the derivatives business were ever to need shoring up, it would commandeer the capital and credit of Berkshire at just the time we could otherwise deploy those resources to huge advantage. (A historical note: We had just such an experience in 1974 when we were the victim of a major insurance fraud. We could not determine for some time how much the fraud would ultimately cost us and therefore kept more funds in cash-equivalents than we normally would have. Absent this precaution, we would have made larger purchases of stocks that were then extraordinarily cheap.)

接下来是忏悔时间，如果当初我当机立断关掉通用再保证券部门，我确信可以为大伙省下税前 1 亿美元的损失，查理跟我当初在购并通用再保时，就知道其证券部门很令人讨厌，只是当时帐面上的盈余数字误导了我们，虽然我们总是觉得这部门有极高的风险且无法有效的衡量或限制，更有甚者，我们知道这部份所可能产生的任何重大问题，无论是金融或是保险方面，再再皆与 Berkshire 其它营运隐含某些关连，换个角度说明，如果说我们打算继续支撑衍生性金融商品部门，这代表我们必须放弃 Berkshire 本身原来可以运用的资金与信用所创造出潜在的更大利益，(历史的经验告诉我们，1974 年我们在保险舞弊案所经历的惨痛教训殷鉴不远，我们无法判断当时的舞弊事件将会引发多少的成本，这使得我们必须被迫将众多的资金摆在流动性最高的约当现金之上，若非如此，当时我们大可以趁

股市低档大举买进更多物廉价美的好股票)。

Charlie would have moved swiftly to close down Gen Re Securities - no question about that. I, however, dithered. As a consequence, our shareholders are paying a far higher price than was necessary to exit this business.

要是换查理作主，他肯定会快刀斩乱麻，立即关闭通用再保证券部门，绝对不要怀疑，可惜的是我犹豫不决，也因此导致股东们必须花更高的代价才能摆脱这个事业的纠缠。

· Though we include Gen Re' s sizable life and health reinsurance business in the "insurance" sector, we show the results for Ajit Jain' s life and annuity business in this section. That' s because this business, in large part, involves arbitraging money. Our annuities range from a retail product sold directly on the Internet to structured settlements that require us to make payments for 70 years or more to people severely injured in accidents. 虽然我们

把通用再保庞大的人寿及健康再保险业务归类在保险事业之下，另外我们则把 Ajit Jain 负责的人寿及年金业务归类在财务及金融商品业务项下，这是因为他的业务大部分都牵涉到套利资金，我们的年金保险的种类，从网络直接零售到因重大职业伤害而要求我们在 70 年后付款的协议清偿都有。

We' ve realized some extra income in this business because of accelerated principal payments we received from certain fixed-income securities we had purchased at discounts. This phenomenon has ended, and earnings are therefore likely to be lower in this segment during the next few years. 去年我们在这些业务实现了一些额外的收益，其原因在于我们先前以折价买进某些特定的固定收益证券提前清偿本金所致，这样的现象的发生已经告一段落，换句话说，这部门的盈余在未来几年很可能会持续下滑。

· We have a \$604 million investment in Value Capital, a partnership run by Mark Byrne, a member of a family that has helped Berkshire over the years in many ways. Berkshire is a limited partner in, and has no say in the management of, Mark' s enterprise, which specializes in highly-hedged fixed-income opportunities. Mark is smart and honest and, along with his family, has a significant investment in Value. 目前我们投资了 6.04 亿美元在 Value Capital 之上，这是由 Mark Byrne 所领导的合伙企业，他的家族一直以来都是 Berkshire 重要的支柱，Berkshire 仅为 Value Capital 的有限责任合伙人，并未参与实际的营运管理，这家企业主要专精于高度避险的固定收益

投资，Mark 相当聪明且诚实，他和他的家人在 Value Capital 同样有大笔的投资。

Because of accounting abuses at Enron and elsewhere, rules will soon be instituted that are likely to require that Value's assets and liabilities be consolidated on Berkshire's balance sheet. We regard this requirement as inappropriate, given that Value's liabilities - which usually are above \$20 billion - are in no way ours. Over time, other investors will join us as partners in Value. When enough do, the need for us to consolidate Value will disappear.

由于安隆等公司滥用会计原则的关系，相关规定在近日将会修改，要求我们将 Value Capital 所有的资产与负债并入 Berkshire 合并报表之中，我们认为这样的要求并不合理，由于 Value Capital 的负债经常维持在 200 亿美元的高档，而这显然不是属于我们的负债，不过不用过多久，等到其它投资人加入 Value Capital 后，我们在该公司的权益比例将逐渐下降，合并的条件也就跟着消失。

· We have told you in the past about Berkadia, the partnership we formed three years ago with Leucadia to finance and manage the wind-down of Finova, a bankrupt lending operation. The plan was that we would supply most of the capital and Leucadia would supply most of the brains. And that's the way it has worked. Indeed, Joe Steinberg and Ian Cumming, who together run Leucadia, have done such a fine job in liquidating Finova's portfolio that the \$5.6 billion guarantee we took on in connection with the transaction has been extinguished. The unfortunate byproduct of this fast payoff is that our future income will be much reduced. Overall, Berkadia has made excellent money for us, and Joe and Ian have been terrific partners.

过去我已跟各位提过 Berkadia，这是我们在三年前与 Leucadia 合资成立的公司，主要目的是用来经营管理并金援一家面临倒闭的融资公司 - Finova，根据当初的计画，我们将提供大部分的资金而 Leucadia 则负责出大脑管理，事后证明彼此合作愉快，确实在 Leucadia 的 Joe Steinberg 及 Ian Cumming 的领导之下，Finova 顺利成功地将原有的资产组合予以清算，这也使得当初我们提供的 56 亿美元的连带保证随着取消，如此快速清偿唯一的副作用是往后我们可以因此获得的利益将大幅减少，不过总的来说，Berkadia 为我们赚进大把的钞票，而 Joe 及 Ian 实在是不可多得的合伙人。

· Our leasing businesses are XTRA (transportation equipment) and CORT (office furniture). Both operations have had poor earnings during the past two years as the recession caused demand to drop considerably more than was anticipated. They remain leaders in their fields, and I expect at least a modest improvement in their earnings this year.

目前我们的租赁事业包含 XTRA (运输设备) 以及 CORT (办公室家具) 等, 两者过去两年的营运都乏善可陈, 景气衰退使得需求下降的幅度超乎预期, 不过他们在各自的产业依旧处于领导的地位, 而我也预期他们今年的盈余将会有所改善。

· Through our Clayton purchase, we acquired a significant manufactured-housing finance operation. Clayton, like others in this business, had traditionally securitized the loans it originated. The practice relieved stress on Clayton's balance sheet, but a by-product was the "front-ending" of income (a result dictated by GAAP). 透过 Clayton 的购并案, 我们同时也取得庞大的组合房屋融资业务, Clayton 如同这行的其它同业, 习惯将这部份的贷款予以证券化, 这样的做法虽然可以稍解 Clayton 财务报表的压力, 但同样也使得其盈余迫于一般公认会计原则的规定提前漏馅。

We are in no hurry to record income, have enormous balance-sheet strength, and believe that over the long-term the economics of holding our consumer paper are superior to what we can now realize through securitization. So Clayton has begun to retain its loans. 我们资产负债表的实力一向雄厚, 从来就不急着将利益提前认列入帐, 同时也相信目前手上所持有的客户债权, 其长期的经济利益肯定优于透过证券化所能得到的收益, 基于这样的理由, Clayton 目前已开始保留其客户贷款。

We believe it's appropriate to finance a soundly-selected book of interest-bearing receivables almost entirely with debt (just as a bank would). Therefore, Berkshire will borrow money to finance Clayton's portfolio and re-lend these funds to Clayton at our cost plus one percentage point. This markup fairly compensates Berkshire for putting its exceptional creditworthiness to work, but it still delivers money to Clayton at an attractive price.

我们认为, 应该可以让一些经过精挑细选的应收帐款, 以融资举债的方式支应(就像是一般银行的做法一样), 因此 Berkshire 将先对外借钱, 再将资金转融通予 Clayton, 利息则按 Berkshire 的借贷成本加计一个百分点, 这样的加码既可以让 Berkshire 超优的债信评等发挥用处取得合理的报酬, 同时另一方面, Clayton 也可以划算的成本取得资金。

In 2003, Berkshire did \$2 billion of such borrowing and re-lending, with Clayton using much of this money to fund several large purchases of portfolios from lenders exiting the business. A portion of our loans to Clayton also provided "catch-up" funding for paper it had generated earlier in the year from its own operation and had found difficult to securitize.

2003 年, Berkshire 以这样的方式借了 20 亿美元, 并将这笔钱转借给

Clayton, Clayton 则将大部分的资金从有意退出此业务的金主手中买回收帐款，其余的资金则用来弥补年前已发行的受益凭证，但由于后续无法继续发行所产生的资金缺口。

You may wonder why we borrow money while sitting on a mountain of cash. It's because of our "every tub on its own bottom" philosophy. We believe that any subsidiary lending money should pay an appropriate rate for the funds needed to carry its receivables and should not be subsidized by its parent. Otherwise, having a rich daddy can lead to sloppy decisions. Meanwhile, the cash we accumulate at Berkshire is destined for business acquisitions or for the purchase of securities that offer opportunities for significant profit. Clayton's loan portfolio will likely grow to at least \$5 billion in not too many years and, with sensible credit standards in place, should deliver significant earnings. 大家或许会觉得奇怪，为何满手现金的我们还要对外举债，主要的原因在于，我们奉行一个萝卜一个坑的策略，我们认为任何子公司要借钱，都必须支付一个合理的费率来支应其应收款项，而不是由母公司给予补贴，否则有钱的老爸只会害了儿子，同时我们在 Berkshire 累积的现金，原本就是用来做购并或是买进有机会获利的股票之用，而 Clayton 的贷款组合预估在未来几年内将会成长到 50 亿美元，相信只要有合理的信用评估程序，应该可以贡献不错的盈余数字。

For simplicity's sake, we include all of Clayton's earnings in this sector, though a sizable portion is derived from areas other than consumer finance.

为了让事情简单化，我们将 Clayton 全部的盈余归到本项下，虽然有某些部份的获利并非来自消费金融业务。(in \$ millions)

	Pre-Tax Earnings		Interest-bearing	
Liabilities	2003	2002	2003	2002
Trading - Ordinary Income		\$ 379	\$ 553	\$7,826
\$13,762				
Gen Re Securities			(99)	(173)
8,041* 10,631*				
Life and annuity operation.....		99	83	2,331
1,568				
Value Capital.....			31	61
18,238* 20,359*				
Berkadia				101
115 525 2,175				
Leasing operations.....			34	34
482 503				
Manufactured housing finance (Clayton)		37**	—	2,032
—				
Other.....				84

102	618	630		
Income before capital gains.....	666	775		
Trading - Capital Gains.....	1,215	578		
N. A.	N. A.			
Total			\$1,881	
			\$1,353	
* Includes all liabilities				
** From date of acquisition, August 7, 2003				

Manufacturing, Service and Retailing Operations

制造、服务及零售业务

Our activities in this category cover the waterfront. But let's look at a simplified balance sheet and earnings statement consolidating the entire group.

这个项目的业务种类相当繁多，但请先看一看简化的资产负债表以及盈余报表等合并报表。

Balance Sheet 12/31/03 (in \$ millions)

Assets	Liabilities and Equity		
Cash and equivalents	\$	1,250	Notes payable
	\$	1,593	
Accounts and notes receivable	2,796	Other current liabilities.....	4,300
Inventory	3,656	Total current liabilities	5,893
Other current assets	262		
Total current assets.....	7,964		
Goodwill and other intangibles.....	8,351	Deferred taxes.....	105
Fixed assets	5,898	Term debt and other liabilities..	1,890
Other assets			1,054
Equity	15,379		
	\$23,267		
\$23,267			

Earnings Statement (in \$ millions)

	2003	2002
Revenues		
... \$32,106	\$16,970	
Operating expenses (including depreciation of \$605 in 2003 and \$477 in 2002).....	29,885	14,921
Interest (net).....		expense 64
108		
Pre-tax income.....		
2,157	1,941	
Income taxes.....		
813	743	
Net income		\$
1,344	\$ 1,198	

This eclectic group, which sells products ranging from Dilly Bars to B-737s, earned a hefty 20.7% on average tangible net worth last year. However, we purchased these businesses at substantial premiums to net worth - that fact is reflected in the goodwill item shown on the balance sheet - and that reduces the earnings on our average carrying value to 9.2%.

这个种类广泛的族群，所销售的产品从糖果棒到波音 737 都有，净资产报酬率却高达 20.7%，不过由于我们大多以大幅溢价的方式收购这些公司，所以资产负债表上有大量的未摊销商誉，这使得我们帐面价值报酬率缩减为 9.2%。

Here are the pre-tax earnings for the larger categories or units.

以下是其中几个主要项目的税前盈余。

Pre-Tax Earnings (in \$ millions)		2003	2002
Building Products		\$ 559	\$ 516
Shaw Industries.....		436	424
Apparel			289
229			
Retail Operations.....		224	219
Flight Services.....			72
225			
McLane *.....			150
—			
Other businesses		427	328
		\$2,157	\$1,941

* From date of acquisition, May 23, 2003.

· Three of our building-materials businesses - Acme Brick, Benjamin Moore and MiTek - had record operating earnings last year. And earnings at Johns Manville, the fourth, were trending upward at yearend. Collectively, these companies earned 21.0% on tangible net worth. 我们旗下三个建筑材料事业，Acme 砖块、Benjamin Moore 油漆以及 MiTek，去年的获利纷纷创下历史新高，至于第四个事业-Johns Manville 的表现也于年底开始提升，总的来说，这些事业的净值报酬率高达 21%。

· Shaw Industries, the world's largest manufacturer of broadloom carpet, also had a record year. Led by Bob Shaw, who built this huge enterprise from a standing start, the company will likely set another earnings record in 2004. In November, Shaw acquired various carpet operations from Dixie Group, which should add about \$240 million to sales this year, boosting Shaw's volume to nearly \$5 billion. Shaw 地毯-全世界最大铺地地毯制造商，去年同样也缔造了历史记录，在 Bob Shaw 的领导之下，从一家小公司发展成大企业，一般相信 2004 年该公司的获利会持续创新高，同年 11 月 Shaw 又透过购并的方式买下年营业额 2.4 亿美元的 Dixie 集团，使得 Shaw 的年营业额一举突破 50 亿美元。

· Within the apparel group, Fruit of the Loom is our largest operation. Fruit has three major assets: a 148-year-old universally-recognized brand, a low-cost manufacturing operation, and John Holland, its CEO. In 2003, Fruit accounted for 42.3% of the men's and boys' underwear that was sold by mass marketers (Wal-Mart, Target, K-Mart, etc.) and increased its share of the women's and girls' business in that channel to 13.9%, up from 11.3% in 2002.

至于我们的服饰事业，规模最大的就属 Fruit of the Loom，该公司主要拥有三项资产，一是 148 年全世界知名的品牌、一是低制造成本、一是其总裁-John Holland，2003 年 Fruit 囊括威名百货、Target 及 K-mart 等大卖场 42.3% 的男性及儿童内衣，而女性及少女内衣的比例也从 2002 年的 11.3% 成长到 13.9%。

· In retailing, our furniture group earned \$106 million pre-tax, our jewelers \$59 million and See's, which is both a manufacturer and retailer, \$59 million.

零售业方面，我们的家具集团总计赚取了 1.06 亿美元的税前利益、珠宝事业则有 5,900 万美元、喜斯糖果包含制造及销售在内，也赚了 5,900 万美元。

Both R. C. Willey and Nebraska Furniture Mart ("NFM") opened hugely

successful stores last year, Willey in Las Vegas and NFM in Kansas City, Kansas. Indeed, we believe the Kansas City store is the country's largest-volume home-furnishings store. (Our Omaha operation, while located on a single plot of land, consists of three units.) R. C. Willey 及 NFM 在去年所开的新店都极为成功, Willey 在拉斯维加斯, NFM 则在堪萨斯, 实际上我们认为堪萨斯分店将会是全美最大的家具零售店(我们在奥玛哈的业务, 在同一个据点上, 由三个建筑物所组成)。

NFM was founded by Rose Blumkin ("Mrs. B") in 1937 with \$500. She worked until she was 103 (hmmm . . . not a bad idea). One piece of wisdom she imparted to the generations following her was, "If you have the lowest price, customers will find you at the bottom of a river." Our store serving greater Kansas City, which is located in one of the area's more sparsely populated parts, has proved Mrs. B's point. Though we have more than 25 acres of parking, the lot has at times overflowed. NFM 系由 B 太太在 1937 年以 500 美元所创立, 她一直工作到 103 岁(嗯!这实在是一个不错的好主意), 她灌输给下一代的一些智能包含, 如果你拥有最低的价格, 客户自然会在最偏僻的角落找到你, 就像我们的新店服务堪萨斯州广大的客户, 其座落地点位于该市人口最稀少的地区, 就证明了这一点, 虽然我们拥有广达 25 英亩的停车位, 但却依然时时一位难求。

"Victory," President Kennedy told us after the Bay of Pigs disaster, "has a thousand fathers, but defeat is an orphan." At NFM, we knew we had a winner a month after the boffo opening in Kansas City, when our new store attracted an unexpected paternity claim. A speaker there, referring to the Blumkin family, asserted, "They had enough confidence and the policies of the Administration were working such that they were able to provide work for 1,000 of our fellow citizens." The proud papa at the podium? President George W. Bush. 甘乃迪总统在猪猡湾灾难发生后告诉我们, 「胜利有成千上万的父亲, 但失败却是一个孤儿」, 在 NFM 萨斯州分店轰动一时的开幕仪式一个月后, 一位胜利者顺利诞生, 当时一位声称自己为父亲的人士突然造访, 来宾引用 B 太太家族的话表示, 他们有信心且行政当局也正努力准备提供 1,000 个就业机会给当地市民, 这位在讲台上致词的来宾正是美国现任总统: 布什。

· In flight services, FlightSafety, our training operation, experienced a drop in "normal" operating earnings from \$183 million to \$150 million. (The abnormal: In 2002 we had a \$60 million pre-tax gain from the sale of a partnership interest to Boeing, and in 2003 we recognized a \$37 million loss stemming from the premature

obsolescence of simulators.) The corporate aviation business has slowed significantly in the past few years, and this fact has hurt FlightSafety's results. The company continues, however, to be far and away the leader in its field. Its simulators have an original cost of \$1.2 billion, which is more than triple the cost of those operated by our closest competitor. 在航空服务业方面，负责训练业务的国际飞安的正常营业利润从去年的 1.83 亿美元下滑至 1.5 亿美元，(2002 年由于出售先前合伙事业与波音公司帐上获得 6,000 万美元的业外利益，2003 年由于报废部份飞行仿真器，而提列 3,700 万美元的损失)，近年来由于企业航空业务成长趋缓，使得国际飞安的业绩受到影响，不过该公司依然处于业界的领导地位，该公司投入飞行仿真器的资金累积已达 12 亿美元，约当是第二名的三倍。

NetJets, our fractional-ownership operation lost \$41 million pre-tax in 2003. The company had a modest operating profit in the U.S., but this was more than offset by a \$32 million loss on aircraft inventory and by continued losses in Europe.

NetJets-我们飞机分时业务，2003 年的税前损失是 4,100 万美元，该公司在美国地区享有不错的经营利润，但是这些都被 3,200 万美元的飞机存货跌价损失以及欧洲地区的亏损所抵消殆尽。

NetJets continues to dominate the fractional-ownership field, and its lead is increasing: Prospects overwhelmingly turn to us rather than to our three major competitors. Last year, among the four of us, we accounted for 70% of net sales (measured by value).

NetJets 依然主宰整个飞机分时业界，且领先的幅度持续拉大，相较于其它三个竞争对手，优势明显站在我们这一边，去年以销售净额计算，我们的市场占有率高达 70%。

An example of what sets NetJets apart from competitors is our Mayo Clinic Executive Travel Response program, a free benefit enjoyed by all of our owners. On land or in the air, anywhere in the world and at any hour of any day, our owners and their families have an immediate link to Mayo. Should an emergency occur while they are traveling here or abroad, Mayo will instantly direct them to an appropriate doctor or hospital. Any baseline data about the patient that Mayo possesses is simultaneously made available to the treating physician. Many owners have already found this service invaluable, including one who needed emergency brain surgery in Eastern Europe. 有个例子足以说明 NetJets 为何可以拉大与竞争对手的差距，我们所推出与美国著名医疗机构 Mayo Clinic 合作的主管旅行响应系统，这是 NetJets 所有客户都可免费享有的专属福利，不论是在陆地上或者是在空中，不论是在世界上任何一个角落，不论何时何地，我们的客户及其家人都可以与

Mayo 医院取得直接联系，一旦意外发生，不论是在国内或者是海外，Mayo 都会立即将他们受到最合适的医院与医生那里接受医疗服务，而 Mayo 所拥有与病人有关的所有医疗记录也将立即传送给负责医疗的医生，在这项服务开始提供之后，许多客户立即发现其珍贵之处，包含一位曾在东欧地区接受脑部紧急手术的客户。

The \$32 million inventory write-down we took in 2003 occurred because of falling prices for used aircraft early in the year. Specifically, we bought back fractions from withdrawing owners at prevailing prices, and these fell in value before we were able to remarket them. Prices are now stable.

我们在 2003 年认列的 3,200 万存货跌价损失，其发生的原因在于当年度中古飞机价格下滑的因素，其中较特别的是我们以当时的市场价格从一些退订的客户手中买回部份所有权，而在我们再度将他们出售之前，市场价格进一步滑落所致，目前市场价格已趋于稳定。

The European loss is painful. But any company that forsakes Europe, as all of our competitors have done, is destined for second-tier status. Many of our U.S. owners fly extensively in Europe and want the safety and security assured by a NetJets plane and pilots. Despite a slow start, furthermore, we are now adding European customers at a good pace. During the years 2001 through 2003, we had gains of 88%, 61% and 77% in European management-and-flying revenues. We have not, however, yet succeeded in stemming the flow of red ink.

欧洲地区的损失相当令人头痛，但任何一家放弃欧洲地区业务的公司，(如同我们其它竞争同业的做法)，终将成为市场的二军，许多美国地区的客户时常飞到欧洲，他们希望 NetJets 的飞机以及机师也能提供同样的安全与便利，虽然起步较晚，但我们欧洲地区的客户数也正稳定地增加中，2001 年到 2003 年的营收成长率分别是 88%、61%以及 77%，但截至目前为止依然未达到损益两平的阶段。

Rich Santulli, NetJets' extraordinary CEO, and I expect our European loss to diminish in 2004 and also anticipate that it will be more than offset by U.S. profits. Overwhelmingly, our owners love the NetJets experience. Once a customer has tried us, going back to commercial aviation is like going back to holding hands. NetJets will become a very big business over time and will be one in which we are preeminent in both customer satisfaction and profits. Rich will see to that.

NetJets 杰出的总裁-Rich Santulli 以及我本人都有信心欧洲地区会在

2004年转亏为盈，也预期美国地区将持续获利，更重要的是，我们的客户爱死了NetJets所提供的服务，一旦客户尝试过我们的服务，就很难要他们在回到过去所搭乘传统的航空公司班机，可以肯定的是就长期而言，NetJets一定可以发展成一个大企业，同时在客户满意以及企业获利上，获得重大成果，我相信Rich一定可以做到这一点。

Investments

股票投资

The table that follows shows our common stock investments. Those that had a market value of more than \$500 million at the end of 2003 are itemized.

下表是 Berkshire 2003 年市价超过 5 亿美元以上的股票投资。

					12/31/03
Shares	Company	Percentage of Company Owned	Cost	Market (in \$ millions)	
151,610,700	American Express Company	11.8	\$ 1,470	\$	
7,312					
200,000,000	The Coca-Cola Company	8.2		1,299	
10,150					
96,000,000	The Gillette Company	9.5		600	
3,526					
14,610,900	H&R Block, Inc.....		8.2	227	
809					
15,476,500	HCA Inc.			3.1	
492	665				
6,708,760	M&T Bank Corporation		5.6	103	
659					
24,000,000	Moody's Corporation	16.1		499	
1,453					
2,338,961,000	PetroChina Company Limited	1.3		488	
1,340					
1,727,765	The Washington Post Company	18.1	11	1,367	
56,448,380	Wells Fargo & Company.....		3.3	463	
3,324					
	Others				
2,863	4,682				
Total Common Stocks				\$ 8,515	
\$35,287					

We bought some Wells Fargo shares last year. Otherwise, among our six largest holdings, we last changed our position in Coca-Cola in 1994, American Express in 1998, Gillette in 1989, Washington Post in 1973, and Moody's in 2000. Brokers don't love us.

去年我们增加了一些 Wells Fargo 股票，除此之外，在我们六大持股当中，可口可乐最后一次调整持股的时间是 1994 年、美国运通是 1998 年、吉列是 1989 年、华盛顿邮报是 1973 年，而慕迪信用是 2000 年，股票营业员实在拿我们没有办法。

We are neither enthusiastic nor negative about the portfolio we hold. We own pieces of excellent businesses - all of which had good gains in intrinsic value last year - but their current prices reflect their excellence. The unpleasant corollary to this conclusion is that I made a big mistake in not selling several of our larger holdings during The Great Bubble. If these stocks are fully priced now, you may wonder what I was thinking four years ago when their intrinsic value was lower and their prices far higher. So do I.

对于目前手头持有的这些投资组合，我们既不觉到特别兴奋，也没有抱持负面看法，我们拥有的是一些优质企业的部份所有权，虽然去年这些企业的实质价值都有着长足的进步，可是同样的其杰出的表现也反应在其股价之上，当然从另一个角度来推论，这也代表个人没有在股市泡沫化期间出脱这些持股是个重大的错误，换句话说，如果这些股票的价值现在都已充分反应的话，我想你一定会联想到四年前，当它们的实质价值更低，股价更高时，我在做什么。我也觉得很奇怪。

In 2002, junk bonds became very cheap, and we purchased about \$8 billion of these. The pendulum swung quickly though, and this sector now looks decidedly unattractive to us. Yesterday's weeds are today being priced as flowers.

回顾 2002 年，当时的垃圾债券价格相当便宜，所以我们一口气买了 80 亿美元，只是钟摆显然摆荡的很快，目前这方面的投资标的，很显然地对我们已没有任何吸引力，昔日的野草如今被人捧为鲜花。

We've repeatedly emphasized that realized gains at Berkshire are meaningless for analytical purposes. We have a huge amount of unrealized gains on our books, and our thinking about when, and if, to cash them depends not at all on a desire to report earnings at one specific time or another. Nevertheless, to see the diversity of our investment activities, you may be interested in the following table, categorizing the gains we reported during 2003: 个人一再重申已实现的资本利得，对于分析 Berkshire 来说，一点用处都没有，我们帐上拥有大量的未实现资本利得，何时该实现，其考量点完全与某些特定日期的财务报表完全没有关联，但有鉴于 Berkshire 的投资活动日益多元化，大家或许对于以下表列 2003 年的数字会感到有兴趣。

Category	Pre-Tax Gain
	(in \$ million)
Common Stocks	\$ 448
U. S. Government Bonds.....	1,485

Junk	
Bonds	
1,138	
Foreign Exchange Contracts	
825	
Other.....	
..... 233	
	\$4,129

The common stock profits occurred around the edges of our portfolio - not, as we already mentioned, from our selling down our major positions. The profits in governments arose from our liquidation of long-term strips (the most volatile of government securities) and from certain strategies I follow within our finance and financial products division. We retained most of our junk portfolio, selling only a few issues. Calls and maturing bonds accounted for the rest of the gains in the junk category.

普通股的获利主要来自于处分其它一些次要的持股，而非先前提到的那些主要持股，至于政府公债的处分利益主要系出售长期债票(这是政府公债中价格变动最剧烈的券种)以及财务与金融商品部门投资策略上的调整，我们保留大部分的垃圾债券，只出售了其中一少部份，另外垃圾债券的利益还包含了一些到期或是提前赎回的债券。

During 2002 we entered the foreign currency market for the first time in my life, and in 2003 we enlarged our position, as I became increasingly bearish on the dollar. I should note that the cemetery for seers has a huge section set aside for macro forecasters. We have in fact made few macro forecasts at Berkshire, and we have seldom seen others make them with sustained success.

2002年我们生涯首度进入外汇市场，2003年我们进一步扩大这方面的部位，主要原因在于个人长期看空美元，我必须强调的是，预言家的墓地有一大半都躺着总体经济分析家，在Berkshire我们很少对于总体经济做出预测，我们也很少看到有人可以长期做出准确的预测。

We have - and will continue to have - the bulk of Berkshire's net worth in U.S. assets. But in recent years our country's trade deficit has been force-feeding huge amounts of claims on, and ownership in, America to the rest of the world. For a time, foreign appetite for these assets readily absorbed the supply. Late in 2002, however, the world started choking on this diet, and the dollar's value began to slide against major currencies. Even so, prevailing exchange rates will not lead to a material letup in our trade deficit. So whether foreign investors like it or not, they will continue to be flooded with dollars. The consequences of this are anybody's guess. They could, however, be troublesome - and reach, in fact, well beyond currency markets.

展望未来，我们仍然会将Berkshire大部分的投资摆在美国资产之上，然而近年来，我们国家的贸易赤字持续强迫全世界其它国家吸收美国的债权与资产，曾经一度，外国对于这类资产的兴趣消化了这类供给，但是到了2002年，全世界开始吃撑到吐，使得美元相对于其它货币开始贬值，然而汇率的变动却无法有效地解决贸易的赤字，所以不管外国投资人愿意与否，他们手上仍将抱满美元，其结果大家很容易想象，最后还是会对外汇市场造成困扰。

As an American, I hope there is a benign ending to this problem. I myself suggested one possible solution - which, incidentally, leaves Charlie cold - in a November 10, 2003 article in Fortune Magazine. Then again, perhaps the alarms I have raised will prove needless: Our country's dynamism and resiliency have repeatedly made fools of naysayers. But Berkshire holds many billions of cash-equivalents denominated in dollars. So I feel more comfortable owning foreign-exchange contracts that are at least a partial offset to that position.

身为一位美国人，我衷心希望这个问题能够得到圆满的解决，我个人就曾提出一个解决之道，这篇文章业已刊登在 2003 年 11 月 10 日财富杂志之上，然而再一次的，或许我提出的警讯事后很可能证实无效，我们国家的活力以及耐力一再让唱衰者像个傻瓜，不过 Berkshire 手握数百亿美元的美金，这也是为何我会想到如果有一些外汇契约可以抵消部份的部位会感到比较安心。

These contracts are subject to accounting rules that require changes in their value to be contemporaneously included in capital gains or losses, even though the contracts have not been closed. We show these changes each quarter in the Finance and Financial Products segment of our earnings statement. At yearend, our open foreign exchange contracts totaled about \$12 billion at market values and were spread among five currencies. Also, when we were purchasing junk bonds in 2002, we tried when possible to buy issues denominated in Euros. Today, we own about \$1 billion of these.

依照会计原则，这些契约的价值若有任何变动都必须立即反应在损益表之上，即便这些契约尚未到期也一样，我们把这部份的损益归类到财务与金融商品部门，截至年底，我们签订的外汇契约总额累计达到 120 亿美元，分布在五种外国货币，此外当我们在 2002 年买入垃圾债券时，我们也尽量买进一些以欧元计价的债券，目前这部份投资的金额约有 10 亿美元左右。

When we can't find anything exciting in which to invest, our "default" position is U.S. Treasuries, both bills and repos. No matter how low the yields on these instruments go, we never "reach" for a little more income by dropping our credit standards or by extending maturities. Charlie and I detest taking even small risks unless we feel we are being adequately compensated for doing so. About as far as we will go down that path is to occasionally eat cottage cheese a day after the expiration date on the carton.

当我们找不到什么可以投资时，我们所设定投资选择就是美国债券，包含

国库券以及附买回债在内券，不管这些投资的报酬率有多低，我们从来不会因为想要获得更多利益就降低我们的信用评估标准或延长到期日，除非得到合理的报酬，否则查理跟我痛恨接受任何些微的风险，到目前为止，我们勉强可以接受的最大风险限度就是：吃标示过期一天的乳酪。

* * * * *

A 2003 book that investors can learn much from is Bull! by Maggie Mahar. Two other books I'd recommend are The Smartest Guys in the Room by Bethany McLean and Peter Elkind, and In an Uncertain World by Bob Rubin. All three are well-reported and well-written. Additionally, Jason Zweig last year did a first-class job in revising The Intelligent Investor, my favorite book on investing. 2003 年投资人可以好好读的好书，包含 Maggie Mahar 的「牛市！」，另外两本推荐好书是 Bethany McLean 及 Peter Elkind 合着的「交易室里最聪明的人」以及 Bob Rubin「不确定的年代」，这三本书都写得相当详实，文笔也颇佳，此外 Jason Zweig 去年重编了智能型投资人，这是我个人最钟爱的投资工具书。

Designated Gifts Program

股东指定捐赠计画

From 1981 through 2002, Berkshire administered a program whereby shareholders could direct Berkshire to make gifts to their favorite charitable organizations. Over the years we disbursed \$197 million pursuant to this program. Churches were the most frequently named designees, and many thousands of other organizations benefited as well. We were the only major public company that offered such a program to shareholders, and Charlie and I were proud of it.

从 1981 年到 2002 年，Berkshire 执行了一项股东指定捐赠计画，股东们可以指定 Berkshire 捐赠给其喜爱的慈善机构，这些年下来，在这项计画下，我们总共捐出 1.97 亿美元，教会是最常被指明的捐赠对象，当然还有其它成千上万的单位受惠，我们是唯一一家提供这类服务的公开上市公司，查理跟我对于这项计画相当引以为荣。

We reluctantly terminated the program in 2003 because of controversy over the abortion issue. Over the years numerous organizations on both sides of this issue had been designated by our shareholders to receive contributions. As a result, we regularly received some objections to the gifts designated for prochoice operations. A few of these came from people and organizations that proceeded to

boycott products of our subsidiaries. That did not concern us. We refused all requests to limit the right of our owners to make whatever gifts they chose (as long as the recipients had 501(c)(3) status).

不过我们却不得不在 2003 年停止这项计画，其导火线在于对于堕胎问题的争议，多年来，在股东的指定下，Berkshire 同时捐赠的许多金钱给多家与堕胎议题相关的组织，支持与反对双方都有，这也使得我们时常收到反对捐赠给敌对阵营的抗议，其中有些组织甚至发动其成员抵制我们关系企业的产品，我们原本并不以为意，我们拒绝了所有限制股东依其喜好捐赠的无理要求，（只要受赠者符合 501(c)(3) 税法规定的规定即可）。

In 2003, however, many independent associates of The Pampered Chef began to feel the boycotts. This development meant that people who trusted us - but who were neither employees of ours nor had a voice in Berkshire decision-making - suffered serious losses of income. 然而到了 2003 年，The Pampered Chef 旗下许多独立的会员却开始感受到抵制的效应，这样的演变代表某些信赖我们，但并非我们员工或是在 Berkshire 决策过程中无法发言的人将面临收入锐减的困境。

For our shareholders, there was some modest tax efficiency in Berkshire doing the giving rather than their making their gifts directly. Additionally, the program was consistent with our “partnership” approach, the first principle set forth in our Owner’s Manual. But these advantages paled when they were measured against damage done loyal associates who had with great personal effort built businesses of their own. Indeed, Charlie and I see nothing charitable in harming decent, hard-working people just so we and other shareholders can gain some minor tax efficiencies. 对于股东来说，相较于自行捐赠，股东指定捐赠在税法上享有较优惠的效益，此外这样的计画符合我们一向倡议的合伙人制度精神，这也是我们在股东手册中揭示的首要的原则，但这样的优点在部份白手起家辛苦建立自己事业的死忠成员无端受害之下相形失色，确实，查理跟我认为若仅为了股东自身些许的税务优惠，就伤害这些正正当当、辛勤工作的善良百姓，实在称不上是什么慈善之举。

Berkshire now makes no contributions at the parent company level. Our various subsidiaries follow philanthropic policies consistent with their practices prior to their acquisition by Berkshire, except that any personal contributions that former owners had earlier made from their corporate pocketbook are now funded by them personally.

也因此 Berkshire 往后将不在母公司阶段进行任何形式的捐赠，至于旗下关系公司仍将维持其各自在并入 Berkshire 之前就行之有年的惯例，除非

这些捐赠是先前的老板自行本身负责的个人捐赠计画，这部份必须要从他们自己的腰包掏钱。

The Annual Meeting 年度股东大会

Last year, I asked you to vote as to whether you wished our annual meeting to be held on Saturday or Monday. I was hoping for Monday. Saturday won by 2 to 1. It will be a while before shareholder democracy resurfaces at Berkshire.

去年我要大家投票决定股东会在星期六或星期一召开，我个人是比较偏爱星期一，不过最后投票结果，星期六以二比一的比例胜出，我想可能还要好长的一段时间才会再产生下一次的股东式民主。

But you have spoken, and we will hold this year's annual meeting on Saturday, May 1 at the new Qwest Center in downtown Omaha. The Qwest offers us 194,000 square feet for exhibition by our subsidiaries (up from 65,000 square feet last year) and much more seating capacity as well. The Qwest's doors will open at 7 a.m., the movie will begin at 8:30, and the meeting itself will commence at 9:30. There will be a short break at noon for food. (Sandwiches will be available at the Qwest's concession stands.) That interlude aside, Charlie and I will answer questions until 3:30. We will tell you everything we know . . . and, at least in my case, more.

当然既然股东们都已经说话了，我们还是决定于五月一日星期六在奥玛哈市中心新落成的 Qwest 中心举行年度股东大会，Qwest 中心这次提供了 194,000 平方英尺的场地给我们(去年只有 65,000 平方英尺)，同时还增加了许多座位，Qwest 中心的大门会在早上七点钟准时开放、电影短片照例会在八点半播放，正式会议则从九点半开始，扣除中午短暂的休息时间，(会场外有供应三明治等各类点心)，除了中午休息时间外，查理跟我本人会在现场一五一十地回答大家各类问题直到下午三点半，我会向各位爆更多的料。

An attachment to the proxy material that is enclosed with this report explains how you can obtain the credential you will need for admission to the meeting and other events. As for plane, hotel and car reservations, we have again signed up American Express (800-799-6634) to give you special help. They do a terrific job for us each year, and I thank them for it.

后面附有股东会开会投票的相关资料，向各位解释如何拿到股东会入场及其它活动必须的识别证，至于有关机位、住宿、租车等预订服务，我们很

高兴与美国运通(电话 800-799-6634)再次签约为您提供相关安排,每年他们都为大家提供非常好的服务,在此谨代表大家向他们说声谢谢。

In our usual fashion, we will run vans from the larger hotels to the meeting. Afterwards, the vans will make trips back to the hotels and to Nebraska Furniture Mart, Borsheim's and the airport. Even so, you are likely to find a car useful.

一如以往,我们会安排小巴士往来会场与旅馆之间,同时在会后小巴士还会载大家回旅馆或是到内布拉斯加家具店、波仙珠宝店及机场等地,当然即便如此你可能会觉得如果有一辆车会更方便。

Our exhibition of Berkshire goods and services will blow you away this year. On the floor, for example, will be a 1,600 square foot Clayton home (featuring Acme brick, Shaw carpet, Johns-Manville insulation, MiTek fasteners, Carefree awnings, and outfitted with NFM furniture). You'll find it a far cry from the mobile-home stereotype of a few decades ago.

今年会场展示的 Berkshire 各项产品及服务,将让大家眼花撩乱,比如说一楼将会有 Clayton 1,600 平方英尺大型的组合式房屋(配有 Acme 瓷砖、Shaw 地毯、Johns-Manville 隔热材料、MiTek 扣件、Carefree 雨蓬外加 NFM 各式家具),各位将会发现与以往印象中的活动式房屋有太大的不同。

GEICO will have a booth staffed by a number of its top counselors from around the country, all of them ready to supply you with auto insurance quotes. In most cases, GEICO will be able to give you a special shareholder discount (usually 8%). This special offer is permitted by 41 of the 49 jurisdictions in which we operate. Bring the details of your existing insurance and check out whether we can save you money.

GEICO 公司会再度派出各地区最顶尖的业务员,在会场设立摊位,随时提供股东们汽车保单的报价,在大多数的情况下,GEICO 都可以提供给你一个相当优惠的股东折扣(大约 8%),这个特别优惠在我们有营业据点的全美 49 州中的 41 州都有效,各位记得将自己现在的投保资料带来,看看是否能帮自己省下一笔钱。

On Saturday, at the Omaha airport, we will have the usual array of aircraft from NetJets® available for your inspection. Stop by the NetJets booth at the Qwest to learn about viewing these planes. If you buy what we consider an appropriate number of items during the weekend, you may well need your own plane to take them home.

星期六在奥玛哈机场,我们仍将展示 NetJets® 一系列的机队供大家参观,请到了市立体育馆向 EJA 的业务代表洽询参观的事宜,如果你股东会买了一

大推相关产品，我相信你一定也需要用自己的飞机把它们带回家。

At Nebraska Furniture Mart, located on a 77-acre site on 72nd Street between Dodge and Pacific, we will again be having “Berkshire Weekend” pricing, which means we will be offering our shareholders a discount that is customarily given only to employees. We initiated this special pricing at NFM seven years ago, and sales during the “Weekend” grew from \$5.3 million in 1997 to \$17.3 million in 2003. Every year has set a new record.

位于道奇街与太平洋街的内布拉斯加家具店 NFM，再度会有 Berkshire 周特卖，我们将特别提供给股东原先只有员工可以享有的优惠价，我们在七年前首次推出这种促销活动，营业额更一举从 1997 年的 530 万美元成长到 2002 年的 1,730 万美元，每年的销售成绩持续创新高。

To get the discount, you must make your purchases between Thursday, April 29 and Monday, May 3 inclusive, and also present your meeting credential. The period’s special pricing will even apply to the products of several prestigious manufacturers that normally have ironclad rules against discounting but that, in the spirit of our shareholder weekend, have made an exception for you. We appreciate their cooperation. NFM is open from 10 a.m. to 9 p.m. Monday through Saturday, and 10 a.m. to 6 p.m. on Sunday. On Saturday this year, from 5:30 p.m. to 8 p.m., we are having a special affair for shareholders only. I’ll be there, eating barbeque and drinking Coke. 想要享有折扣记得在 4/29 星期四到 5/3 星期一间采购，并出示股东开会证明，在这期间的特卖活动也适用于许多原本从不打折的顶级品牌，这可是为了股东会才特别破例，我们很感谢他们的配合，NFM 的营业时间平日从早上 10 点到下午 9 点，星期六及星期日均从早上 10 点到下午 6 点，在今年的星期六，我们将有一个股东会特卖会，时间从下午 6 点到下午 10 点，我本人也将出席，顺便吃点烤肉配配可乐。

Borsheim’s . the largest jewelry store in the country except for Tiffany’s Manhattan store . will have two shareholder-only events. The first will be a cocktail reception from 6 p.m. to 10 p.m. on Friday, April 30. The second, the main gala, will be from 9 a.m. to 4 p.m. on Sunday, May 2. Ask Charlie to autograph your sales ticket.

波仙珠宝-全美单店营业额仅次于纽约曼哈顿蒂芬妮的珠宝店，在股东会期间将会有两场专为股东举办的展览会，第一场是在 4/30 星期五的鸡尾酒会，时间从下午 6 点到晚上 10 点，第二场主秀则在 5/2 星期天举行，从早上 9 点到下午 5 点，记得请查理在你的收据上签名。

Shareholder prices will be available Thursday through Monday, so

if you wish to avoid the large crowds that will assemble on Friday evening and Sunday, come at other times and identify yourself as a shareholder. On Saturday, we will be open until 6 p.m. Borsheim's operates on a gross margin that is fully twenty percentage points below that of its major rivals, so the more you buy, the more you save - at least that's what my wife and daughter tell me. (Both were impressed early in life by the story of the boy who, after missing a street car, walked home and proudly announced that he had saved 5¢ by doing so. His father was irate: "Why didn't you miss a cab and save 85¢?")

从星期四到星期一的股东会期间，波仙都将提供股东特惠价，所以如果你希望避开星期五晚上到星期天的拥挤人潮，你可以在其它的时间上门光顾，记得表明股东的身分，星期六我们会营业到晚上6点，波仙的营业毛利要比其它主要竞争对手要低20个百分点以上，所以买得越多省得越多，这是我的老婆跟女儿告诉我的，她们两人都谨记从前一个小男孩的故事，他因为错过一班公车而走路回家，同时骄傲的表示自己因此省下了五毛钱，他爸爸听到之后，很生气的说，要是你错过的是出租车，不就可以省下十块钱吗？

In the mall outside of Borsheim's, we will have Bob Hamman and Sharon Osberg, two of the world's top bridge experts, available to play with our shareholders on Sunday afternoon. Additionally, Patrick Wolff, twice U.S. chess champion, will be in the mall, taking on all comers . blindfolded! I've watched, and he doesn't peek.

星期天下午，照例会在波仙珠宝店外面大厅为股东们举办的一场桥牌大赛，这次我们了邀请两位世界级桥牌顶尖高手 Bob Hamman、Sharon Osberg 与大家同乐，此外 Patrick Wolff-美国棋两度冠军，也会再度在会场蒙着眼与所有挑战者对奕，去年我特定留意了一下，他确实没有偷看。

Gorat's . my favorite steakhouse . will again be open exclusively for Berkshire shareholders on Sunday, May 2, and will be serving from 4 p.m. until 10 p.m. Please remember that to come to Gorat's on Sunday, you must have a reservation. To make one, call 402-551-3733 on April 1 (but not before). If Sunday is sold out, try Gorat's on one of the other evenings you will be in town. Flaunt your mastery of fine dining by ordering, as I do, a rare T-bone with a double order of hash browns.

我个人最爱的牛排馆-Gorat's 为了 Berkshire 股东年会破例在 5/2 星期天开门营业，从下午 4 点开始营业，一直到晚上 10 点，请记得星期天事先若没有订位的人请勿前往以免向隅，要预约请在 4/1 以后打电话 (402-551-3733)，若订不到星期天的位子，也可以试试其它晚上，记得跟

我一样，老练一点地点丁骨\牛排加上双份的牛肉丸。

We will have a special reception on Saturday afternoon from 4:00 to 5:00 for shareholders who come from outside of North America. Every year our meeting draws many people from around the globe, and Charlie and I want to be sure we personally meet those who have come so far. Any shareholder who comes from other than the U.S. or Canada will be given special credentials and instructions for attending this function.

星期六下午四点到五点，我们也会为来自北美以外地区的股东举行欢迎会，每年股东年会吸引了来自世界各地的人们参与，查理跟我不想错过与所有参加过的人会面的机会，任何来自美国与加拿大地区以外的股东事先都会拿到参与这项仪式的证明与注意事项。

Charlie and I have a great time at the annual meeting. And you will, too. So join us at the Qwest for our annual Woodstock for Capitalists.

每年股东大会查理跟我都相当尽兴，而我相信你也一样，所以再次欢迎大家到 Qwest 中心参与资本主义家的伍斯达克年度音乐会。

Warren E. Buffett
February 27, 2004 Chairman of the Board

华伦·巴菲特

董事会主席

2004年2月27日