

Buffett's Letters To Berkshire Shareholders 1996	巴菲特致股东的信 1996 年
<p>Our gain in net worth during 1996 was \$6.2 billion, or 36.1%. Per-share book value, however, grew by less, 31.8%, because the number of Berkshire shares increased: We issued stock in acquiring FlightSafety International and also sold new Class B shares.* Over the last 32 years (that is, since present management took over) per-share book value has grown from \$19 to \$19,011, or at a rate of 23.8% compounded annually.</p>	<p>1996 年本公司的净值成长了 36.1%，约 62 亿美元，不过每股净值仅成长了 31.8%，原因在于去年我们以发行新股的方式并购了国际飞安公司，同时另外还追加发行了一些 B 级普通股*，总计过去 32 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 19,011 美元，年复合成长率约为 23.8%。</p>
<p>* Each Class B share has an economic interest equal to 1/30th of that possessed by a Class A share, which is the new designation for the only stock that Berkshire had outstanding before May 1996. Throughout this report, we state all per-share figures in terms of "Class A equivalents," which are the sum of the Class A shares outstanding and 1/30th of the Class B shares outstanding.</p>	<p>* B 级普通股拥有 A 级普通股三十分之一的权利，这是从 1996 年五月开始伯克希尔新增的股份类型，在年报中所谓的每股数字系以 A 级普通股约当数为基础，亦即全部流通在外的 A 级普通股数加上流通在外的 B 级普通股数的三十分之一。</p>
<p>For technical reasons, we have restated our 1995 financial statements, a matter that requires me to present one of my less-than-thrilling explanations of accounting arcana. I'll make it brief.</p>	<p>基于技术性原因，我们必须将 1995 年的财务报表予以重编，这使我能够再度展现令人震撼的会计密技，相信我，我会试着长话短说。</p>
<p>The restatement was required because GEICO became a wholly-owned subsidiary of Berkshire on January 2, 1996, whereas it was previously classified as an investment. From an economic viewpoint - taking into account major tax efficiencies and other benefits we gained - the value of the 51% of GEICO we owned at year-end 1995 increased significantly when we acquired the remaining 49% of the company two days later. Accounting rules applicable to this type of "step acquisition," however, required us to write down the value of our 51% at the time we moved to 100%. That writedown - which also, of course, reduced book value - amounted to \$478.4 million. As a result, we now carry our original 51% of GEICO at a value that is both lower than its market value at the time we purchased the remaining 49%</p>	<p>重编的原因是因为原先被列为被投资的 GEICO 保险在 1996 年 1 月 2 日正式成为伯克希尔 100%持有的子公司，从经济观点来看，考量可观的租税优惠与其它优点，我们原先在 1995 年底持有的 51%的 GEICO 股权，其价值在二天后我们取得剩余 49%股权之后大幅增加，然而对于这种渐进式购并，一般公认会计原则却要求我们必须在取得 100%股权时，将原因帐上 51%的成本反向予以调减，使得帐面价值减少为 4.784 亿美元，这结果使得原来 51%股权的帐面价值不但远低于后来 49%股权的取得市价，也低于我们持有后来这 49%股权的帐面价值。</p>

of the company and lower than the value at which we carry that 49% itself.	
There is an offset, however, to the reduction in book value I have just described: Twice during 1996 we issued Berkshire shares at a premium to book value, first in May when we sold the B shares for cash and again in December when we used both A and B shares as part-payment for FlightSafety. In total, the three non-operational items affecting book value contributed less than one percentage point to our 31.8% per-share gain last year.	不过除了刚刚提到净值的减少之外，我们在 1996 年两度溢价发行股份，第一次是在五月办理现金增资发行 B 级普通股，第二次是在十二月发行 A 级与 B 级普通股，以购并国际飞安公司，总的来说，以上三项非营业项目对于去年本公司 31.8% 的每股净值成长率的净影响还不到 1%。
I dwell on this rise in per-share book value because it roughly indicates our economic progress during the year. But, as Charlie Munger, Berkshire's Vice Chairman, and I have repeatedly told you, what counts at Berkshire is intrinsic value, not book value. The last time you got that message from us was in the Owner's Manual, sent to you in June after we issued the Class B shares. In that manual, we not only defined certain key terms – such as intrinsic value – but also set forth our economic principles.	今年我之所以一再强调每股净值，原因在于它大约就等于我们在去年的实质进展，不过就像是查理跟我一再提醒各位的，对伯克希尔来说，真正重要的不是帐面价值，而是实质价值，最近一次跟各位提到是在今年六月本公司发行 B 级普通股时，在送给各位的股东手册当中，我们不但对于一些名词予以定义，诸如实质价值等，同时也揭露了我们的企业宗旨。
For many years, we have listed these principles in the front of our annual report, but in this report, on pages 58 to 67, we reproduce the entire Owner's Manual. In this letter, we will occasionally refer to the manual so that we can avoid repeating certain definitions and explanations. For example, if you wish to brush up on "intrinsic value," see pages 64 and 65.	多年来，我们在年报前头揭示这些宗旨，在这里我们偶尔也会提到股东手册，这样我们就可以不必再重复解释一些常用的名词，比如说如果你想要了解一下什么叫实质价值，建议大家可以再翻翻那本手册的第 64、65 页。
Last year, for the first time, we supplied you with a table that Charlie and I believe will help anyone trying to estimate Berkshire's intrinsic value. In the updated version of that table, which follows, we trace two key indices of value. The first column lists our per-share ownership of investments (including cash and equivalents) and the second column shows our per-share earnings from Berkshire's operating businesses before taxes and purchase-accounting adjustments but after all interest and corporate overhead expenses. The operating-earnings column excludes all dividends, interest and	从去年开始我们首度提供给各位一张查理跟我本人认为可以帮助大家估计伯克希尔公司实质价值的表格，在下面这张经过更新资料的表上，我们可以发现到两项与价值相关的重要指针，第一栏是我们平均每股持有的投资金额(包含现金与约当现金)，第二栏则是每股在扣除利息与营业费用之后，来自本业的营业利益(但未扣除所得税与购买法会计调整数)，当然后者已经扣除了所有来自第一栏投资所贡献的股利收入、利息收入与资本利得，事实上，若是把伯克希尔拆成两部份

capital gains that we realized from the investments presented in the first column. In effect, the two columns show what Berkshire would have reported had it been broken into two parts.	的话，这两栏数字将分别代表这两个部门的损益绩效。
As the table tells you, our investments per share increased in 1996 by 29.0% and our non-investment earnings grew by 63.2%. Our goal is to keep the numbers in both columns moving ahead at a reasonable (or, better yet, unreasonable) pace.	从这张表大家可以看出，我们 1996 年的每股投资金额增加了 29%，而非投资的本业盈余则增加了 63.2%，我们的目标是让这两栏的数字以合理的速度稳定地成长，当然若是偶尔能以不合理的速度暴增也不错。
Our expectations, however, are tempered by two realities. First, our past rates of growth cannot be matched nor even approached: Berkshire's equity capital is now large – in fact, fewer than ten businesses in America have capital larger – and an abundance of funds tends to dampen returns. Second, whatever our rate of progress, it will not be smooth: Year-to-year moves in the first column of the table above will be influenced in a major way by fluctuations in securities markets; the figures in the second column will be affected by wide swings in the profitability of our catastrophe-reinsurance business.	不过这样的预期可能会受到两项现实的因素所干扰，首先，我们很难再达到或接近过去那样高的成长速度，原因在于伯克希尔现在的资本规模实在是太庞大了，事实上以我们现在的资本规模已经可以排在全美企业的前十名，过多的浮滥资金一定会影响到整体的报酬率，第二点，不管成长的速度如何，铁定很难以平稳的速度增加，第一栏的数字将很容易随着股市大环境上下波动，第二栏的数字则会跟着超级灾害再保业务获利的不稳定变动而变化。
In the table, the donations made pursuant to our shareholder-designated contributions program are charged against the second column, though we view them as a shareholder benefit rather than as an expense. All other corporate expenses are also charged against the second column. These costs may be lower than those of any other large American corporation: Our after-tax headquarters expense amounts to less than two basis points (1/50th of 1%) measured against net worth. Even so, Charlie used to think this expense percentage outrageously high, blaming it on my use of Berkshire's corporate jet, The Indefensible. But Charlie has recently experienced a "counter-revelation": With our purchase of FlightSafety, whose major activity is the training of corporate pilots, he now rhapsodizes at the mere mention of jets.	在这张表中，股东指定捐赠的款项被列为第二栏的减项，虽然我们将之视为股东的福利而非支出，企业其它的支出同样也被放在第二栏当作减项，这些开支远低于其它美国大企业的平均水准，每年我们企业总部的费用占净值的比率大约不到万分之五，即便如此查理还是认为这样的比率高得离谱，我想主要要怪罪于我个人所使用的伯克希尔企业专机-无可辩解号，不过最近在我们买下国际飞安-这家专门负责训练飞行的公司之后，查理的态度有了 180 度的转变，现在只要一提到飞机他就狂乐不已。
Seriously, costs matter. For example, equity mutual funds incur corporate expenses – largely	认真的说，控制成本开支绝对重要，举例来说很多共同基金每年的营业费

payments to the funds' managers – that average about 100 basis points, a levy likely to cut the returns their investors earn by 10% or more over time. Charlie and I make no promises about Berkshire's results. We do promise you, however, that virtually all of the gains Berkshire makes will end up with shareholders. We are here to make money with you, not off you.	用大多在 2%上下，这等于间接剥削了投资人将近 10%的投资报酬，虽然查理跟我不敢向各位保证我们的投资绩效，但我们却可以向各位打包票，伯克希尔所赚的每一分钱一定会分文不差地落入股东的口袋里，我们是来帮各位赚钱，而不是帮各位花钱的。
The Relationship of Intrinsic Value to Market Price	实质价值与股票市价的关系
In last year's letter, with Berkshire shares selling at \$36,000, I told you: (1) Berkshire's gain in market value in recent years had outstripped its gain in intrinsic value, even though the latter gain had been highly satisfactory; (2) that kind of overperformance could not continue indefinitely; (3) Charlie and I did not at that moment consider Berkshire to be undervalued.	去年当伯克希尔的股价约在 36,000 美元时，我曾向各位报告过(1)伯克希尔这几年的股价表现远超越实质价值，虽然后者的成长幅度也相当令人满意，(2)这样的情况不可能无限制地持续下去，(3)查理跟我不认为当时伯克希尔的价值有被低估的可能性。
Since I set down those cautions, Berkshire's intrinsic value has increased very significantly – aided in a major way by a stunning performance at GEICO that I will tell you more about later – while the market price of our shares has changed little. This, of course, means that in 1996 Berkshire's stock underperformed the business. Consequently, today's price/value relationship is both much different from what it was a year ago and, as Charlie and I see it, more appropriate.	自从我下了这些批注之后，伯克希尔的实质价值又大幅地增加了，主要的原因在于 GEICO 惊人的表现，(关于这点在后面还会向大家详细报告)，而在此同时伯克希尔的股价却维持不动，这代表在 1996 年伯克希尔的实质价值表现优于股价，也就是说，在今日伯克希尔的价格/价值比比起一年以前而言，又有很大的不同，这同时也是查理跟我认为比较合理的情况。
Over time, the aggregate gains made by Berkshire shareholders must of necessity match the business gains of the company. When the stock temporarily overperforms or underperforms the business, a limited number of shareholders – either sellers or buyers – receive outsized benefits at the expense of those they trade with. Generally, the sophisticated have an edge over the innocents in this game.	就长期而言，伯克希尔股东的整体利得一定会与企业经营的获利一致，当公司股价的表现暂时优于或劣于企业经营时，少部份的股东-不管是买进的人或是卖出的人，将会因为做出这样的举动而从交易的对方身上占到一些便宜，通常来说，都是老经验的一方在这场游戏中占上风。
Though our primary goal is to maximize the amount that our shareholders, in total, reap from their ownership of Berkshire, we wish also to minimize the benefits going to some shareholders at the expense of others. These are goals we would have	虽然我们主要的目标是希望让伯克希尔的股东经由持有公司所有权所获得的利益极大化，但在此同时我们也期望能让一些股东从其它股东身上所占到的便宜能够极小化，我想这是一般

were we managing a family partnership, and we believe they make equal sense for the manager of a public company. In a partnership, fairness requires that partnership interests be valued equitably when partners enter or exit; in a public company, fairness prevails when market price and intrinsic value are in sync. Obviously, they won't always meet that ideal, but a manager – by his policies and communications – can do much to foster equity.	人在经营家族企业时相当重视的，不过我们相信这也适用在上市公司的经营之上，对合伙企业来说，合伙权益在合伙人加入或退出时必须能够以合理的方式评量，才能维持公平，同样地，对于上市公司来说，惟有让公司的股价与实质价值一致，公司股东的公平性才得以维持，当然很明显，这样理想的情况很难一直维持，不过身为公司经理人可以透过其政策与沟通的方式来大力维持这样的公平性。
Of course, the longer a shareholder holds his shares, the more bearing Berkshire's business results will have on his financial experience – and the less it will matter what premium or discount to intrinsic value prevails when he buys and sells his stock. That's one reason we hope to attract owners with long-term horizons. Overall, I think we have succeeded in that pursuit. Berkshire probably ranks number one among large American corporations in the percentage of its shares held by owners with a long-term view.	当然股东持有股份的时间越长，那么伯克希尔本身的表现与他的投资经验就会越接近，而他买进或卖出股份时的价格相较于实质价值是折价或溢价的影响程度也就越小，这也是为什么我们希望能够吸引具有长期投资意愿的股东加入的原因之一，总的来说，我认为就这点而言，我们算是做的相当成功，伯克希尔大概是有所有美国大企业中拥有最多具长期投资观点股东的公司。
Acquisitions of 1996	1996 年的并购案
We made two acquisitions in 1996, both possessing exactly the qualities we seek – excellent business economics and an outstanding manager.	我们在 1996 年进行了两件并购案，两者皆拥有我们想要的特质-那就是绝佳的竞争优势与优秀的经理人。
The first acquisition was Kansas Bankers Surety (KBS), an insurance company whose name describes its specialty. The company, which does business in 22 states, has an extraordinary underwriting record, achieved through the efforts of Don Towle, an extraordinary manager. Don has developed first-hand relationships with hundreds of bankers and knows every detail of his operation. He thinks of himself as running a company that is "his," an attitude we treasure at Berkshire. Because of its relatively small size, we placed KBS with Wesco, our 80%-owned subsidiary, which has wanted to expand its insurance operations.	第一桩购并案是堪萨斯银行家保险-从字面上可知，这是一家专门提供银行业者保险的保险公司，在全美 22 个州从事相关业务，拥有相当不错的承保记录，全仰赖 Don Towle 这位杰出的经理人的努力，Don 与上百位银行家皆保持良好的关系，而且也了解他所从事业务的每一项细节，那种感觉就好像是在经营“自己”的事业一样，这种精神是伯克希尔最欣赏的，由于它的规模不太大，同时正好伯克希尔 持有 80% 股权的 Wesco 有意拓展保险事业，所以我们决定把它摆在 Wesco 之下成为其子公司。
You might be interested in the carefully-crafted and sophisticated acquisition strategy that allowed Berkshire to nab this deal. Early in 1996	大家或许会对我们这次精心设计的购并计划感到兴趣，在 1996 年初我受邀参加侄媳妇 Jane 40 岁的生日宴会，

<p>I was invited to the 40th birthday party of my nephew's wife, Jane Rogers. My taste for social events being low, I immediately, and in my standard, gracious way, began to invent reasons for skipping the event. The party planners then countered brilliantly by offering me a seat next to a man I always enjoy, Jane's dad, Roy Dinsdale – so I went.</p>	<p>由于我个人对于社交活动通常不太感兴趣，所以很自然地我按照惯例想出许多理由以婉拒这项邀请，不过对方显然有备而来，特别将我安排在另外一位我极有兴趣打交道的对象-Roy Dinsdale 也就是 Jane 的父亲，此举使得我无法拒绝而欣然赴会。</p>
<p>The party took place on January 26. Though the music was loud – Why must bands play as if they will be paid by the decibel? – I just managed to hear Roy say he'd come from a directors meeting at Kansas Bankers Surety, a company I'd always admired. I shouted back that he should let me know if it ever became available for purchase.</p>	<p>生日宴会在 1 月 26 日举行，虽然当时现场音乐震耳欲聋（我实在搞不懂为何乐队总是要弹得那么大声，难道他们的出场费是按照分贝数计算的吗？），不过我还是听到 Roy 说他刚参加完堪萨斯银行家保险的董事会，这是我一直相当欣赏的一家公司，我大声地响应他说，如果这家公司有意出售的话，记得一定要通知我。</p>
<p>On February 12, I got the following letter from Roy: "Dear Warren: Enclosed is the annual financial information on Kansas Bankers Surety. This is the company that we talked about at Janie's party. If I can be of any further help, please let me know." On February 13, I told Roy we would pay \$75 million for the company – and before long we had a deal. I'm now scheming to get invited to Jane's next party.</p>	<p>2 月 12 日我收到一封 Roy 的来函，上面写到：亲爱的华伦，随函附送一份堪萨斯银行家保险的年度财务报表，就是上次在 Janie 的生日宴会上提到的那一家公司，如果你有任何需要，请务必让我知道。2 月 13 日，我告诉 Roy 愿意出 7,500 万美元买下这家公司，不久之后，整个交易就搞定，现在的我正盘算明年还要再参加 Jane 的生日宴会。</p>
<p>Our other acquisition in 1996 – FlightSafety International, the world's leader in the training of pilots – was far larger, at about \$1.5 billion, but had an equally serendipitous origin. The heroes of this story are first, Richard Sercer, a Tucson aviation consultant, and second, his wife, Alma Murphy, an ophthalmology graduate of Harvard Medical School, who in 1990 wore down her husband's reluctance and got him to buy Berkshire stock. Since then, the two have attended all our Annual Meetings, but I didn't get to know them personally.</p>	<p>1996 年发生的另一件购并案，全世界最大的飞行员训练公司-国际飞安公司，其规模比起前一个案子要大得多了，总金额高达 15 亿美元，不过这个案子发生的过程一样充满戏剧性，本案的功臣首推 Richard Sercer-他是塔克森市的飞行顾问，当然还要归功于他的妻子-Alma Murphy，哈佛医学院眼科学系毕业的她好不容易在 1990 年说服她的丈夫买进伯克希尔的股份，而且在那之后每年都到奥玛哈参加我们的股东会，只是我一直没有机会与他们认识。</p>
<p>Fortunately, Richard had also been a long-time shareholder of FlightSafety, and it occurred to him last year that the two companies would make a good fit. He knew our acquisition criteria, and</p>	<p>碰巧的是，Richard 同时也是国际飞安公司长期投资的股东，刚好在去年他认为这两家公司应该有机会可以做一个结合，他相当了解伯克希尔购并</p>

<p>he thought that Al Ueltschi, FlightSafety's 79-year-old CEO, might want to make a deal that would both give him a home for his company and a security in payment that he would feel comfortable owning throughout his lifetime. So in July, Richard wrote Bob Denham, CEO of Salomon Inc, suggesting that he explore the possibility of a merger.</p>	<p>公司的标准,同时也知道国际飞安 79 岁的总裁-Al Ueltschi 想要为自己的公司找一个理想的归宿,以为自己的股权找到一层保障,所以就在七月份, Richard 写信给所罗门公司的总裁-Bob Denham 请他研究这项合并交易的可能性。</p>
<p>Bob took it from there, and on September 18, Al and I met in New York. I had long been familiar with FlightSafety's business, and in about 60 seconds I knew that Al was exactly our kind of manager. A month later, we had a contract. Because Charlie and I wished to minimize the issuance of Berkshire shares, the transaction we structured gave FlightSafety shareholders a choice of cash or stock but carried terms that encouraged those who were tax-indifferent to take cash. This nudge led to about 51% of FlightSafety's shares being exchanged for cash, 41% for Berkshire A and 8% for Berkshire B.</p>	<p>Bob 于是接手进行这个案子,在 9 月 18 日我和 Al 正式在纽约碰面,我对国际飞安这家公司的经营状况本来就相当熟悉,而在 60 秒内我马上就知道 Al 正是符合我们类型的经理人,一个月后,合约正式敲定,由于查理跟我希望能够尽量避免再发行伯克希尔的新股份,所以在这项交易中,虽然我们提供国际飞安原股东换取股票或现金两种选择,但是交易条件等于间接鼓励这些税负没有太大差异的股东选择领取现金,结果总计最后有 51% 的股份领取现金,41% 换得伯克希尔 A 级普通股,另外 8% 换得伯克希尔 B 级普通股。</p>
<p>Al has had a lifelong love affair with aviation and actually piloted Charles Lindbergh. After a barnstorming career in the 1930s, he began working for Juan Trippe, Pan Am's legendary chief. In 1951, while still at Pan Am, Al founded FlightSafety, subsequently building it into a simulator manufacturer and a worldwide trainer of pilots (single-engine, helicopter, jet and marine). The company operates in 41 locations, outfitted with 175 simulators of planes ranging from the very small, such as Cessna 210s, to Boeing 747s. Simulators are not cheap - they can cost as much as \$19 million - so this business, unlike many of our operations, is capital intensive. About half of the company's revenues are derived from the training of corporate pilots, with most of the balance coming from airlines and the military.</p>	<p>Al 一生热爱飞行,曾经驾驶过查理林登号,在经过 1930 年代轰轰烈烈的飞行事业之后,他开始担任泛美航空的机长,之后并在 1951 年创立国际飞安公司,将这家公司塑造成飞行仿真器制造与飞行员训练的世界级领导公司(单引擎、直升机、客机与水上飞机),营业据点遍布 41 个地方,拥有 175 座的飞行仿真器,大至波音 747 客机,小到 Cessna 210 型小飞机,大家要知道飞行仿真器的造价可不便宜,有的要价甚至高达 1,900 万美金,所以这一行不像我们原来拥有的其它事业,算是相当资本密集的,该公司大约有一半的营业收入来自于训练飞行员的收入,其余则来自于航空公司与军事单位。</p>
<p>Al may be 79, but he looks and acts about 55. He will run operations just as he has in the past: We never fool with success. I have told him that</p>	<p>Al 今年虽然已经 79 岁,不过外表举止看起来像 55 岁,他将一如往常继续经营这家公司,我们从来不会把成功</p>

though we don't believe in splitting Berkshire stock, we will split his age 2-for-1 when he hits 100.	搞混，我甚至跟他开玩笑说，虽然我们从没想过将伯克希尔的股份予以分割，不过等他满 100 岁时，我们倒是可以考虑把他的年纪一分为二。
An observer might conclude from our hiring practices that Charlie and I were traumatized early in life by an EEOC bulletin on age discrimination. The real explanation, however, is self-interest: It's difficult to teach a new dog old tricks. The many Berkshire managers who are past 70 hit home runs today at the same pace that long ago gave them reputations as young slugging sensations. Therefore, to get a job with us, just employ the tactic of the 76-year-old who persuaded a dazzling beauty of 25 to marry him. "How did you ever get her to accept?" asked his envious contemporaries. The comeback: "I told her I was 86."	有人可能会怀疑我们现在雇用人的政策，可能是缘于早期年龄歧视政策所受到的创伤，其实真正的原因乃是出于自私的观点，因为我们认为实在是很难教新狗老把戏！在伯克希尔，许多经理人虽然已经年过 70，但是他们还是像年轻时一样活跃，频频击出全垒打，所以如果各位有意到本公司谋得一职，请记得运用一位高龄 76 岁老翁如何追到 25 岁年轻辣妹的技巧，当同年龄的同伴很钦羡地问他：你到底是如何说服对方同意的呢？？他回答到：很简单，我告诉她我今年 86 岁！
And now we pause for our usual commercial: If you own a large business with good economic characteristics and wish to become associated with an exceptional collection of businesses having similar characteristics, Berkshire may well be the home you seek. Our requirements are set forth on page 21. If your company meets them - and if I fail to make the next birthday party you attend - give me a call.	接下来休息一下，顺便做点广告，如果你拥有具极佳竞争优势的大企业同时想要与拥有同样特质的企业群为伍的话，伯克希尔可以提供你绝佳的归宿，我们的要求条件详见附件，若是你的公司符合这些条件，而我又没能来得及参加你的生日派对，记得打电话给我。
Insurance Operations - Overview	保险事业盈余-总检讨
Our insurance business was terrific in 1996. In both primary insurance, where GEICO is our main unit, and in our "super-cat" reinsurance business, results were outstanding.	在 1996 年，我们保险事业的营运大放异彩，不管是初级保险-其中以 GEICO 车险为主，或者是霹雳猫再保业务的表现都很杰出。
As we've explained in past reports, what counts in our insurance business is, first, the amount of "float" we generate and, second, its cost to us. These are matters that are important for you to understand because float is a major component of Berkshire's intrinsic value that is not reflected in book value.	就像是在过去年报中一再跟各位解释的，对于我们的保险事业来说，真正重要的，第一是我们因此取得的保险浮存金，第二就是取得它的成本，这两点相当的重要，大家必须了解浮存金虽然不会反应在公司净值之上，但却是伯克希尔实质价值构成的关键因素之一。
To begin with, float is money we hold but don't own. In an insurance operation, float arises because premiums are received before losses are paid. Secondly, the premiums that an insurer	更进一步说，浮存金是一项我们持有但不属于我们的资金，在保险公司的营运中，浮存金的产生原因在于保险公司在真正支付损失理赔之前，一般

<p>takes in typically do not cover the losses and expenses it eventually must pay. That leaves it running an "underwriting loss," which is the cost of float. An insurance business has value if its cost of float over time is less than the cost the company would otherwise incur to obtain funds. But the business is an albatross if the cost of its float is higher than market rates for money.</p>	<p>会先向保户收取保费，而通常保险业者收取的保费不足以因应最后支付出去的相关损失与费用，于是保险公司便会发生承保损失，这就是浮存金的成本，而当浮存金成本长期而言低于从其它管道取得资金的成本时，保险公司就有存在的价值，不过保险事业取得浮存金的成本若远高于资金市场利率时，它就像是一只陆地上笨重的信天翁。</p>
<p>As the numbers in the following table show, Berkshire's insurance business has been a huge winner. For the table, we have calculated our float - which we generate in large amounts relative to our premium volume - by adding loss reserves, loss adjustment reserves, funds held under reinsurance assumed and unearned premium reserves, and then subtracting agents' balances, prepaid acquisition costs, prepaid taxes and deferred charges applicable to assumed reinsurance. Our cost of float is determined by our underwriting loss or profit. In those years when we have had an underwriting profit, such as the last four, our cost of float has been negative. In effect, we have been paid for holding money.</p>	<p>不过如同下表中的数字所显示的，伯克希尔的保险事业可说是大获全胜，表中的浮存金，系将所有的损失准备、损失费用调整准备与未赚取保费加总后，再扣除应付佣金、预付购并成本及相关再保递延费用，相对于我们的保费收入总额，我们的浮存金部位算是相当大的，至于浮存金的成本则决定于所发生的承保损失或利益而定，在某些年度，就像是最近四年，由于我们有承保利益，所以换句话说，我们的资金成本甚至是负的，光是持有这些资金我们就已经开始赚钱了。</p>
<p>Since 1967, when we entered the insurance business, our float has grown at an annual compounded rate of 22.3%. In more years than not, our cost of funds has been less than nothing. This access to "free" money has boosted Berkshire's performance in a major way. Moreover, our acquisition of GEICO materially increases the probability that we can continue to obtain "free" funds in increasing amounts.</p>	<p>自从 1967 年我们进军保险业以来，我们的浮存金每年以 22.3% 复合成长率增加，大部分的年度，我们的资金成本都在零以下，受惠于这些免费资金，大大地帮助伯克希尔的绩效提升。更甚者，在完成对 GEICO 的并购之后，我们取得免费资金的成长速度又加快了许多。</p>
<p>Super-Cat Insurance</p>	<p>霹雳猫保险业务</p>
<p>As in the past three years, we once again stress that the good results we are reporting for Berkshire stem in part from our super-cat business having a lucky year. In this operation, we sell policies that insurance and reinsurance companies buy to protect themselves from the effects of mega-catastrophes. Since truly major catastrophes are rare occurrences, our super-cat</p>	<p>与过去三年一样，我们再次强调今年伯克希尔保险事业之所以能够有这么好的成绩，部份的原因要归功于霹雳猫业务又渡过幸运的一年，从事这类业务，我们出售保单给保险公司与再保公司以分散其面临超大型意外灾害所可能承担的风险，由于真正重大的灾害并不常发生，所以我们的霹雳猫</p>

<p>business can be expected to show large profits in most years – and to record a huge loss occasionally. In other words, the attractiveness of our super-cat business will take a great many years to measure. What you must understand, however, is that a truly terrible year in the super-cat business is not a possibility – it’s a certainty. The only question is when it will come.</p>	<p>业务有可能在连续几年赚大钱后，才突然发生重大的损失，换句话说，我们这项霹雳猫业务到底有多吸引人可能要花上好几年才有办法看得清，不过大家必须明了，所谓的重大损失的年头不是可能会发生，而是肯定会发生，唯一的问题是它什么时候会降临。</p>
<p>I emphasize this lugubrious point because I would not want you to panic and sell your Berkshire stock upon hearing that some large catastrophe had cost us a significant amount. If you would tend to react that way, you should not own Berkshire shares now, just as you should entirely avoid owning stocks if a crashing market would lead you to panic and sell. Selling fine businesses on “scary” news is usually a bad decision. (Robert Woodruff, the business genius who built Coca-Cola over many decades and who owned a huge position in the company, was once asked when it might be a good time to sell Coke stock. Woodruff had a simple answer: “I don’t know. I’ve never sold any.”)</p>	<p>我之所以会把丑话说在前头，是因为我不希望大家那天突然听到伯克希尔因为某某大型意外灾害须理赔一大笔钱时，恐慌地抛售手中的持股，而如果届时你真的会有这种反应，那么你根本就不应该拥有本公司的股份，就像是如果你是那种碰到股市崩盘，会恐慌性的抛售手中股票的人，我建议你最好不要投资股票，听到坏消息而把手中的好股票卖掉通常不会是一个明智的决定，(数十年前创办可口可乐的天才企业家-Robert Woodruff 曾经被问到，什么情况下是出售可口可乐股票的好时机，Woodruff 简短的回答到，我不知道，我从来就没有卖过!)</p>
<p>In our super-cat operation, our customers are insurers that are exposed to major earnings volatility and that wish to reduce it. The product we sell – for what we hope is an appropriate price – is our willingness to shift that volatility to our own books. gyrations in Berkshire’s earnings don’t bother us in the least: Charlie and I would much rather earn a lumpy 15% over time than a smooth 12%. (After all, our earnings swing wildly on a daily and weekly basis – why should we demand that smoothness accompany each orbit that the earth makes of the sun?) We are most comfortable with that thinking, however, when we have shareholder/partners who can also accept volatility, and that’s why we regularly repeat our cautions.</p>	<p>谈到霹雳猫保险业务，我们的客户主要是一些想要降低本身必须承担盈余变动剧烈风险的保险公司，而我们贩卖的产品-当然一定要以合理的价格，将这些盈余变动的风险转移到本公司的帐上，因为我们对于伯克希尔公司盈余剧烈的变动一点都不会介意，查理跟我宁可接受上下变动但平均可达15%的结果，也不要平稳的 12%，(就像是我们知道公司的盈余每天、每周都会变动，那么我们又何必强求公司的盈余变化一定要跟地球环绕太阳轨道的时间一致呢?) 我想如果伯克希尔的股东合伙人也能有这样的看法，那么我们执行业务时便能更得心应手，而这也是为什么我们要一再提出相同警告的原因。</p>
<p>We took on some major super-cat exposures during 1996. At mid-year we wrote a contract with Allstate that covers Florida hurricanes, and</p>	<p>我们在 1996 年陆续接了好几件大业务，在年中我们与全美保险签约承保佛罗里达飓风险，虽然没有确切的资</p>

<p>though there are no definitive records that would allow us to prove this point, we believe that to have then been the largest single catastrophe risk ever assumed by one company for its own account. Later in the year, however, we wrote a policy for the California Earthquake Authority that goes into effect on April 1, 1997, and that exposes us to a loss more than twice that possible under the Florida contract. Again we retained all the risk for our own account. Large as these coverages are, Berkshire's after-tax "worst-case" loss from a true mega-catastrophe is probably no more than \$600 million, which is less than 3% of our book value and 1.5% of our market value. To gain some perspective on this exposure, look at the table on page 2 and note the much greater volatility that security markets have delivered us.</p>	<p>料可供左证，但我们相信这应该是单一公司独力承受单一风险的最高记录，接着到年底，我们又与加州地震局签约承保比佛罗里达飓风高出一倍的理赔上限，保单预计从 1997 年 4 月 1 日开始生效，再一次我们独立承揽所有的风险，虽然承保的金额相当庞大，但是即使在最坏的状况下，任何一件大型灾害的税后损失也不会超过六亿美元，大约不到伯克希尔净值的 3%或市值的 1.5%，大家要了解这类风险的影响性，比起年报第二页所示的股票市场变动对我们的影响性来说，前者可谓是小巫见大巫。</p>
<p>In the super-cat business, we have three major competitive advantages. First, the parties buying reinsurance from us know that we both can and will pay under the most adverse of circumstances. Were a truly cataclysmic disaster to occur, it is not impossible that a financial panic would quickly follow. If that happened, there could well be respected reinsurers that would have difficulty paying at just the moment that their clients faced extraordinary needs. Indeed, one reason we never "lay off" part of the risks we insure is that we have reservations about our ability to collect from others when disaster strikes. When it's Berkshire promising, insureds know with certainty that they can collect promptly.</p>	<p>在霹雳猫保险业务，我们主要有三项竞争优势，首先向我们投保再保险的客户都知道我们有能力，也会在最糟糕的情况下履约付款，因为万一真的发生什么样的大灾难，很难保证金融恐慌就不会接踵而至，届时在其客户最需要援助时，可能连一些原本享有盛誉的再保公司都拿不出钱来，而事实上我们之所以从来不将风险再转嫁出去的一个原因也是因为我们对于灾难发生时，其它保险公司能否顺利支付赔款的能力有所保留，反之只要是伯克希尔做出的保证，所有的保户都可以百分之百确定一定可以立即得到理赔。</p>
<p>Our second advantage - somewhat related - is subtle but important. After a mega-catastrophe, insurers might well find it difficult to obtain reinsurance even though their need for coverage would then be particularly great. At such a time, Berkshire would without question have very substantial capacity available - but it will naturally be our long-standing clients that have first call on it. That business reality has made major insurers and reinsurers throughout the</p>	<p>我们的第二项优势，跟第一项有点关联，虽然不显著但却相当重要，当一件大灾害发生后，保险公司最迫切需要重新办理投保时，可能会发现很难再找到新保单，在这个时候，伯克希尔保证绝对可以提供任何服务，当然我们会优先受理原来与我们有长期往来的客户，这个经验已经使得全世界的保险公司与再保公司了解与我们维持往来的必要性，事实上，我们现在</p>

world realize the desirability of doing business with us. Indeed, we are currently getting sizable "stand-by" fees from reinsurers that are simply nailing down their ability to get coverage from us should the market tighten.	正从许多再保公司那里收取预备准备费，以防万一市场情况紧绷时，他们可以确保取得再保的优先机会。
Our final competitive advantage is that we can provide dollar coverages of a size neither matched nor approached elsewhere in the industry. Insurers looking for huge covers know that a single call to Berkshire will produce a firm and immediate offering.	我们拥有的最后一项优势是我们能够提供别处得不到单一最高的投保上限，保险业者都知道只要打一通电话到伯克希尔，就可以立即得到确定满意的答复。
A few facts about our exposure to California earthquakes – our largest risk – seem in order. The Northridge quake of 1994 laid homeowners' losses on insurers that greatly exceeded what computer models had told them to expect. Yet the intensity of that quake was mild compared to the "worst-case" possibility for California. Understandably, insurers became – ahem – shaken and started contemplating a retreat from writing earthquake coverage into their homeowners' policies.	有关加州大地震方面有几点需要在这里做说明，因为这是我们最大的风险部位所在，1994 年发生的北岭大地震使得保险业的住宅保险损失远超过计算机所估算的预期范围，不过这次地震的震度比起预估可能的最坏情况，最还算是相对轻微的，所以可想而知某些保险业者肯定都吓坏了，因此开始考虑将地震险从他们的住宅险保单条款中撤掉。
In a thoughtful response, Chuck Quackenbush, California's insurance commissioner, designed a new residential earthquake policy to be written by a state-sponsored insurer, The California Earthquake Authority. This entity, which went into operation on December 1, 1996, needed large layers of reinsurance – and that's where we came in. Berkshire's layer of approximately \$1 billion will be called upon if the Authority's aggregate losses in the period ending March 31, 2001 exceed about \$5 billion. (The press originally reported larger figures, but these would have applied only if all California insurers had entered into the arrangement; instead only 72% signed up.)	深富远见的加州保险委员会委员 Chuch Quackenbush 立即规划出一张由加州地震局背后支持新的住宅地震保单，然而这项预计从 1996 年 12 月 1 日开始正式生效的措施极需要再保险的庇护，这时候就轮到我们上场了，伯克希尔总共提供 10 亿美元的再保险防护，当地震局在 2001 年 3 月 31 日之前因地震发生的损失超过 50 亿美元时，(媒体原先报导的数字比这更高，不过那是在所有保险业者都一同加入时的情况，总计最后只有 72% 的业者参与签约)。
So what are the true odds of our having to make a payout during the policy's term? We don't know – nor do we think computer models will help us, since we believe the precision they project is a chimera. In fact, such models can lull decision-makers into a false sense of security and thereby increase their chances of making a	大家一定会问在保单有效期间我们最后真正必须支付理赔的机率到底有多大?? 老实说我们实在是不知道，而我們也不认为用计算机运算出来的程序可以帮我们什么忙，基本上计算机做出的预测根本就是垃圾，它们反而会让做决策的人误以为得到某种确定的

<p>really huge mistake. We've already seen such debacles in both insurance and investments. Witness "portfolio insurance," whose destructive effects in the 1987 market crash led one wag to observe that it was the computers that should have been jumping out of windows.</p>	<p>假象，从而使得他们犯下大错的机会大增，过去不管是在保险或投资者，这种离谱的情况屡见不鲜，看看投资组合保险在 1987 年股市大崩盘时所造成的惨况，有人开玩笑说，当时应该要跳楼是计算机而不是那些被它所愚弄的人。</p>
<p>Even if perfection in assessing risks is unattainable, insurers can underwrite sensibly. After all, you need not know a man's precise age to know that he is old enough to vote nor know his exact weight to recognize his need to diet. In insurance, it is essential to remember that virtually all surprises are unpleasant, and with that in mind we try to price our super-cat exposures so that about 90% of total premiums end up being eventually paid out in losses and expenses. Over time, we will find out how smart our pricing has been, but that will not be quickly. The super-cat business is just like the investment business in that it often takes a long time to find out whether you knew what you were doing.</p>	<p>虽然保险业者无法准确地评估风险到底有多大，不过我们却还是可以合理的接下保单，就像是你并不一定要真的知道一个人的实际年龄，才能判断他是否可以投票或是一定要知道一个人几公斤重才认为他该不该减肥，同样的，从事保险这一行，大家必须谨记的是，基本上所有的意外都不会让人感到愉快，所以在接下保单时，我们心里早有预备，准备把 90% 的保费收入花在损失理赔与相关费用之上，慢慢的一段时间下来，我们就会发现，这样的订价是否合理，这绝对需要时间来证明，霹雳猫保险这一行就像是投资事业一样，绝对需要一段很长的时间，你才能确定知道自己到底在干什么。</p>
<p>What I can state with certainty, however, is that we have the best person in the world to run our super-cat business: Ajit Jain, whose value to Berkshire is simply enormous. In the reinsurance field, disastrous propositions abound. I know that because I personally embraced all too many of these in the 1970s and also because GEICO has a large runoff portfolio made up of foolish contracts written in the early-1980s, able though its then-management was. Ajit, I can assure you, won't make mistakes of this type.</p>	<p>不过有一点我绝对可以向各位保证的是，我们拥有全世界最优秀的霹雳猫保险专家，那就是 Ajit Jain，他在伯克希尔的价值大到难以想象，在再保险这一行，恐怖的灾难时常发生，我很清楚的原因是我个人在 1970 年代就抱了不少个地雷，而 GEICO 在 1980 年代初期，即使当时拥有最能干的经理人，也同样签了一堆愚蠢的保险合约，不过提到 Ajit，我可以向各位保证，绝对不会再犯同样的错误。</p>
<p>I have mentioned that a mega-catastrophe might cause a catastrophe in the financial markets, a possibility that is unlikely but not far-fetched. Were the catastrophe a quake in California of sufficient magnitude to tap our coverage, we would almost certainly be damaged in other ways as well. For example, See's, Wells Fargo and Freddie Mac could be hit hard. All in all, though, we can handle this aggregation of</p>	<p>另一方面我也说过，自然灾害的发生同样也会间接导致金融风暴的发生，这样的可能性不大，但也不是不可能，要是加州真的发生规模大到我们理赔下限的大地震，我们旗下其它事业也可能会受到严重的打击，比如说喜斯糖果、富国银行或 Freddie Mac 等，不过总的来说，我们应该可以妥善处理发生的状况。</p>

exposures.	
In this respect, as in others, we try to “reverse engineer” our future at Berkshire, bearing in mind Charlie’s dictum: “All I want to know is where I’m going to die so I’ll never go there.” (Inverting really works: Try singing country western songs backwards and you will quickly regain your house, your car and your wife.) If we can’t tolerate a possible consequence, remote though it may be, we steer clear of planting its seeds. That is why we don’t borrow big amounts and why we make sure that our super-cat business losses, large though the maximums may sound, will not put a major dent in Berkshire’s intrinsic value.	就这方面而言，我们试着事先规划伯克希尔的未来，时时谨记查理常说的一句格言，“希望能够知道自己最后会死在哪里，然后打死都不去那里！”（事先回想真的有效，大家可以试着多唱唱以前流行的乡村歌曲，很快的你就会发现重新找回你的房子、车子跟老婆），如果我们没办法承担可能的后果，不管其可能性有多小，那么我们就必须避免播下罪恶的种子，这也是为什么我们不大幅举债的原因，同时虽然霹雳猫损失理赔的上限金额看起来很大，但对伯克希尔本身价值的影响却极其有限。
Insurance – GEICO and Other Primary Operations	保险事业营运-GEICO 以及其它主要保险
When we moved to total ownership of GEICO early last year, our expectations were high – and they are all being exceeded. That is true from both a business and personal perspective: GEICO’s operating chief, Tony Nicely, is a superb business manager and a delight to work with. Under almost any conditions, GEICO would be an exceptionally valuable asset. With Tony at the helm, it is reaching levels of performance that the organization would only a few years ago have thought impossible.	去年当我们完全取得 GEICO 的所有权之后，我们曾对它抱以深切的期望，如今这些期望不但全部实现，甚至是有过之而无不及，不论是从企业或个人的观点来看皆是如此，GEICO 的领导者 Tony Nicely 不但是一个杰出的经理人同时也是令人感到愉快的工作伙伴，不论在任何的情况下，GEICO 永远都是我们价值不菲的珍贵资产，有 Tony 负责掌舵，GEICO 甚至迈入几年前根本就想象不到的营运高峰。
There’s nothing esoteric about GEICO’s success: The company’s competitive strength flows directly from its position as a low-cost operator. Low costs permit low prices, and low prices attract and retain good policyholders. The final segment of a virtuous circle is drawn when policyholders recommend us to their friends. GEICO gets more than one million referrals annually and these produce more than half of our new business, an advantage that gives us enormous savings in acquisition expenses – and that makes our costs still lower.	GEICO 的成功没有任何深奥的道理，该公司的竞争优势完全拜其超低成本的经营模式所赐，低成本代表低售价，低售价自然能够吸引并留住优良的保险客户，而整个营业流程在满意的客户向他们的朋友推荐 GEICO 时划下完美的句点，靠着客户的推荐，GEICO 每年至少因此增加 100 万张保单，占新接业务量的半数以上，也使得我们新接业务成本大幅下降，从而又进一步降低我们的成本。
This formula worked in spades for GEICO in 1996: Its voluntary auto policy count grew 10%. During the previous 20 years, the company’s best-ever growth for a year had been 8%, a rate achieved	这种模式在 1996 年大放异彩，自动上门的保险量成长了 10%，过去二十年来，该公司最高也不过是在有一年达到 8%而已，更好的是，这些自愿保单

only once. Better yet, the growth in voluntary policies accelerated during the year, led by major gains in the nonstandard market, which has been an underdeveloped area at GEICO. I focus here on voluntary policies because the involuntary business we get from assigned risk pools and the like is unprofitable. Growth in that sector is most unwelcome.	的增加主要源自于非制式的保单市场，这个市场对 GEICO 来说算是亟待开发的一块，我之所以一再强调自愿保单的原因在于，从别处分配到的集体性非自愿的保单根本就没什么利润，那方面的成长就可有可无。
GEICO's growth would mean nothing if it did not produce reasonable underwriting profits. Here, too, the news is good: Last year we hit our underwriting targets and then some. Our goal, however, is not to widen our profit margin but rather to enlarge the price advantage we offer customers. Given that strategy, we believe that 1997's growth will easily top that of last year.	如果不能产生合理的承保获利, GEICO 保费收入的成长就没有任何意义, 不过再一次我们得到的答案是正面的肯定, 去年我们顺利达到原先设定的承保目标, 甚至还超越, 不过我们真正的目标不是要扩大承保的利差, 而是将利润透过价格的调整回馈给客户, 在这样的策略之下, 我们相信 1997 年的成长一定还会超越 1996 年的表现。
We expect new competitors to enter the direct-response market, and some of our existing competitors are likely to expand geographically. Nonetheless, the economies of scale we enjoy should allow us to maintain or even widen the protective moat surrounding our economic castle. We do best on costs in geographical areas in which we enjoy high market penetration. As our policy count grows, concurrently delivering gains in penetration, we expect to drive costs materially lower. GEICO's sustainable cost advantage is what attracted me to the company way back in 1951, when the entire business was valued at \$7 million. It is also why I felt Berkshire should pay \$2.3 billion last year for the 49% of the company that we didn't then own.	同时我们也预期会有新的竞争者加入直效行销的市场, 而现有的一些竞争同业也有可能会扩大他们的营业区域, 不过不管怎样, 我们目前所建立的规模经济, 绝对可以确保甚至是扩大我们现在占有的经济堡垒, 我们在拥有最高市占率的地区尽量降低成本, 预期还会将成本进一步地降低, GEICO 永续性的成本优势是当初在 1951 年吸引我投资该公司的主要原因, 当时整家公司的市值不过只有 700 万美元, 而那也是为什么我在去年愿意花 23 亿美元买下另外一半不属于伯克希尔的股权的原因。
Maximizing the results of a wonderful business requires management and focus. Lucky for us, we have in Tony a superb manager whose business focus never wavers. Wanting also to get the entire GEICO organization concentrating as he does, we needed a compensation plan that was itself sharply focused – and immediately after our purchase, we put one in.	想要让一家好公司的表现发挥到极致, 必须依赖优秀的管理人员与明确的目标方向, 值得庆幸的是我们已经有了像 Tony 这样优秀的专业经理人以及绝对不会动摇的目标, 而为了确保 GEICO 所有的组织成员都能像 Tony 一样专注一致, 我们需要一套能够搭配的薪资酬劳计划, 所以在整个购并案完成之后, 我们立刻落实执行。
Today, the bonuses received by dozens of top	现在, 以 Tony 为首的几个主要高阶经

<p>executives, starting with Tony, are based upon only two key variables: (1) growth in voluntary auto policies and (2) underwriting profitability on "seasoned" auto business (meaning policies that have been on the books for more than one year). In addition, we use the same yardsticks to calculate the annual contribution to the company's profit-sharing plan. Everyone at GEICO knows what counts.</p>	<p>理人所领取的薪资奖励主要就看两个指数：(1) 自愿性保单的成长，以及(2) 常态性保单承保的获利(指留在公司超过一年的保单)，此外，我们也将同样的标准运用于公司每年员工盈余分配的计划，所以基本上在 GEICO 每个人都知道真正重要的是什么。</p>
<p>The GEICO plan exemplifies Berkshire's incentive compensation principles: Goals should be (1) tailored to the economics of the specific operating business; (2) simple in character so that the degree to which they are being realized can be easily measured; and (3) directly related to the daily activities of plan participants. As a corollary, we shun "lottery ticket" arrangements, such as options on Berkshire shares, whose ultimate value - which could range from zero to huge - is totally out of the control of the person whose behavior we would like to affect. In our view, a system that produces quixotic payoffs will not only be wasteful for owners but may actually discourage the focused behavior we value in managers.</p>	<p>GEICO 这项计划充分说明的伯克希尔薪资奖励的原则，那就是必须要能够达到以下目标(1) 适用于个别公司经营况况(2) 简单明了的规则，如此可以很清楚的加以衡量(3) 与每个参与的员工直接相关；所以很自然的，我们避免给予员工不劳而获的乐透彩，比如说伯克希尔的认股权，其最终的价值可能由极少到极大，但这却不是那些我们想要影响其行为的人员所能够直接控制影响的，在我们的观念中，不合理的薪资奖励办法，不但是浪费股东的钱，同时也会让旗下的经理人分心而产生不当的行为。</p>
<p>Every quarter, all 9,000 GEICO associates can see the results that determine our profit-sharing plan contribution. In 1996, they enjoyed the experience because the plan literally went off the chart that had been constructed at the start of the year. Even I knew the answer to that problem: Enlarge the chart. Ultimately, the results called for a record contribution of 16.9% (\$40 million), compared to a five-year average of less than 10% for the comparable plans previously in effect. Furthermore, at Berkshire, we never greet good work by raising the bar. If GEICO's performance continues to improve, we will happily keep on making larger charts.</p>	<p>每一季，GEICO 公司总共 9,000 名的员工都可以看到根据盈余分配计划所计算出来的结果，1996 年他们确实享受到这项成果，因为根据这项计划所计算出来的数字早已打破当初规划时的最高上限，连我也知道要如何解决这个问题，那就是把上限再扩大，到最后，员工总共分配到年度获利的 16.9%，金额将近有 4,000 万美元，远高于过去五年平均不到 10% 的比率，同时在伯克希尔对于员工辛勤工作的表现，我们绝对不会回以更高的门槛，如果 GEICO 的员工继续保持如此优异的表现，我们还会继续提高奖励的上限。</p>
<p>Lou Simpson continues to manage GEICO's money in an outstanding manner: Last year, the equities in his portfolio outdid the S&P 500 by 6.2 percentage points. In Lou's part of GEICO's</p>	<p>负责管理 GEICO 资金的 Lou Simpson 同样继续其优异的表现，去年他的投资组合超越 S&P 500 指数整整 6.2 个百分点，关于 Lou 在 GEICO 的表现，</p>

<p>operation, we again tie compensation to performance – but to investment performance over a four-year period, not to underwriting results nor to the performance of GEICO as a whole. We think it foolish for an insurance company to pay bonuses that are tied to overall corporate results when great work on one side of the business – underwriting or investment – could conceivably be completely neutralized by bad work on the other. If you bat .350 at Berkshire, you can be sure you will get paid commensurately even if the rest of the team bats .200. In Lou and Tony, however, we are lucky to have Hall-of-Famers in both key positions.</p>	<p>再一次我们将其奖励计划跟其投资绩效绑在一起，不看 GEICO 的承保绩效或整体的成绩，而是以过去四年平均的投资绩效为准，对于有些保险公司不分承保部门或投资部门，完全不顾一方优异的表现可能被另一方糟糕的表现所抵消掉的情况，而将其薪资奖励计划完全绑在一起，一视同仁的做法感到愚不可及，在伯克希尔如果你的打击率高达三成五，我可以向你保证绝对不会亏待你，即使其它队友的球员平均打击率只有二成而已，不过很庆幸在 GEICO，不论是在保险或投资部门，我们都拥有像 Lou 与 Tony 这类足以列入名人堂的优秀球员。</p>
<p>Though they are, of course, smaller than GEICO, our other primary insurance operations turned in equally stunning results last year. National Indemnity's traditional business had a combined ratio of 74.2 and, as usual, developed a large amount of float compared to premium volume. Over the last three years, this segment of our business, run by Don Wurster, has had an average combined ratio of 83.0. Our homestate operation, managed by Rod Eldred, recorded a combined ratio of 87.1 even though it absorbed the expenses of expanding to new states. Rod's three-year combined ratio is an amazing 83.2. Berkshire's workers' compensation business, run out of California by Brad Kinstler, has now moved into six other states and, despite the costs of that expansion, again achieved an excellent underwriting profit. Finally, John Kizer, at Central States Indemnity, set new records for premium volume while generating good earnings from underwriting. In aggregate, our smaller insurance operations (now including Kansas Bankers Surety) have an underwriting record virtually unmatched in the industry. Don, Rod, Brad and John have all created significant value for Berkshire, and we believe there is more to come.</p>	<p>虽然比起 GEICO，我们其它主要保险事业规模要小得多，但他们在去年同样缴出惊人的成绩单，国家赔偿公司的传统业务综合比率只有 74.2，同时以其保费收入来看，还贡献了大量的浮存金，过去三年以来，这个由 Don Wurster 负责的部门平均的综合比率只有 83.0；另外由 Rod Eldred 负责的 Homestate 业务也有相当幅度的成长，去年虽然必须负担开拓新州业务的费用，但综合比率仍只有 87.1，过去三年平均为 83.2；另外原先由 Brad 负责的加州劳工退休基金现在已将业务重心移到其它六个州，虽然初期须负担沉重的开办费用，但是仍然能维持可观的承保获利；最后负责中央州立产险公司营运的 John Kizer 则依然表现出色，保费收入不但大幅成长，同时承保利益更大幅增加，总的来说，我们几个小型保险事业（包含堪萨斯银行家保险在内）的表现是其它同业所比不上的，Don、Rod、Brad 与 John 全都替伯克希尔创造了可观的价值，而我们也相信他们未来的潜力仍然可期。</p>
<p>Taxes</p>	<p>租税问题</p>
<p>In 1961, President Kennedy said that we should</p>	<p>1961 年，甘乃迪总统曾经说过一句名</p>

ask not what our country can do for us, but rather ask what we can do for our country. Last year we decided to give his suggestion a try – and who says it never hurts to ask? We were told to mail \$860 million in income taxes to the U.S. Treasury.	言：不要问国家能为你做些什么，问问你能为国家做些什么！去年我们决定照他的建议试一试，不过不知道是谁说问问没有关系的?? 我们最后得到的答案是总共要缴 8.6 亿美元的所得税给美国国库。
Here's a little perspective on that figure: If an equal amount had been paid by only 2,000 other taxpayers, the government would have had a balanced budget in 1996 without needing a dime of taxes – income or Social Security or what have you – from any other American. Berkshire shareholders can truly say, "I gave at the office."	这个数字到底有多大呢？如果全美能够有 2,000 名跟伯克希尔一样的纳税义务人的话，则美国国库不需要再征收其它任何的所得税、社会安全捐或任何你想得到名目的税捐，1996 年的预算收支就能够打平，所以伯克希尔的股东可以大声地说自己，功在国库。
Charlie and I believe that large tax payments by Berkshire are entirely fitting. The contribution we thus make to society's well-being is at most only proportional to its contribution to ours. Berkshire prospers in America as it would nowhere else.	查理跟我本人对于伯克希尔必须支付如此高额的税负感到完全接受，我们对于整个社会的贡献远远比不上社会对我们所作的贡献，要不是身在美国，伯克希尔不可能有这样的荣景。
Sources of Reported Earnings	帐列盈余的来源
The table that follows shows the main sources of Berkshire's reported earnings. In this presentation, purchase-accounting adjustments are not assigned to the specific businesses to which they apply, but are instead aggregated and shown separately. This procedure lets you view the earnings of our businesses as they would have been reported had we not purchased them. For the reasons discussed on pages 65 and 66, this form of presentation seems to us to be more useful to investors and managers than one utilizing generally-accepted accounting principles (GAAP), which require purchase-premiums to be charged off business-by-business. The total earnings we show in the table are, of course, identical to the GAAP total in our audited financial statements.	下表显示伯克希尔帐列盈余的主要来源，在这张表中商誉的摊销数与购买法会计调整数会从个别被投资公司分离出来，单独加总列示，之所以这样做是为了让旗下各事业的盈余状况，不因我们的投资而有所影响，过去我一再地强调我们认为这样的表达方式，较之一般公认会计原则要求以个别企业基础做调整，不管是对投资者或是管理者来说，更有帮助，当然最后损益加总的数字仍然会与经会计师查核的数字一致。
In this section last year, I discussed three businesses that reported a decline in earnings – Buffalo News, Shoe Group and World Book. All, I'm happy to say, recorded gains in 1996.	去年到这段时，我曾提到有三个事业盈余大幅下滑-水牛城新闻报、鞋子事业与世界百科全书，今年我们高兴向大家报告，这几个事业都大有进步。
World Book, however, did not find it easy: Despite the operation's new status as the only	不过对于世界百科全书来说，这不是一件简单的事，尽管如今它们是全

direct-seller of encyclopedias in the country (Encyclopedia Britannica exited the field last year), its unit volume fell. Additionally, World Book spent heavily on a new CD-ROM product that began to take in revenues only in early 1997, when it was launched in association with IBM. In the face of these factors, earnings would have evaporated had World Book not revamped distribution methods and cut overhead at headquarters, thereby dramatically reducing its fixed costs. Overall, the company has gone a long way toward assuring its long-term viability in both the print and electronic marketplaces.	美仅存以直销的方式销售百科全书的业者(大英百科全书在去年退出了这个市场),不过它的销售数量还是呈现下滑的状态,另外世界百科全书还投入大笔的经费在CD版的新产品之上,但其效益至少要等到1997年初与IBM的合作正式展开后才有可能显现,在种种不利的状况下,世界百科全书如果不能大力改革通路方式并降低总部营运开销,以彻底降低固定成本的话,盈余可能会消失殆尽,不过总的来说,该公司已想尽各种方法以确保自身能够在竞争激烈的印刷与电子出版市场上继续存活下去。
Our only disappointment last year was in jewelry: Borsheim's did fine, but Helzberg's suffered a material decline in earnings. Its expense levels had been geared to a sizable increase in same-store sales, consistent with the gains achieved in recent years. When sales were instead flat, profit margins fell. Jeff Comment, CEO of Helzberg's, is addressing the expense problem in a decisive manner, and the company's earnings should improve in 1997.	去年唯一让我们感到失望的反而是珠宝事业,波仙还不错,不过 Helzberg 的盈余却大幅下滑,单店平均费用持续大幅增加,但是当营收表现平时,获利自然缩减,针对这个问题该公司总裁-Jeff Comment 已经采取必要的措施,我想它们 1997 年的盈余表现应该能够有所改善。
Overall, our operating businesses continue to perform exceptionally, far outdoing their industry norms. For this, Charlie and I thank our managers. If you should see any of them at the Annual Meeting, add your thanks as well.	不过总的来说,我们旗下所有的营利事业的表现,比起其同业来说仍然相当杰出,对此查理跟我本身向所有经理人致上深深的敬意,而如果各位在年会上遇到他们,也请大家不吝给予掌声。
More information about our various businesses is given on pages 36-46, where you will also find our segment earnings reported on a GAAP basis. In addition, on pages 51-57, we have rearranged Berkshire's financial data into four segments on a non-GAAP basis, a presentation that corresponds to the way Charlie and I think about the company. Our intent is to supply you with the financial information that we would wish you to give us if our positions were reversed.	在年报中你可以找到依照一般公认会计原则编制,详细的部门别信息,另外你还可以找到经过重编,依照伯克希尔四大部门的信息,这是查理跟我不能够完整呈现伯克希尔现况的模式,我们的目的是希望能够换个角度设想,提供大家所有必要的信息。
"Look-Through" Earnings	完整透视盈余
Reported earnings are a poor measure of economic progress at Berkshire, in part because the numbers shown in the table presented earlier	我们认为帐列盈余很难表现伯克希尔实际的营运状况,部份原因在于列示在本公司帐上的股利收入,事实上仅

include only the dividends we receive from investees - though these dividends typically represent only a small fraction of the earnings attributable to our ownership. Not that we mind this division of money, since on balance we regard the undistributed earnings of investees as more valuable to us than the portion paid out. The reason is simple: Our investees often have the opportunity to reinvest earnings at high rates of return. So why should we want them paid out?	占被投资公司收益的一小部份，其实对我们而言，我们更重视未分配的那一部份，因为他们可以为我们创造出更高的价值，原因很简单，因为我们的被投资公司往往比母公司更有机会把资金投入到高投资报酬的用途之上，既然如此又何必一定要强迫他们把盈余分配回来呢？
To depict something closer to economic reality at Berkshire than reported earnings, though, we employ the concept of "look-through" earnings. As we calculate these, they consist of: (1) the operating earnings reported in the previous section, plus; (2) our share of the retained operating earnings of major investees that, under GAAP accounting, are not reflected in our profits, less; (3) an allowance for the tax that would be paid by Berkshire if these retained earnings of investees had instead been distributed to us. When tabulating "operating earnings" here, we exclude purchase-accounting adjustments as well as capital gains and other major non-recurring items.	为了要能更真实的反应伯克希尔实际的经营状况，于是乎我们运用了完整透视盈余的观念，这个数字总共包含(1)前段所提到的帐列盈余，加上(2)主要被投资公司的保留盈余，按一般公认会计原则未反应在我们公司帐上的盈余，扣除(3)若这些未反应的盈余分配给我们时，估计可能要缴的所得税。在这里我们所谓的营业盈余系已扣除资本利得、特别会计调整与企业其它非常态的项目。
The following table sets forth our 1996 look-through earnings, though I warn you that the figures can be no more than approximate, since they are based on a number of judgment calls. (The dividends paid to us by these investees have been included in the operating earnings itemized on page 12, mostly under "Insurance Group: Net Investment Income.")	各位可以从下表看出我们是如何计算出 1996 年透视盈余的，不过我还是要提醒各位这些数字只不过是估计数，很多都是基于简单的判断，(被投资公司所分配的股利收入已经包含在保险事业的净投资收益项下)。
Common Stock Investments	股票投资
Below we present our common stock investments. Those with a market value of more than \$500 million are itemized.	下表是我们市价超过五亿美元以上的普通股投资。
* Represents tax-basis cost which, in aggregate, is \$1.2 billion less than GAAP cost.	*系以税务为基础的成本，比一般公认会计原则的帐面成本少 12 亿美元。
Our portfolio shows little change: We continue to make more money when snoring than when active.	我们的投资组合还是没有多大变动，我们打盹时赚的钱比起醒着时多很多。
Inactivity strikes us as intelligent behavior.	按兵不动对我们来说是一项明智的行

<p>Neither we nor most business managers would dream of feverishly trading highly-profitable subsidiaries because a small move in the Federal Reserve's discount rate was predicted or because some Wall Street pundit had reversed his views on the market. Why, then, should we behave differently with our minority positions in wonderful businesses? The art of investing in public companies successfully is little different from the art of successfully acquiring subsidiaries. In each case you simply want to acquire, at a sensible price, a business with excellent economics and able, honest management. Thereafter, you need only monitor whether these qualities are being preserved.</p>	<p>为，就像是我们或其它经理人不可能因为谣传联准会可能调整贴放利率或是华尔街那帮土匪大幅改变他们对股市前景的看法，就决定把旗下高获利的金鸡母卖来卖去一样，我们也不会对拥有部份所有权的好公司股票任意出脱，投资上市公司股票的秘诀与取得百分之百的子公司的方法没有什么两样，都是希望能够以合理的价格取得拥有绝佳竞争优势与才德兼备的经理人，也因此大家真正应该关心注意的是这些特质是否有任何改变。</p>
<p>When carried out capably, an investment strategy of that type will often result in its practitioner owning a few securities that will come to represent a very large portion of his portfolio. This investor would get a similar result if he followed a policy of purchasing an interest in, say, 20% of the future earnings of a number of outstanding college basketball stars. A handful of these would go on to achieve NBA stardom, and the investor's take from them would soon dominate his royalty stream. To suggest that this investor should sell off portions of his most successful investments simply because they have come to dominate his portfolio is akin to suggesting that the Bulls trade Michael Jordan because he has become so important to the team.</p>	<p>只要执行得当，运用这样投资策略的投资人到最后会发现，少数几家公司的股份将会占他投资组合的一大部分，这样的方式就好像一个人买下假设一群极具潜力的大学明星篮球队员20%的未来权益，其中有一小部份的球员可能可以进到 NBA 殿堂打球，那么投资人会发现其因此从中收取的权利金将会占其收入的绝大部分，要是有人建议把这部份的权益转让掉就好像是要公牛队把麦可乔登交易出去一样，只因为他对球队来说实在是太重要了。</p>
<p>In studying the investments we have made in both subsidiary companies and common stocks, you will see that we favor businesses and industries unlikely to experience major change. The reason for that is simple: Making either type of purchase, we are searching for operations that we believe are virtually certain to possess enormous competitive strength ten or twenty years from now. A fast-changing industry environment may offer the chance for huge wins, but it precludes the certainty we seek.</p>	<p>不管是研究买下整家公司或股票投资时，大家会发现我们偏爱变化不大的公司与产业，原因很简单，我们希望买到的公司是能够持续拥有竞争优势达十年或二十年以上者，变迁快速的产业环境或许可能让人一夕之间大发利市，但却无法提供我们想要的稳定性。</p>
<p>I should emphasize that, as citizens, Charlie and</p>	<p>另一方面我必须强调的是，身为公民</p>

<p>I welcome change: Fresh ideas, new products, innovative processes and the like cause our country's standard of living to rise, and that's clearly good. As investors, however, our reaction to a fermenting industry is much like our attitude toward space exploration: We applaud the endeavor but prefer to skip the ride.</p>	<p>的一份子，查理跟我相当欢迎改变，因为新的观念、新的产品或创新的方法可以提升我们的生活水准，这点很明显的对我们有好处，不过身为投资人对于热门流行产业的态度就好像在太空探险一样，对于这种勇猛的行为我们给予喝采，但是若我们要自己上场，那就再说吧！</p>
<p>Obviously all businesses change to some extent. Today, See's is different in many ways from what it was in 1972 when we bought it: It offers a different assortment of candy, employs different machinery and sells through different distribution channels. But the reasons why people today buy boxed chocolates, and why they buy them from us rather than from someone else, are virtually unchanged from what they were in the 1920s when the See family was building the business. Moreover, these motivations are not likely to change over the next 20 years, or even 50.</p>	<p>当然所有的产业都会变化，在今日喜斯糖果的经营形态与我们当初在1972年买下这家公司时又有很大的不同，喜斯提供了更多样的糖果、生产设备与销售通路也大不相同，不过人们为什么要购买盒装巧克力的动机，与购买盒装巧克力又为什么一定要选择喜斯的原因，自从喜斯在1920年代由喜太太家族创立以来就从来没有变过，而我想这原因在往后20年，乃至50年都不会有所改变。</p>
<p>We look for similar predictability in marketable securities. Take Coca-Cola: The zeal and imagination with which Coke products are sold has burgeoned under Roberto Goizueta, who has done an absolutely incredible job in creating value for his shareholders. Aided by Don Keough and Doug Ivester, Roberto has rethought and improved every aspect of the company. But the fundamentals of the business – the qualities that underlie Coke's competitive dominance and stunning economics – have remained constant through the years.</p>	<p>在买进股票时我们同样的也追求可预测的未来，以可口可乐来说，可口可乐产品所代表的热情与想象在总裁古崔塔的带领下升华到极点，此举为公司股东创造出可观的价值，在Don Keough与Doug Ivester的协助之下，古崔塔从头到尾重新塑造公司的每一部份，不过这家公司的本质-可口可乐强力的竞争优势与主导性，多年来却从未改变。</p>
<p>I was recently studying the 1896 report of Coke (and you think that you are behind in your reading!). At that time Coke, though it was already the leading soft drink, had been around for only a decade. But its blueprint for the next 100 years was already drawn. Reporting sales of \$148,000 that year, Asa Candler, the company's president, said: "We have not lagged in our efforts to go into all the world teaching that Coca-Cola is the article, par excellence, for the health and good feeling of all people." Though</p>	<p>最近我正在研读可口可乐1896年的年报(所以大家现在看我们的年报应该还不嫌太晚)，虽然当时可口可乐已经成为冷饮市场的领导者，但那也不过只有十年的光景，然而在当时该公司却早已规划好未来的百年大计，面对年仅14.8万美元的销售额，公司总裁Asa Candler表示：“我们从没有放弃告诉全世界，可口可乐是能够提升人类健康与快乐、最卓越超凡的一件东西。”虽然我认为健康这档子事</p>

<p>"health" may have been a reach, I love the fact that Coke still relies on Candler's basic theme today – a century later. Candler went on to say, just as Roberto could now, "No article of like character has ever so firmly entrenched itself in public favor." Sales of syrup that year, incidentally, were 116,492 gallons versus about 3.2 billion in 1996.</p>	<p>还有待努力，但我很高兴可口可乐在一百年后的今天，始终还是遵循 Candler 当初立下的愿景，Candler 又继续谈到：“没有其它东西的味道能够像可乐一样深植人心。”当年的可乐糖浆销售量不过只有 11.6 万加仑，时至今日，销售量已达到 32 亿加仑。</p>
<p>I can't resist one more Candler quote: "Beginning this year about March 1st . . . we employed ten traveling salesmen by means of which, with systematic correspondence from the office, we covered almost the territory of the Union." That's my kind of sales force.</p>	<p>我实在忍不住想要在引用 Candler 的另一段话：“从今年三月开始，我们雇用了十位业务员，在与总公司保持密切联系下巡回各地推销产品，基本上我们的业务范围已涵盖整个美联共和国。”这才是我心目中的销售力量。</p>
<p>Companies such as Coca-Cola and Gillette might well be labeled "The Inevitables." Forecasters may differ a bit in their predictions of exactly how much soft drink or shaving-equipment business these companies will be doing in ten or twenty years. Nor is our talk of inevitability meant to play down the vital work that these companies must continue to carry out, in such areas as manufacturing, distribution, packaging and product innovation. In the end, however, no sensible observer – not even these companies' most vigorous competitors, assuming they are assessing the matter honestly – questions that Coke and Gillette will dominate their fields worldwide for an investment lifetime. Indeed, their dominance will probably strengthen. Both companies have significantly expanded their already huge shares of market during the past ten years, and all signs point to their repeating that performance in the next decade.</p>	<p>像可口可乐与吉列这类的公司应该可以被归类为“永恒的持股”，分析师对于这些公司在未来一、二十年饮料或刮胡子市场的预测可能会有些许的不同，而我们所说的永恒并不意味着这些公司可以不必继续贯彻在制造、配销、包装与产品创新上的努力，只是就算是最没有概念的观察家或甚至是其最主要的竞争对手，也不得不承认可口可乐与吉列，在终其一生的投资生涯，仍将在其各自的领域中独领风骚，甚至于他们的优势还有可能会继续增强，过去十年来，两家公司在原有极大的市占率又扩大许多，而所有的迹象显示，在往后的十年间，他们还会继续以此态势扩大版图。</p>
<p>Obviously many companies in high-tech businesses or embryonic industries will grow much faster in percentage terms than will The Inevitables. But I would rather be certain of a good result than hopeful of a great one.</p>	<p>当然比起一些具爆发性高科技或新创的事业来说，这些被永恒持股公司的成长力略显不足，但与其两鸟在林，还不如一鸟在手。</p>
<p>Of course, Charlie and I can identify only a few Inevitables, even after a lifetime of looking for them. Leadership alone provides no certainties: Witness the shocks some years back at General Motors, IBM and Sears, all of which had enjoyed</p>	<p>虽然查理跟我本人终其一生追求永恒的持股，但能够真正让我们找到的却属鳞毛凤角，光是取得市场领导地位并不足以保证成功，看看过去几年来通用汽车、IBM 与西尔斯这些公司，</p>

<p>long periods of seeming invincibility. Though some industries or lines of business exhibit characteristics that endow leaders with virtually insurmountable advantages, and that tend to establish Survival of the Fattest as almost a natural law, most do not. Thus, for every Inevitable, there are dozens of Impostors, companies now riding high but vulnerable to competitive attacks. Considering what it takes to be an Inevitable, Charlie and I recognize that we will never be able to come up with a Nifty Fifty or even a Twinkling Twenty. To the Inevitables in our portfolio, therefore, we add a few "Highly Probables."</p>	<p>都曾领导一方的产业霸主，在所属的产业都被赋予其无可取代的优势地位，大者恒存的自然定律似乎牢不可破，但实际结果却不然，也因此找到真正的真命天子之前，旁边可能还有好几打假冒者，这些公司虽然曾经红极一时，但却完全经不起竞争的考验，换个角度来看，既然能够被称为永恒的持股，查理跟我早就有心理准备，其数量绝对不可能超过五十家或甚至是不到二十家，所以就我们的投资组合来说，除了几家真正够格的公司之外，还有另外几家则是属于极有可能的潜在候选人。</p>
<p>You can, of course, pay too much for even the best of businesses. The overpayment risk surfaces periodically and, in our opinion, may now be quite high for the purchasers of virtually all stocks, The Inevitables included. Investors making purchases in an overheated market need to recognize that it may often take an extended period for the value of even an outstanding company to catch up with the price they paid.</p>	<p>当然有时你也很有可能以过高的价格买下一家好的公司，这种风险并不是没有，而以我个人的看法，像现在的时机买任何股票就都有可能必须承担这样的风险，当然也包含永恒的持股在内，在过热的股市进场买股票的投资人必须要先做好心理准备，那就是对于付出高价买进的优良企业来说，必须要有更长的一段时间才有办法让他们的价值得以彰显。</p>
<p>A far more serious problem occurs when the management of a great company gets sidetracked and neglects its wonderful base business while purchasing other businesses that are so-so or worse. When that happens, the suffering of investors is often prolonged. Unfortunately, that is precisely what transpired years ago at both Coke and Gillette. (Would you believe that a few decades back they were growing shrimp at Coke and exploring for oil at Gillette?) Loss of focus is what most worries Charlie and me when we contemplate investing in businesses that in general look outstanding. All too often, we've seen value stagnate in the presence of hubris or of boredom that caused the attention of managers to wander. That's not going to happen again at Coke and Gillette, however - not given their current and prospective managements.</p>	<p>有一个问题倒是很值得注意，那就是有一些体质原本不错的公司，由于经营阶层规划的方向产生偏差，将原本良好的本业基础弃之不顾，反而跑去购并一堆平凡普通的公司，当这种状况发生时，其投资人所须承受的煎熬便会加重加长，而不幸的这正是几年前发生在可口可乐与吉列身上的惨事，(大家可以想象十几年前，可口可乐大举投入养虾事业，而吉列竟热衷于石油探勘吗?)，失去聚焦是查理跟我在思考是否投资一些外表看起来很不错的公司时最关心的重点，我想傲慢或不甘寂寞的出现，使得这些经理人胡思乱想进而导致企业的价值停滞不前，这种情形屡见不鲜，不过还好这种情况应该不会在可口可乐与吉列现在与未来储备的管理阶层身上发生。</p>
<p>Let me add a few thoughts about your own</p>	<p>对于各位个人的投资方式，让我提供</p>

investments. Most investors, both institutional and individual, will find that the best way to own common stocks is through an index fund that charges minimal fees. Those following this path are sure to beat the net results (after fees and expenses) delivered by the great majority of investment professionals.	一点心得给各位参考，大部分的投资人，不管法人或是散户，可能会认为投资股票最好的方式是直接去买手续费低廉的指数型基金，当然这样的做法所得到的结果(在扣除相关手续费用之后)，应该可以很轻易地击败市场上大部分的投资专家。
Should you choose, however, to construct your own portfolio, there are a few thoughts worth remembering. Intelligent investing is not complex, though that is far from saying that it is easy. What an investor needs is the ability to correctly evaluate selected businesses. Note that word "selected": You don't have to be an expert on every company, or even many. You only have to be able to evaluate companies within your circle of competence. The size of that circle is not very important; knowing its boundaries, however, is vital.	其实你也可以选择建立自己的投资组合，但有几点是大家必须特别注意的，智能型投资并不复杂，当然它也不是一件容易的事，投资人真正需要具备的是给予所选择的企业正确评价的能力，请特别注意“所选择”这个字，你不必像很多专家一样同时研究许多家公司，相反的你只要做的只是选择少数几家在你能力范围之内的好公司就好，能力范围的大小并不重要，要紧的是你要很清楚自己的能力范围。
To invest successfully, you need not understand beta, efficient markets, modern portfolio theory, option pricing or emerging markets. You may, in fact, be better off knowing nothing of these. That, of course, is not the prevailing view at most business schools, whose finance curriculum tends to be dominated by such subjects. In our view, though, investment students need only two well-taught courses – How to Value a Business, and How to Think About Market Prices.	投资要成功，你不需要研究什么是Beta值、效率市场、现代投资组合理论、选择权定价或是新兴市场，事实上大家最好不要懂得这一些理论，当然我这种看法与目前以这些课程为主流的学术界有明显不同，就我个人认为，有志从事投资的学生只要修好两门课程-亦即“如何给予企业正确的评价”以及“思考其与市场价格的关系”即可。
Your goal as an investor should simply be to purchase, at a rational price, a part interest in an easily-understandable business whose earnings are virtually certain to be materially higher five, ten and twenty years from now. Over time, you will find only a few companies that meet these standards – so when you see one that qualifies, you should buy a meaningful amount of stock. You must also resist the temptation to stray from your guidelines: If you aren't willing to own a stock for ten years, don't even think about owning it for ten minutes. Put together a portfolio of companies whose aggregate earnings march upward over the years, and so also will the	身为一位投资人，大家其实只要以合理的价格买进一些很容易了解且其盈余在未来五到十年内会大幅成长的企业的部分股权，当然一段时间下来，你会发现只有少数几家公司符合这样的标准，所以要是你真的找到这样的公司，那就一定要买进足够份量的股权，在这期间，你必须尽量避免自己受到外界诱惑而偏离这个准则，如果你不打算持有一家公司股份十年以上，那最好连十分钟你都不要拥有它，在慢慢找到这样盈余加总能持续累积的投资组合后，你就会发现其市值也会跟着稳定增加。

portfolio's market value.	
Though it's seldom recognized, this is the exact approach that has produced gains for Berkshire shareholders: Our look-through earnings have grown at a good clip over the years, and our stock price has risen correspondingly. Had those gains in earnings not materialized, there would have been little increase in Berkshire's value.	虽然我们很少承认，但这正是伯克希尔股东累积财富的唯一方式，我们的透视盈余在过去几年间大幅跃进，而同期间我们的股票价格也跟着大涨，要不是我们的盈余大幅增加，伯克希尔所代表的价值就不可能大幅成长。
The greatly enlarged earnings base we now enjoy will inevitably cause our future gains to lag those of the past. We will continue, however, to push in the directions we always have. We will try to build earnings by running our present businesses well – a job made easy because of the extraordinary talents of our operating managers – and by purchasing other businesses, in whole or in part, that are not likely to be roiled by change and that possess important competitive advantages.	当然我们现在背负庞大的资金基础将无可避免地会影响到我们未来盈余成长的能力，但我们还是会按照和过去一致的方向，在现有的基础之上，这部份的难度较低，因为我们拥有一群杰出的经理人，同时继续买进全部或部份一些不会受外界环境影响且拥有竞争优势的新事业。
US Air	美国航空
When Richard Branson, the wealthy owner of Virgin Atlantic Airways, was asked how to become a millionaire, he had a quick answer: "There's really nothing to it. Start as a billionaire and then buy an airline." Unwilling to accept Branson's proposition on faith, your Chairman decided in 1989 to test it by investing \$358 million in a 9.25% preferred stock of USAir.	当 Richard Branson-维京亚特兰大航空公司的老板被问到要如何才能变成一个百万富翁，他的回答很简单：其实也没有什么！首先你要先成为一个亿万富翁，然后再去买一家航空公司就成了！但由于各位的董事长-也就是我本人不信邪，所以我在 1989 年决定以 3.58 亿美元投资取得美国航空年利率 9.25% 的特别股。
I liked and admired Ed Colodny, the company's then-CEO, and I still do. But my analysis of USAir's business was both superficial and wrong. I was so beguiled by the company's long history of profitable operations, and by the protection that ownership of a senior security seemingly offered me, that I overlooked the crucial point: USAir's revenues would increasingly feel the effects of an unregulated, fiercely-competitive market whereas its cost structure was a holdover from the days when regulation protected profits. These costs, if left unchecked, portended disaster, however reassuring the airline's past record might be. (If history supplied all of the answers, the Forbes 400 would consist of	那时我相当喜爱同时也崇拜美国航空当时的总裁-Ed Colodny，直到现在仍是如此，不过我对于美国航空业的分析研究实在是过于肤浅且错误百出，我被该公司过去历年来的获利能力所蒙骗，同时过分相信特别股可以提供给我们在债权上的保护，以致于忽略了最关键的一点：那就是美国航空的营收受到毫无节制的激烈价格竞争而大幅下滑的同时，其成本结构却仍旧停留在从前管制时代的高档，这样的高成本结构若不能找到有效解决的办法，将成为灾难的前兆，不管以前航空业曾经享有多么辉煌的历史(如果历史可以给人们所有的答案，那么富

librarians.)	比士四百大富翁不就应该都是图书馆员了吗?)。
To rationalize its costs, however, USAir needed major improvements in its labor contracts – and that’s something most airlines have found it extraordinarily difficult to get, short of credibly threatening, or actually entering, bankruptcy. USAir was to be no exception. Immediately after we purchased our preferred stock, the imbalance between the company’s costs and revenues began to grow explosively. In the 1990–1994 period, USAir lost an aggregate of \$2.4 billion, a performance that totally wiped out the book equity of its common stock.	要让成本结构合理化，美国航空必须大幅修改其劳资契约，不过这偏偏又是航空公司难以达成的罩门，除了公司真正面临倒闭的威胁或甚至是真的倒闭，而美国航空也不例外，就在我们投资该公司特别股不久之后，公司营收与支出的缺口突然开始大幅扩大，在 1990 年至 1994 年间，美国航空累计亏损了 24 亿美元，此举让公司普通股的股东权益几乎耗损殆尽。
For much of this period, the company paid us our preferred dividends, but in 1994 payment was suspended. A bit later, with the situation looking particularly gloomy, we wrote down our investment by 75%, to \$89.5 million. Thereafter, during much of 1995, I offered to sell our shares at 50% of face value. Fortunately, I was unsuccessful.	在这段期间内，美国航空还是继续支付特别股股利给我们，直到 1994 年才停止，也因此不久后，由于该公司前景展望不太乐观，我们决定将美国航空特别股投资的帐面价值调减 75%，只剩下 8,950 万美元，从而到了 1995 年，我甚至对外提出以面额 50% 的折价，打算出售这笔投资，所幸最后并没有成功出脱。
Mixed in with my many mistakes at USAir was one thing I got right: Making our investment, we wrote into the preferred contract a somewhat unusual provision stipulating that “penalty dividends” – to run five percentage points over the prime rate – would be accrued on any arrearages. This meant that when our 9.25% dividend was omitted for two years, the unpaid amounts compounded at rates ranging between 13.25% and 14%.	幸运的是在投资美国航空所犯的一连串错误当中，我总算做对了一件事，那就是当初在投资时，我们在特别股投资合约当中，特地加了一项“惩罚股息”条款，也就是说万一该公司延迟支付股息的话，除原有欠款外，还必须外加依基本利率 5% 的利息，也就是说因为这两年我们没有收到 9.25% 的股息，所以以后美国航空必须就未支付的款项加计 13.25% 与 14% 的利息。
Facing this penalty provision, USAir had every incentive to pay arrearages just as promptly as it could. And in the second half of 1996, when USAir turned profitable, it indeed began to pay, giving us \$47.9 million. We owe Stephen Wolf, the company’s CEO, a huge thank-you for extracting a performance from the airline that permitted this payment. Even so, USAir’s performance has recently been helped significantly by an industry tailwind that may be cyclical in nature. The company still has basic cost problems that	面对这样的惩罚条款将督促美国航空尽快清偿对我们的欠款，而等到 1996 年下半年美国航空开始转亏为盈时，他们果真开始清偿这笔合计 4,790 万美元的欠款，为此我们特别要感谢美国航空现任总裁–Stephen Wolf，是他让这家落难的航空公司得以付出这笔钱，同时美国航空的表现也归因于航空业景气复苏，当然该公司还是有成本结构的问题有待解决。

must be solved.	
In any event, the prices of USAir's publicly-traded securities tell us that our preferred stock is now probably worth its par value of \$358 million, give or take a little. In addition, we have over the years collected an aggregate of \$240.5 million in dividends (including \$30 million received in 1997).	不过不论如何，目前美国航空普通股的市价显示我们所持有特别股的价值应该回复到 3.58 亿美元的面额左右，另外不要忘了，这几年来我们还陆陆续续从该公司收到 2.4 亿美元的股息（包含 1997 年的 3,000 万美元在内）。
Early in 1996, before any accrued dividends had been paid, I tried once more to unload our holdings - this time for about \$335 million. You're lucky: I again failed in my attempt to snatch defeat from the jaws of victory.	在稍早 1996 年初，我们还尚未收到积欠的股息之前，我再度尝试以 3.35 亿美元把这笔投资卖掉，所幸这次的举动又没有成功，使得我们得以从胜利之神口中逃过失败的命运。
In another context, a friend once asked me: "If you're so rich, why aren't you smart?" After reviewing my sorry performance with USAir, you may conclude he had a point.	在另外一个场合，有一位朋友问我：“你很有钱，可是为什么还这么笨？”“在进一步检讨本人在美国航空这个案子上的表现后，你可能会觉得他说得很有道理。
Financings	财务融资
We wrote four checks to Salomon Brothers last year and in each case were delighted with the work for which we were paying. I've already described one transaction: the FlightSafety purchase in which Salomon was the initiating investment banker. In a second deal, the firm placed a small debt offering for our finance subsidiary.	去年我们总共付了四次钱给所罗门兄弟公司，而很高兴每一张支票都代表着该公司为我们提供了不错的服务，先前我已经说明过其中的一项交易——那就是买进国际飞安公司的交易，所罗门担任这项交易的投资银行顾问，第二个案子是所罗门帮我们旗下的财务子公司安排了一项融资案。
Additionally, we made two good-sized offerings through Salomon, both with interesting aspects. The first was our sale in May of 517,500 shares of Class B Common, which generated net proceeds of \$565 million. As I have told you before, we made this sale in response to the threatened creation of unit trusts that would have marketed themselves as Berkshire look-alikes. In the process, they would have used our past, and definitely nonrepeatable, record to entice naive small investors and would have charged these innocents high fees and commissions.	此外，透过所罗门我们完成另外两件案子，两者也都有相当有趣的特点，一件是在五月我们发行了 517,500 股的 B 级股，总共募得 5.65 亿美元的资金，关于这件案子，先前我就已经做过相关的说明，主要是因应坊间有些模仿伯克希尔的基金，避免他们以伯克希尔过去傲人的绩效记录对外吸引一些不知情的小额投资人，在收取高昂的手续费与佣金之后，却无法提供给投资人一个令人满意的投资结果。
I think it would have been quite easy for such trusts to have sold many billions of dollars worth of units, and I also believe that early marketing successes by these trusts would have led to the formation of others. (In the	我相信这些仿伯克希尔基金可以很容易募得大笔的资金，而我也认为在这些基金成功募集到资金之后，一定还会有更多的基金跟进打着我们的旗号对外吸收资金，在证券业，没有什么

<p>securities business, whatever can be sold will be sold.) The trusts would have meanwhile indiscriminately poured the proceeds of their offerings into a supply of Berkshire shares that is fixed and limited. The likely result: a speculative bubble in our stock. For at least a time, the price jump would have been self-validating, in that it would have pulled new waves of naive and impressionable investors into the trusts and set off still more buying of Berkshire shares.</p>	<p>是卖不掉的东西，而这些基金无可避免的会将所募得的资金大举投入到伯克希尔现有少数的股票投资组合，最后的结果很可能是伯克希尔本身及其概念股股价暴涨而泡沫化，然后股价的上涨很可能又会吸引新一波的无知且敏感的投资人蜂拥投入这些基金，造成进一步的恶性循环。</p>
<p>Some Berkshire shareholders choosing to exit might have found that outcome ideal, since they could have profited at the expense of the buyers entering with false hopes. Continuing shareholders, however, would have suffered once reality set in, for at that point Berkshire would have been burdened with both hundreds of thousands of unhappy, indirect owners (trustholders, that is) and a stained reputation.</p>	<p>有些伯克希尔的股东可能会发现这是一个大好的机会，因为可以利用新加入者不当的预期而想要趁机出脱持股赚取额外的利益，但在此同时选择继续留下来的股东却必须承担后来的苦果，因为等到回归现实后，我们会发现伯克希尔会有一群成千上万高档套牢的间接股东(亦即基金投资人)，以及受到毁损的企业清誉。</p>
<p>Our issuance of the B shares not only arrested the sale of the trusts, but provided a low-cost way for people to invest in Berkshire if they still wished to after hearing the warnings we issued. To blunt the enthusiasm that brokers normally have for pushing new issues – because that's where the money is – we arranged for our offering to carry a commission of only 1.5%, the lowest payoff that we have ever seen in a common stock underwriting. Additionally, we made the amount of the offering open-ended, thereby repelling the typical IPO buyer who looks for a short-term price spurt arising from a combination of hype and scarcity.</p>	<p>B 级普通股的发行正可以抑止这些仿伯克希尔基金的销售，同时提供小额投资人投资伯克希尔的低成本管道，如果在他们听过我之前所提出的警告后仍执意要投资的话，而为了降低经纪人一般喜欢推销新股发行的习惯(因为这是真正有赚头的所在)，我们刻意将承销佣金降到 1.5%，这是所有发行新股承销佣金最低的比率，此外我们对发行新股的数量不设上限，以避免一些专门投资初次上市股票抢帽子的投机客，利用新股数量稀少而刻意炒作赚取短期股价飙涨的差价。</p>
<p>Overall, we tried to make sure that the B stock would be purchased only by investors with a long-term perspective. Those efforts were generally successful: Trading volume in the B shares immediately following the offering – a rough index of “flipping” – was far below the norm for a new issue. In the end we added about 40,000 shareholders, most of whom we believe both understand what they own and share our time</p>	<p>总而言之，我们希望买进 B 级普通股的投资人是真正希望长期投资的，事实证明我们的做法相当成功，在公开发行后的 B 级普通股成交量(亦即代表换手的情形)远低于一般初次上市的股票，结果总计我们因此新增了 40,000 名的股东，我相信他们大部分都了解他们到底在投资什么，同时与我们拥有相同的经营理念。</p>

horizons.	
Salomon could not have performed better in the handling of this unusual transaction. Its investment bankers understood perfectly what we were trying to achieve and tailored every aspect of the offering to meet these objectives. The firm would have made far more money – perhaps ten times as much – if our offering had been standard in its make-up. But the investment bankers involved made no attempt to tweak the specifics in that direction. Instead they came up with ideas that were counter to Salomon’s financial interest but that made it much more certain Berkshire’s goals would be reached. Terry Fitzgerald captained this effort, and we thank him for the job that he did.	在这次不常见的交易中，所罗门的表现好得不能再好了，身为我们的投资银行，他们充分了解我们想要达成的目标，从而量身订做，提供符合我们需要的服务，事实上若是按照一般的标准模式，所罗门应该可以赚进更多钱，有可能比现在多十倍以上，不过他们并没有刻意引导我们这样子去做，相反地有时他们还是提出一些对自己本身利益冲突，但却有助于伯克希尔达成目的的一些建议，感谢 Terry 这次为我们操刀所做的努力与贡献。
Given that background, it won’t surprise you to learn that we again went to Terry when we decided late in the year to sell an issue of Berkshire notes that can be exchanged for a portion of the Salomon shares that we hold. In this instance, once again, Salomon did an absolutely first-class job, selling \$500 million principal amount of five-year notes for \$447.1 million. Each \$1,000 note is exchangeable into 17.65 shares and is callable in three years at accreted value. Counting the original issue discount and a 1% coupon, the securities will provide a yield of 3% to maturity for holders who do not exchange them for Salomon stock. But it seems quite likely that the notes will be exchanged before their maturity. If that happens, our interest cost will be about 1.1% for the period prior to exchange.	基于这样的背景，大家不难想象当伯克希尔决定发行以所持有的所罗门股份做为转换标的的可转换票券时，我们又再度找上 Terry，再一次所罗门的表现一流，卖出以五年为期、总面额五亿美元的票券，共取得 4.471 亿美元的资金，每张面额 1,000 美元的票券可以转换成 17.65 股的所罗门股份，同时有权在三年后要求以帐面价值卖回，总计原先票面折价加上 1% 的票面利息，此证券可以给予到期不选择转换成所罗门股份的投资人 3% 的报酬率，不过我想投资人在到期前选择不转换的机率微乎其微，若果真如此，在转换前我们实际负担的利率成本大约在 1.1% 左右。
In recent years, it has been written that Charlie and I are unhappy about all investment-banking fees. That’s dead wrong. We have paid a great many fees over the last 30 years – beginning with the check we wrote to Charlie Heider upon our purchase of National Indemnity in 1967 – and we are delighted to make payments that are commensurate with performance. In the case of the 1996 transactions at Salomon Brothers, we more than got our money’s worth.	近年来，媒体不断报导查理跟我对于支付投资银行所有的费用都很感冒，这样的报导完全不对，事实上做过去三十年来，从 1967 年我们请 Charlie Heider 协助我们买下国家赔偿保险公司开始，我们就很乐于签支票给他们，只要他们所提供的服务与表现值得的话，而以 1996 年所罗门这次的案子来说，我们就觉得物超所值。
Miscellaneous	其它事项

<p>Though it was a close decision, Charlie and I have decided to enter the 20th Century. Accordingly, we are going to put future quarterly and annual reports of Berkshire on the Internet, where they can be accessed via http://www.berkshirehathaway.com. We will always "post" these reports on a Saturday so that anyone interested will have ample time to digest the information before trading begins. Our publishing schedule for the next 12 months is May 17, 1997, August 16, 1997, November 15, 1997, and March 14, 1998. We will also post any press releases that we issue.</p>	<p>虽然这个决定有点赶，查理跟我本人已决定正式跨入二十世纪，我们决定从现在开始将在公司网络上公布每季与每年最新的伯克希尔年报，大家可以透过以下这个网址 http://www.伯克希尔hathaway.com 找到相关的讯息，我们会固定选在星期六把报告摆上去，主要的目的是希望大家能够有充足的时间在股市开盘做出进出的决定，预计未来一年内公布报告的时间为1997年5月17日、8月16日、11月15日以及1998年3月14日，同时网站上也会有我们对外发布的其它公开讯息。</p>
<p>At some point, we may stop mailing our quarterly reports and simply post these on the Internet. This move would eliminate significant costs. Also, we have a large number of "street name" holders and have found that the distribution of our quarterlies to them is highly erratic: Some holders receive their mailings weeks later than others.</p>	<p>在此同时，我们也将停止过去邮寄每季季报的习惯，而直接将它们公布在公司网站上，此举不但可以大幅减少邮寄的成本，同时也因为我们有一些股东的股份是登记在别人的名下，这使得季报最后送到真正股东手上的时间很不一定，有的股东收到报告的时间整整比其它股东晚了好几个礼拜。</p>
<p>The drawback to Internet-only distribution is that many of our shareholders lack computers. Most of these holders, however, could easily obtain printouts at work or through friends. Please let me know if you prefer that we continue mailing quarterlies. We want your input – starting with whether you even read these reports – and at a minimum will make no change in 1997. Also, we will definitely keep delivering the annual report in its present form in addition to publishing it on the Internet.</p>	<p>当然透过网络公布也有一个很大的缺点，那就是许多我们的股东从来不使用计算机，当然大家还是可以透过同事或朋友的帮助把它们给打印下来，如果大家觉得还是用寄得比较好的话可以向我反应，我们很想听听大家的意见，至少在1997年还是会持续原来的做法，另外必须强调的是，每年的年报除了在网络上公布之外，依然还是会用邮寄的方式送到各位的手上。</p>
<p>About 97.2% of all eligible shares participated in Berkshire's 1996 shareholder-designated contributions program. Contributions made were \$13.3 million, and 3,910 charities were recipients. A full description of the shareholder-designated contributions program appears on pages 48-49.</p>	<p>大约有97.2%的有效股权参与1996年的股东指定捐赠计划，总计约1,330万美元捐出的款项分配给3,910家慈善机构，详细的名单参阅附录。</p>
<p>Every year a few shareholders miss out on the program because they don't have their shares registered in their own names on the prescribed record date or because they fail to get the</p>	<p>每年都有一小部份的股东由于没有将股份登记在本人的名下，或是没能在60天的期限内，将指定捐赠的表格送回给我们，而没办法参加我们的指定</p>

designation form back to us within the 60-day period allowed. This is distressing to Charlie and me. But if replies are received late, we have to reject them because we can't make exceptions for some shareholders while refusing to make them for others.	捐赠计划，对此查理跟我感到相当头痛，不过我们必须忍痛将这些指定捐赠剔除，因为我们不可能在拒绝其它不符合规定股东的同时，还破例让这些人参与。
To participate in future programs, you must own Class A shares that are registered in the name of the actual owner, not the nominee name of a broker, bank or depository. Shares not so registered on August 31, 1997, will be ineligible for the 1997 program. When you get the form, return it promptly so that it does not get put aside or forgotten.	想要参加这项计划者，请必须拥有 A 级普通股，同时确定您的股份是登记在自己而非股票经纪人或保管银行的名下，同时必须在 1997 年 8 月 31 日之前完成登记，才有权利参与 1997 年的捐赠计划，当你收到表格后，请立即填写后寄回，以免被丢在一旁给忘记了。
The Annual Meeting	股东年会
Our capitalist's version of Woodstock –the Berkshire Annual Meeting–will be held on Monday, May 5. Charlie and I thoroughly enjoy this event, and we hope that you come. We will start at 9:30 a.m., break for about 15 minutes at noon (food will be available – but at a price, of course), and then continue talking to hard-core attendees until at least 3:30. Last year we had representatives from all 50 states, as well as Australia, Greece, Israel, Portugal, Singapore, Sweden, Switzerland, and the United Kingdom. The annual meeting is a time for owners to get their business-related questions answered, and therefore Charlie and I will stay on stage until we start getting punchy. (When that happens, I hope you notice a change.)	资本家版的伍斯达克音乐会–伯克希尔股东年会将在五月五日星期一举行，查理跟我实在是很喜欢这场盛会，所以我们很希望大家都能来，会议预计从早上 9 点半正式开始，中午休息 15 分钟(现场备有餐点，不过必须付费)，然后会继续与许多死忠的股东谈到下午三点半，去年全美 50 州都有股东代表出席，另外还有来自海外地区，如澳洲、希腊、以色列、葡萄牙、新加坡、瑞典、瑞士以及英国等国家，股东年会是公司股东可以得到有关公司经营所有问题解答的场合，所以查理跟我一定会竭尽所能地回答各位提出的问题，直到我们头昏脑胀为止(如果查理跟我有异状时，希望各位能及时发现)。
Last year we had attendance of 5,000 and strained the capacity of the Holiday Convention Centre, even though we spread out over three rooms. This year, our new Class B shares have caused a doubling of our stockholder count, and we are therefore moving the meeting to the Aksarben Coliseum, which holds about 10,000 and also has a huge parking lot. The doors will open for the meeting at 7:00 a.m., and at 8:30 we will – upon popular demand – show a new Berkshire movie produced by Marc Hamburg, our CFO. (In this company, no one gets by with doing only a single	去年总共有 5,000 名股东与会，虽然我们预先另外准备了三间小会议室，不过还是把当时的会场– Holiday 会议中心给挤爆了，今年由于发行 B 级普通股的关系使得我们的股东人数又增加了整整一倍，因此我们决定把开会的场地移到可以容纳 10,000 人同时备有宽广停车场的阿肯萨本体育馆，大门会在当天早上七点开放，同时在八点半，我们会播放由财务长 Marc Hamburg 制作的全新伯克希尔电影短片供大家欣赏(在伯克希尔所有

job.)	人都必须身兼数职)。
Overcoming our legendary repugnance for activities even faintly commercial, we will also have an abundant array of Berkshire products for sale in the halls outside the meeting room. Last year we broke all records, selling 1,270 pounds of See's candy, 1,143 pairs of Dexter shoes, \$29,000 of World Books and related publications, and 700 sets of knives manufactured by our Quikut subsidiary. Additionally, many shareholders made inquiries about GEICO auto policies. If you would like to investigate possible insurance savings, bring your present policy to the meeting. We estimate that about 40% of our shareholders can save money by insuring with us. (We'd like to say 100%, but the insurance business doesn't work that way: Because insurers differ in their underwriting judgments, some of our shareholders are currently paying rates that are lower than GEICO's.)	为了克服大家对于商业气息的厌恶，我们在会场外大厅备有伯克希尔各式各样的产品供大家选购，去年我们打破记录，总共卖出 1,270 磅的糖果、1,143 双的鞋子以及价值超过 29,000 美元的世界百科全书与相关出版品，外加 700 只由旗下子公司 Quikut 所生产的小刀，另外在现场许多股东询问有关 GEICO 汽车保险的信息，如果你想 在汽车保险费上省一笔钱，记得把你现在的保单带到现场，我们估计至少有 40% 的股东可以因此而节省不少保费(我很想说 100%，不过保险业实务的经营并非如此，因为每家保险业者对于风险的估计都不同，事实上，我们有些股东支付的保费就比跟 GEICO 投保要来得低)。
An attachment to the proxy material enclosed with this report explains how you can obtain the card you will need for admission to the meeting. We expect a large crowd, so get both plane and hotel reservations promptly. American Express (800-799-6634) will be happy to help you with arrangements. As usual, we will have buses servicing the larger hotels to take you to and from the meeting, and also to take you to Nebraska Furniture Mart, Borsheim's and the airport after it is over.	后面附有股东会开会投票的相关资料，跟各位解释如何拿到入场所许的识别证，由于预期会有相当多的人与会，我们建议大家最好先预订机位与住宿，美国运通(电话 800-799-6634)将会很高兴为您提供相关安排服务，如同以往，我们会安排巴士接送大家往返各大旅馆与会场之间，并在会后接送大家到内布拉斯加家具店与波仙珠宝店或是到饭店与机场。
NFM's main store, located on a 75-acre site about a mile from Aksarben, is open from 10 a.m. to 9 p.m. on weekdays, 10 a.m. to 6 p.m. on Saturdays, and noon to 6 p.m. on Sundays. Come by and say hello to "Mrs. B" (Rose Blumkin). She's 103 now and sometimes operates with an oxygen mask that is attached to a tank on her cart. But if you try to keep pace with her, it will be you who needs oxygen. NFM did about \$265 million of business last year - a record for a single-location home furnishings operation - and you'll see why once you check out its merchandise and prices.	占地 75 英亩的 NFM 主馆距离会场约 1 英里远，营业时间平日从早上 10 点到下午 9 点，星期六从早上 10 点到下午 6 点，星期日则从中午开到下午 6 点，记得去向 Rose Blumkin-B 太太问好，她今年高龄 103 岁，有时还会戴上氧气罩在轮椅上工作，不过如果你想要跟得上她的脚步，需要氧气的可能是你，NFM 去年的营业额高达 2.65 亿美元，这是全美单一家具店营业的新高记录，记得去现场查一查商品的种类与标价，你就会知道原因了。
Borsheim's normally is closed on Sunday but will	平时礼拜天不营业的波仙珠宝，特地

<p>be open for shareholders from 10 a.m. to 6 p.m. on May 4th. Last year on "Shareholder Sunday" we broke every Borsheim's record in terms of tickets, dollar volume and, no doubt, attendees per square inch. Because we expect a capacity crowd this year as well, all shareholders attending on Sunday must bring their admission cards. Shareholders who prefer a somewhat less frenzied experience will get the same special treatment on Saturday, when the store is open from 10 a.m. to 5:30 p.m., or on Monday between 10 a.m. and 8 p.m. Come by at any time this year and let Susan Jacques, Borsheim's CEO, and her skilled associates perform a painless walletectomy on you.</p>	<p>在五月四日股东会当天会为股东与来宾开放，从中午开到下午6点，去年在星期六股东会前一天，我们打破了波仙单日的订单量与营业额记录，当然还包括每平方英吋的参观人数记录，今年我们考量到参观人数还会再增加，所以大家在当天一定要准备好入场证，当然不想人挤人的股东可以选择在前一天或后一天前往参观，星期六从早上10点开到下午5点半，星期一则从早上10点开到晚上8点，无论如何今年大家一定要来看看波仙的总裁 Susan 是如何施展她的技巧将你的荷包给掏空。</p>
<p>My favorite steakhouse, Gorat's, was sold out last year on the weekend of the annual meeting, even though it added an additional seating at 4 p.m. on Sunday. You can make reservations beginning on April 1st (but not earlier) by calling 402-551-3733. I will be at Gorat's on Sunday after Borsheim's, having my usual rare T-bone and double order of hashbrowns. I can also recommend - this is the standard fare when Debbie Bosanek, my invaluable assistant, and I go to lunch - the hot roast beef sandwich with mashed potatoes and gravy. Mention Debbie's name and you will be given an extra boat of gravy.</p>	<p>我个人最爱的牛排馆-Gorat's 去年在股东年会的那个周末完全客满，虽然临时还在星期天下午四点多排出的一个空档，今年该餐厅从四月一号开始接受预订(电话 402-551-3733)，我会在星期天参加完波仙珠宝的活动后到 Gorat's 享用我最常点的丁骨牛排加上双份的肉丸，当然我也推荐我的宝贝助理 Debbie 标准的菜单-生烤牛肉三明治外加马铃薯泥与肉汤，记得报上 Debbie 的名号，你就可以多得到一碗肉汤。</p>
<p>The Omaha Royals and Indianapolis Indians will play baseball on Saturday evening, May 3rd, at Rosenblatt Stadium. Pitching in my normal rotation - one throw a year - I will start.</p>	<p>在前一天 5 月 3 日，星期六晚上，Rosenblatt 体育馆将会有一场奥玛哈皇家队对印第安纳波里市印第安人队的比赛，一如往年轮到由我先发，每一年就投那么一球。</p>
<p>Though Rosenblatt is normal in appearance, it is anything but: The field sits on a unique geological structure that occasionally emits short gravitational waves causing even the most smoothly-delivered pitch to sink violently. I have been the victim of this weird phenomenon several times in the past but am hoping for benign conditions this year. There will be lots of opportunities for photos at the ball game, but you will need incredibly fast reflexes to snap my fast ball en route to the plate.</p>	<p>虽然 Rosenblatt 球场的外观看起来与其它球场没有多大的不同，不过它的投手丘地形却相当特殊，有时会发出特殊的重力短波，导致本来很平稳投出的球突然急速往下坠，过去有好几次我都成为这种怪异自然现象的受害者，不过我还是希望今年的情况会好一点，虽然当天会场有许多拍照的机会，不过我还是奉劝大家的快门要抓准一点，才能完整捕捉由我投出向本垒板急速奔去的快速球。</p>

Our proxy statement includes information about obtaining tickets to the game. We will also provide an information packet listing restaurants that will be open on Sunday night and describing various things that you can do in Omaha on the weekend. The entire gang at Berkshire looks forward to seeing you.	股东会资料将告诉大家如何取得球赛入场的门票，同时我们也会提供星期天晚上会开张的餐厅信息，同时列出假日期间在奥玛哈你可以从事的活动介绍，伯克希尔总部所有成员都期待能够见到大家。
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