

Our Investment Outlook and Three Stock Ideas

Boys & Girls Harbor Investment Conference

February 3, 2010

T2 Accredited Fund, LP
Tilson Offshore Fund, Ltd.
T2 Qualified Fund, LP

T2 Partners LLC

This presentation is posted at:
www.tilsonfunds.com/Harbor.pdf

**T2 Partners Management L.P.
Manages Hedge Funds and Mutual Funds
and is a Registered Investment Advisor**

The General Motors Building
767 Fifth Avenue, 18th Floor
New York, NY 10153
(212) 386-7160

Info@T2PartnersLLC.com
www.T2PartnersLLC.com

T2 Partners LLC

Disclaimer

T2 Partners LLC

THIS PRESENTATION IS FOR INFORMATIONAL AND EDUCATIONAL PURPOSES ONLY AND SHALL NOT BE CONSTRUED TO CONSTITUTE INVESTMENT ADVICE. NOTHING CONTAINED HEREIN SHALL CONSTITUTE A SOLICITATION, RECOMMENDATION OR ENDORSEMENT TO BUY OR SELL ANY SECURITY OR PRIVATE FUND MANAGED BY T2. SUCH AN OFFER WILL BE MADE ONLY BY AN OFFERING MEMORANDUM, A COPY OF WHICH IS AVAILABLE TO QUALIFYING POTENTIAL INVESTORS UPON REQUEST. AN INVESTMENT IN A PRIVATE FUND IS NOT APPROPRIATE OR SUITABLE FOR ALL INVESTORS AND INVOLVES THE RISK OF LOSS.

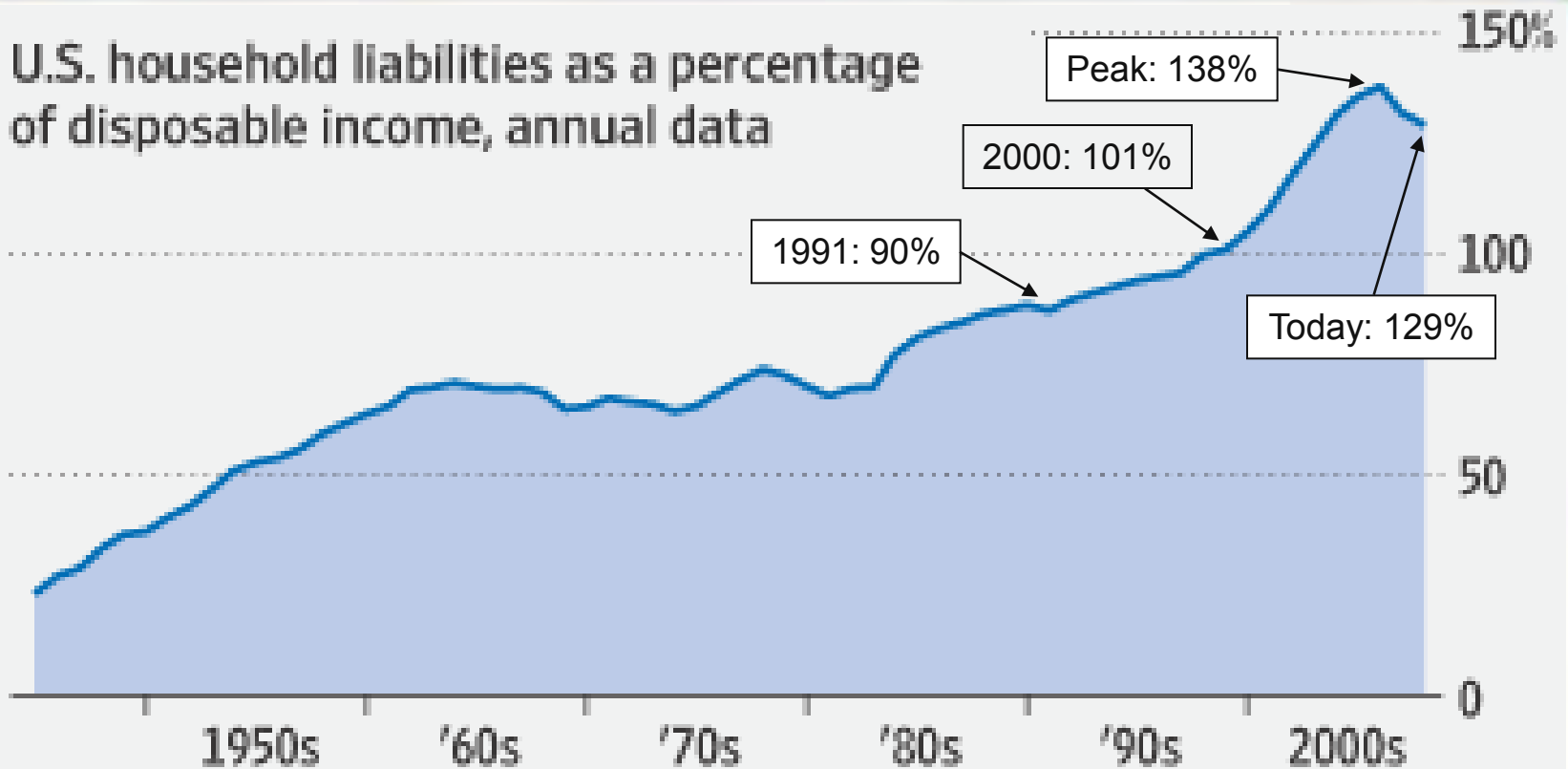
INVESTMENT FUNDS MANAGED BY WHITNEY TILSON AND GLENN TONGUE OWN STOCK IN MANY OF THE COMPANIES DISCUSSED HEREIN. THEY HAVE NO OBLIGATION TO UPDATE THE INFORMATION CONTAINED HEREIN AND MAY MAKE INVESTMENT DECISIONS THAT ARE INCONSISTENT WITH THE VIEWS EXPRESSED IN THIS PRESENTATION.

WE MAKE NO REPRESENTATION OR WARRANTIES AS TO THE ACCURACY, COMPLETENESS OR TIMELINESS OF THE INFORMATION, TEXT, GRAPHICS OR OTHER ITEMS CONTAINED IN THIS PRESENTATION. WE EXPRESSLY DISCLAIM ALL LIABILITY FOR ERRORS OR OMISSIONS IN, OR THE MISUSE OR MISINTERPRETATION OF, ANY INFORMATION CONTAINED IN THIS PRESENTATION.

PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS AND FUTURE RETURNS ARE NOT GUARANTEED.

T2 PARTNERS MANAGEMENT LP IS A REGISTERED INVESTMENT ADVISOR. A COPY OF T2'S DISCLOSURE STATEMENT (PART II OF FORM ADV), WHICH CONTAINS MORE INFORMATION ABOUT THE ADVISOR, INCLUDING ITS INVESTMENT STRATEGIES AND OBJECTIVES, CAN BE OBTAINED BY CALLING (212) 386-7160.

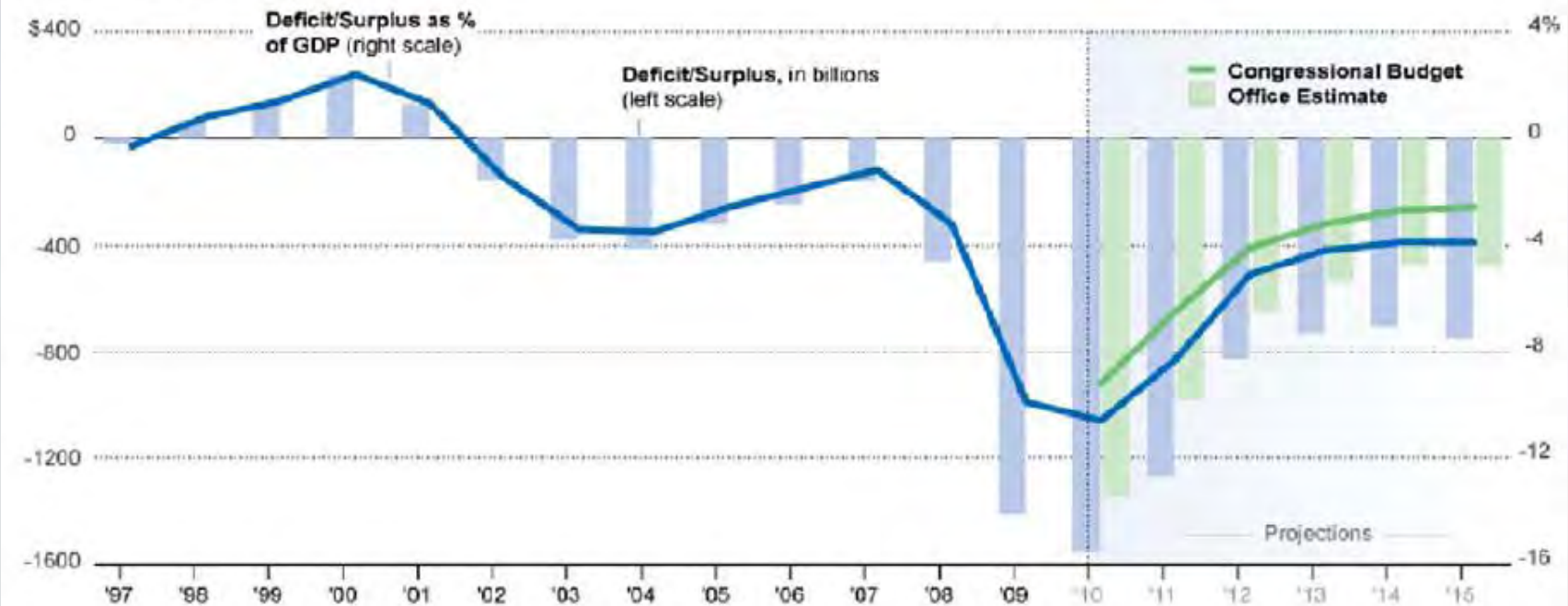
Household Liabilities as a Percentage of Disposable Income Remains Very High



Notes: Includes nonprofit organizations; 2009 figure is for the second quarter

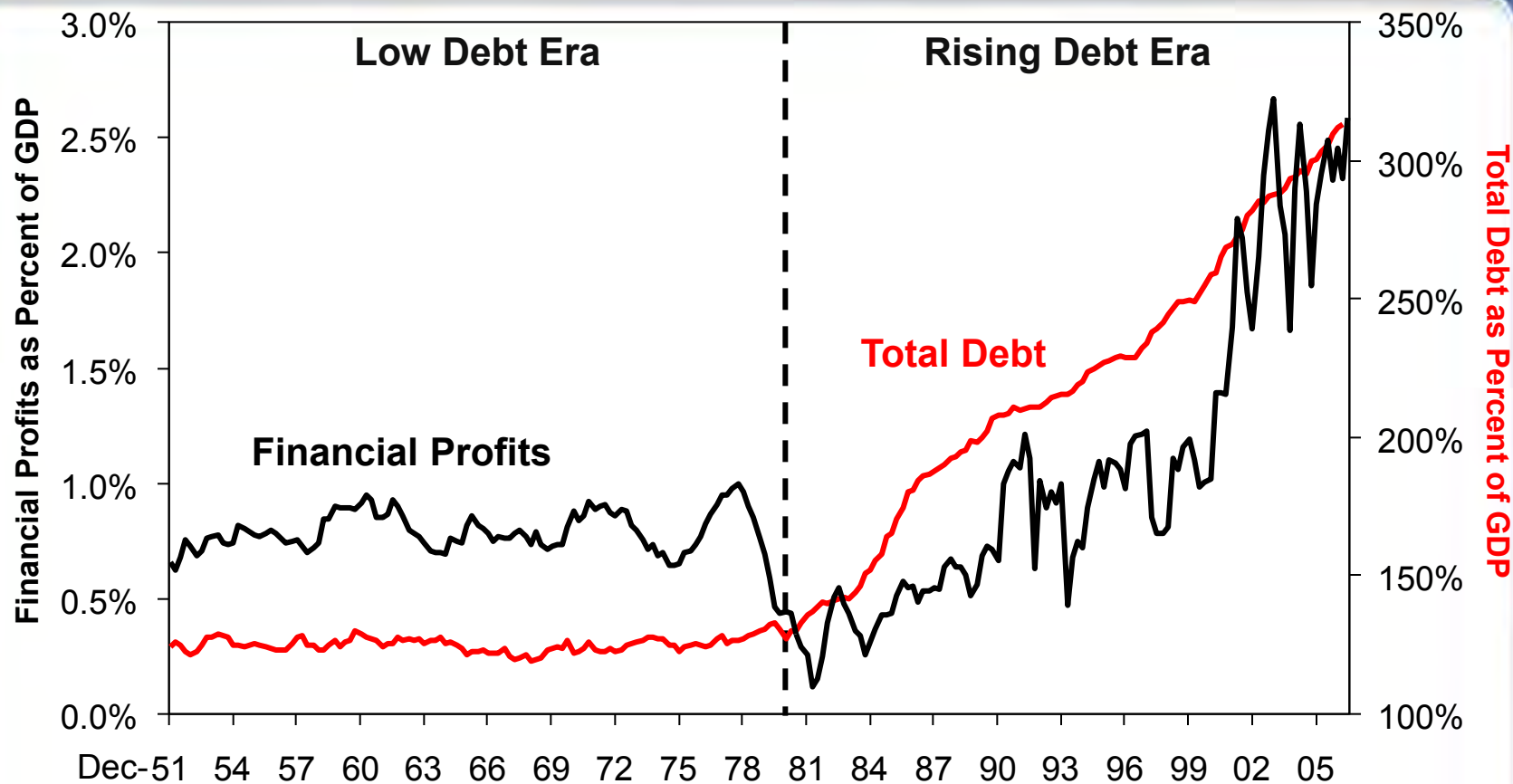
High Federal Government Deficits Stretch As Far As the Eye Can See

Deficit Forecasts



Over the Past 30 Years, We Have Become a Nation Gorged in Debt – To The Benefit of Financial Services Firms

T2 Partners LLC



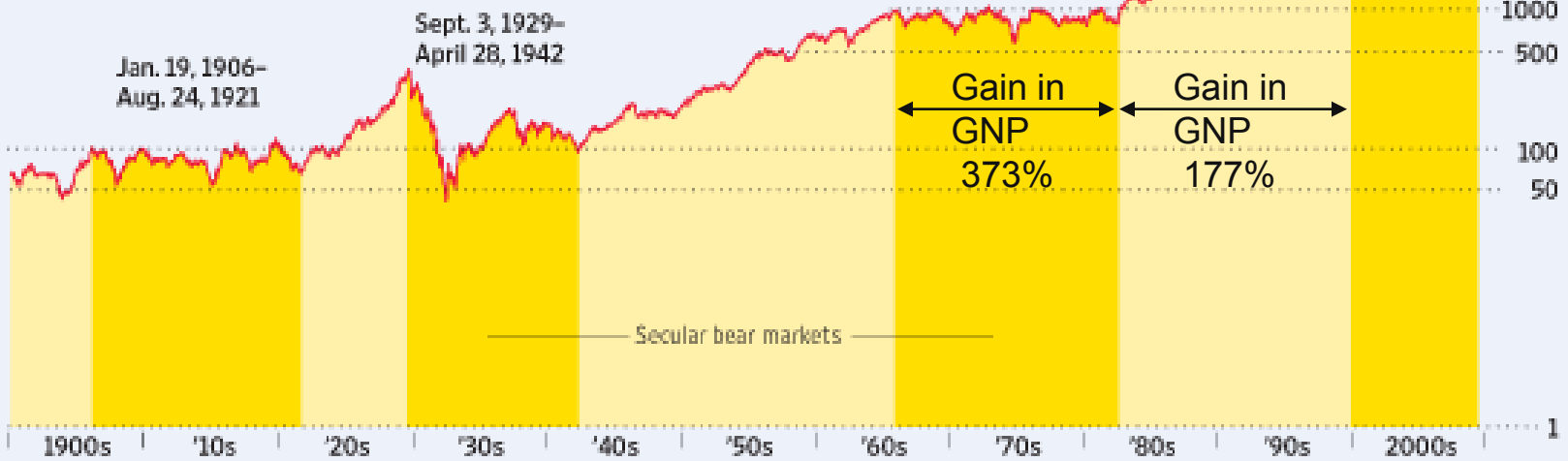
Sources: Federal Reserve, BEA, as of Q2 2007, GMO presentation.

We Think We're Likely in the Midst of a Secular Bear Market – And With Interest Rates Low and P/E Multiples High, It's Hard to See How a Sustained Bull Market Could Occur

Bull? Bear? Both?

While many believe stocks have entered a new bull market, some say it's just a respite from the long-term bear market that began at the start of this decade. Below, shaded areas show long-term bear markets, which included shorter periods of gains.

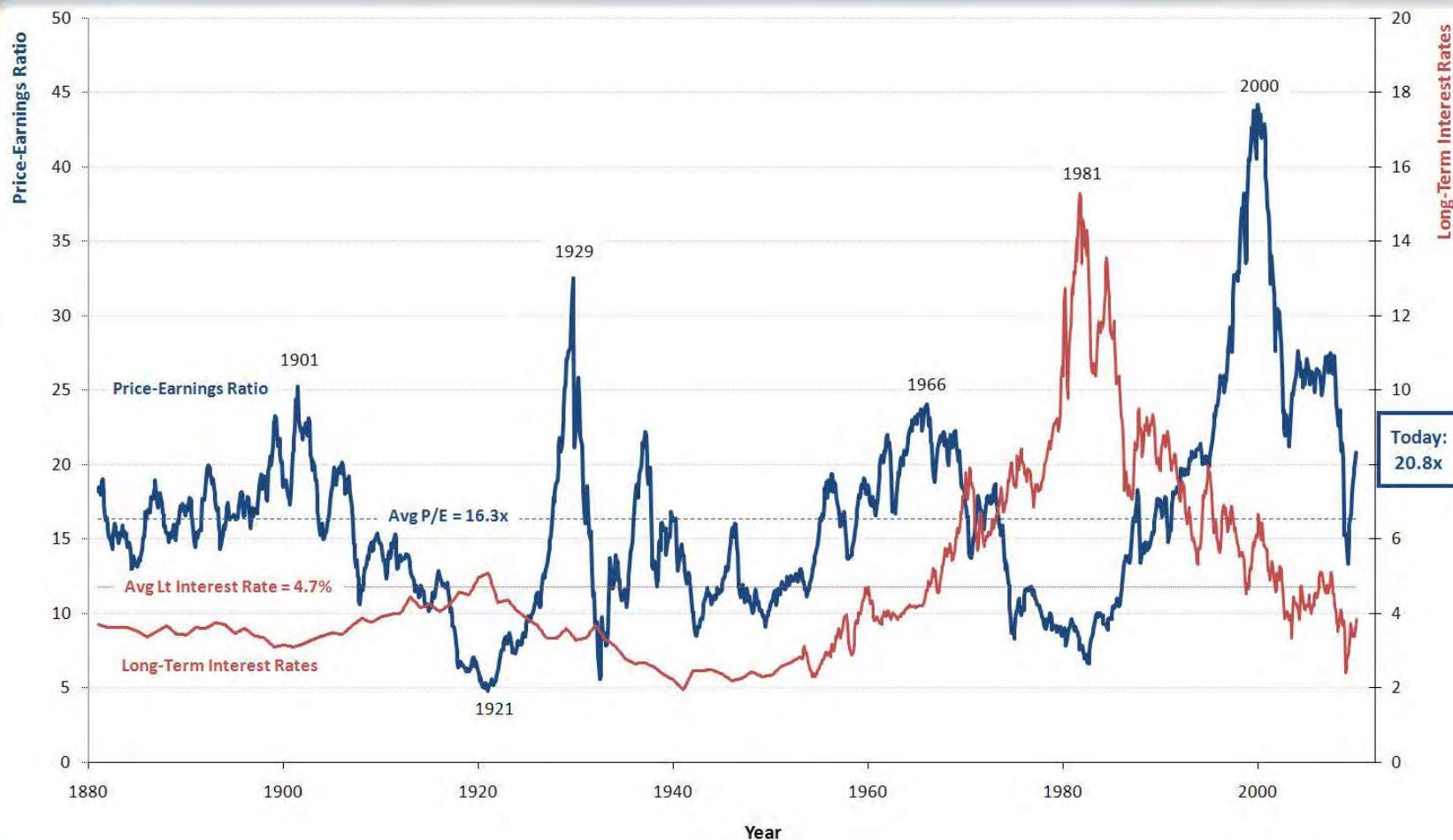
Dow Jones Industrial Average, weekly closes



Note: Chart is logarithmic, with vertical scale compressed to show changes in percentage terms. A rise from 100 to 110 takes the same space as a rise from 10000 to 11000, since both are 10% changes.

Based on Inflation-Adjusted 10-Year Trailing Earnings, the S&P 500 at 20.8x Is Trading Above Its 130-Year Average of 16.3x

T2 Partners LLC



Berkshire Hathaway

T2 Partners LLC

The Berkshire Hathaway Empire Today

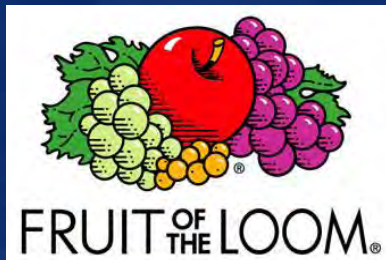
T2 Partners LLC



You could
save
15%
Let's get started



THE BUFFALO NEWS



Stakes in Public Companies Worth \$1+ Billion

Company	Shares	Price	Value (\$B)
Coca-Cola	200.0	\$55.05	\$11.0
Wells Fargo	313.4	\$28.79	\$9.0
Burlington Northern Santa Fe	76.8	\$99.79	\$7.7
Procter & Gamble	96.3	\$62.90	\$6.1
American Express	151.6	\$39.02	\$5.9
Kraft	138.3	\$28.50	\$3.9
ConocoPhillips	57.4	\$50.15	\$2.9
Johnson & Johnson	36.9	\$63.99	\$2.4
Wal-Mart	37.8	\$53.49	\$2.0
U.S. Bancorp	69.0	\$24.87	\$1.7

Note: Stock prices as of 1/27/10; excl. GE, Goldman & Wesco

Estimating Berkshire's Value: 2001 – 2009

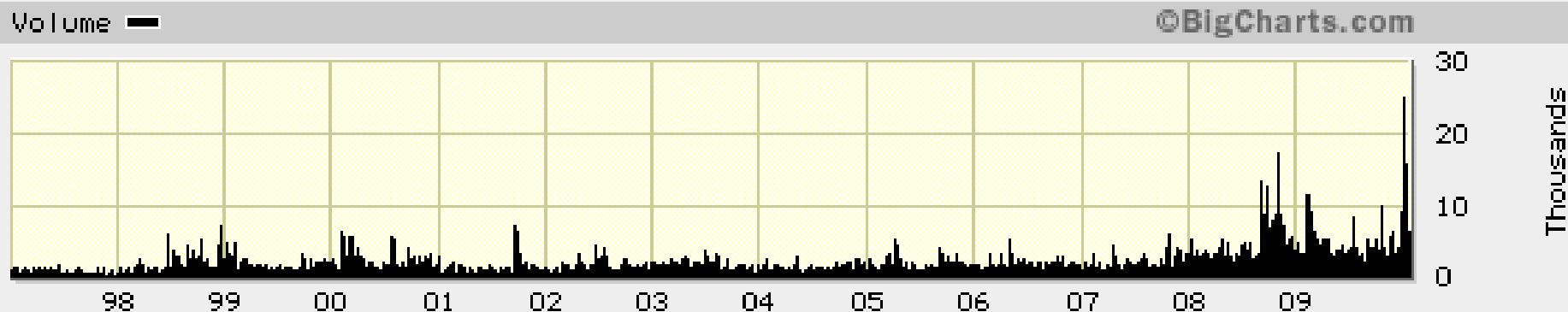
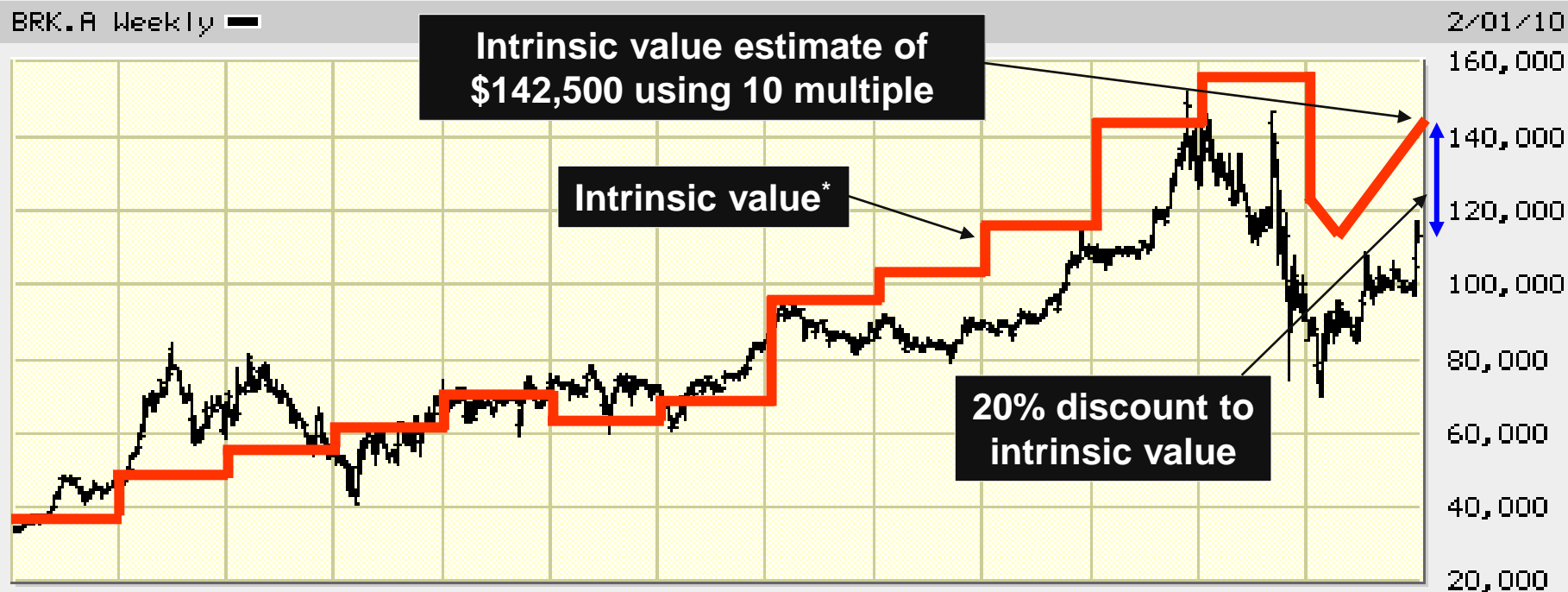
		Pre-tax EPS Excluding All Investments	Intrinsic Value Per Share	Subsequent Year Stock Price Range
<u>Year End</u>	<u>Per Share</u>	<u>Investments</u> ¹	<u>Per Share</u>	<u>Price Range</u>
2001	\$47,460	-\$1,289	\$64,000	\$59,600-\$78,500
2002	\$52,507	\$1,479	\$70,000	\$60,600-\$84,700
2003	\$62,273	\$2,912	\$97,000	\$81,000-\$95,700
2004	\$66,967	\$3,003	\$103,000	\$78,800-\$92,000
2005	\$74,129	\$3,600	\$117,300	\$85,700-\$114,200
2006	\$80,636	\$5,200-\$5,400 ²	\$143,000-\$144,400	\$107,200-\$151,650
2007	\$90,343	\$5,500-\$5,700 ³	\$156,300-\$158,700	\$84,000-\$147,000
2008	\$77,793	\$5,728	\$123,617 (8 multiple)	\$70,050-\$108,100
2009 (est.)	\$92,500	\$5,000 ⁴	\$142,500 (10 multiple)	?

Given compressed multiples at the end of 2008, we used an 8 rather than a 12 multiple. We bumped this to a 10 multiple at the end of 2009, still below the 12 multiple we believe Buffett uses.

1. Unlike Buffett, we include earnings from Berkshire's insurance businesses.
2. Actual result was \$6,492, but we reduce this to assume the 2nd-worst year ever for super-cat losses.
3. Actual result was \$6,270 but we reduce the pre-tax, pre-investment-income margins of the insurance businesses by 400 basis points (from 14% to 10%) to reflect Buffett's guidance in the Annual Report.
4. We have trimmed our estimate of normalized earnings to reflect the weak economy.

Even Using an 10 Multiple, Berkshire Is Approximately 20% Below Intrinsic Value

T2 Partners LLC



* Investments per share plus 12x pre-tax earnings per share (excluding all income from investments) for the prior year, except for YE 2008 (8 multiple) and YE 2009 (10 multiple).

12-Month Investment Return

- Current intrinsic value: \$142,500/share
- Plus 5% growth of intrinsic value of the business
- Plus cash build over next 12 months: \$4,000/share
- Equals intrinsic value in one year of \$153,600
- 36% above today's price

General Growth Properties

T2 Partners LLC

Premier Mall-based Domestic REIT

- Over 200 regional high-quality malls
- Diverse footprint and tenant base
- One of only two mall REITs with national footprint (along with SPG)

Attraction of Business

- Long-term tenant leases
- Stable cash flows
- Embedded growth

Bankruptcy

- Company could not roll debt due to shut down of credit markets
- Liquidity problem, not solvency problem (filed in April 2009)

Opportunity

- Emergence from bankruptcy and/or minority investment or sale
- NYSE listing (opening up for fund, indices)

General Growth Properties' Stock Has Been on a Wild Ride Over the Past Two Years

T2 Partners LLC



General Growth Properties' TTM NOI: \$2.478 Billion

T2 Partners LLC

	<u>4Q08</u>	<u>1Q09</u>	<u>2Q09</u>	<u>3Q09</u>
Minimum rent	\$639	\$596	\$596	\$584
Tenant recoveries	273	274	263	257
Overage rents	38	11	7	12
Other	<u>52</u>	<u>28</u>	<u>35</u>	<u>32</u>
Total Property Revenues	\$1,003	\$910	\$901	\$884
Less: Real estate taxes	(80)	(84)	(81)	(82)
Less: Repairs & maintenance	(68)	(64)	(58)	(65)
Less: Marketing	(15)	(9)	(8)	(9)
Less: Other property operating costs	(134)	(132)	(127)	(136)
Less: Provision for doubtful accounts	<u>(4)</u>	<u>(12)</u>	<u>(11)</u>	<u>(7)</u>
NOI	\$702	\$609	\$616	\$585
Less: Straight-line rent adj.	6	(12)	(13)	(11)
Less: FAS 141 adj. (lease mark to mkt)	(5)	(3)	(4)	(3)
Plus: Non-cash ground rent expense	2	2	2	2
Plus: Real estate tax stabilization adj.	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>
Cash NOI	\$706	\$596	\$602	\$573

Simon Properties' TTM NOI: \$3.244 Billion

T2 Partners LLC

	<u>4Q08</u>	<u>1Q09</u>	<u>2Q09</u>	<u>3Q09</u>
Minimum rent	\$807	\$746	\$754	\$754
Overage rent	63	21	26	33
Tenant reimbursements	393	345	345	356
Other income	92	68	56	57
Less: Interest income	(15)	(9)	(9)	(10)
Less: Gains on land sales	<u>(5)</u>	<u>(0)</u>	<u>(3)</u>	<u>(0)</u>
Total Revenue	\$1,334	\$1,171	\$1,168	\$1,191
Less: Property operating	(172)	(161)	(168)	(180)
Less: Real estate taxes	(106)	(112)	(106)	(99)
Less: Repairs & maintenance	(47)	(33)	(30)	(29)
Less: Advertising & promotion	(42)	(24)	(25)	(29)
Less: Provision for credit losses	(10)	(17)	(9)	(0)
Less: Other	<u>(41)</u>	<u>(35)</u>	<u>(40)</u>	<u>(36)</u>
NOI	\$916	\$789	\$791	\$817
Less: Straight-line rent adj.	(9)	(11)	(7)	(8)
Less: FAS 141 adj. (lease mark to mkt)	<u>(9)</u>	<u>(7)</u>	<u>(13)</u>	<u>(6)</u>
Cash NOI	\$899	\$772	\$770	\$803

At Simon Properties' Cap Rate, GGP Would Be Triple Today's Price

T2 Partners LLC

Simon Properties (closed at \$74.47 on 2/2/10)								
Net Debt	\$20,530							
NOI	\$3,244							
Cap Rate	6.75%	7.00%	7.25%	7.50%	7.75%	8.00%	8.25%	
Enterprise Value	\$48,059	\$46,343	\$44,745	\$43,253	\$41,858	\$40,550	\$39,321	
Equity Value	\$27,529	\$25,813	\$24,215	\$22,723	\$21,328	\$20,020	\$18,791	
Share Value	\$78.43	\$73.54	\$68.99	\$64.74	\$60.76	\$57.04	\$53.54	

General Growth Properties (closed at \$9.50 on 2/2/10)								
Net Debt	\$26,813							
NOI	\$2,478							
Cap Rate	6.75%	7.00%	7.25%	7.50%	7.75%	8.00%	8.25%	
Enterprise Value	\$36,711	\$35,400	\$34,179	\$33,040	\$31,974	\$30,975	\$30,036	
Equity Value	\$9,898	\$8,587	\$7,366	\$6,227	\$5,161	\$4,162	\$3,223	
Share Value	\$30.93	\$26.83	\$23.02	\$19.46	\$16.13	\$13.01	\$10.07	

Iridium

T2 Partners LLC

- Iridium is the world's only communication provider with the ability to provide real-time voice and data communications over 100% of the earth's service by virtue of the company's 66-satellite low-earth orbit (LEO) constellation. In addition, Iridium is one of the few satellite operators with the ability to provide effective voice, machine-to-machine (M2M), and high-speed data services.
- One of two major players in Global Satellite Communications industry
- Single subscriber device works worldwide
- Motorola spent \$5 billion launching satellites in late 1990s
- Filed for bankruptcy in 1999 with only 50,000 customers due to too much debt and clunky phones that didn't work inside buildings



Iridium Serves Many Different Markets

T2 Partners LLC



Commercial Voice and Data

Q1 2009 Subscribers: 219,085
 2008 Service Revenue: \$122.0M
 2008 Commercial Revenue Growth: 28%

Government

Q1 2009 Subs: 31,163
 '08 Service Rev: \$67.8M
 '08 Rev Growth: 17%

Machine-to-Machine

Q1 2009 Subs: 77,613
 '08 Service Rev: \$11.2M
 '08 Rev Growth: 104%

Maritime

Voice & data communications in international waters; exclusive - Sea Area A4

- Crew calling
- Fisheries mgmt
- High Speed Data
- Long Range ID & Track

Aviation

Voice & data communications in the sky

- Flight following
- Cockpit communications
- Air safety services

Land

Commercial voice subscribers

- Disaster
- Emergency/rescue operations
- In-Network calling
- Regional Pricing
- Quality Guarantee

Voice & data communications in-theater

- Over-the-Horizon
- Netted
- Blue Force Tracking
- Unattended Sensors

Low latency, global applications

- Hundreds of apps
- Fleet management
- Container tracking
- Oil and Gas telemetry
- Oceanographic data
- Personal Locator Beacon

Commercial Growth

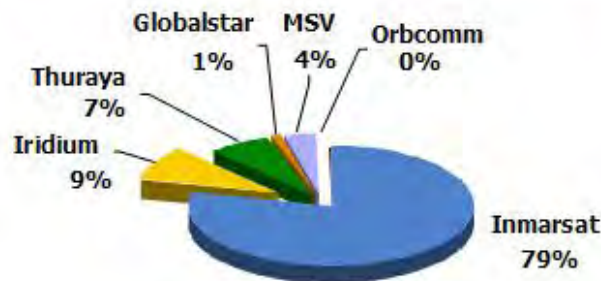
Overall Traffic: ↑12% Voice Traffic: ↑7% Data Traffic: ↑23%



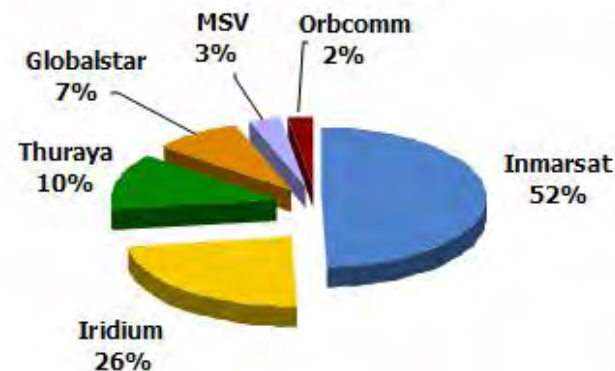
Note: Traffic growth reflects growth from 1Q08 to 1Q09

Iridium's Market Share Has Grown Rapidly

Total MSS Market Share 2001 – \$0.6 billion



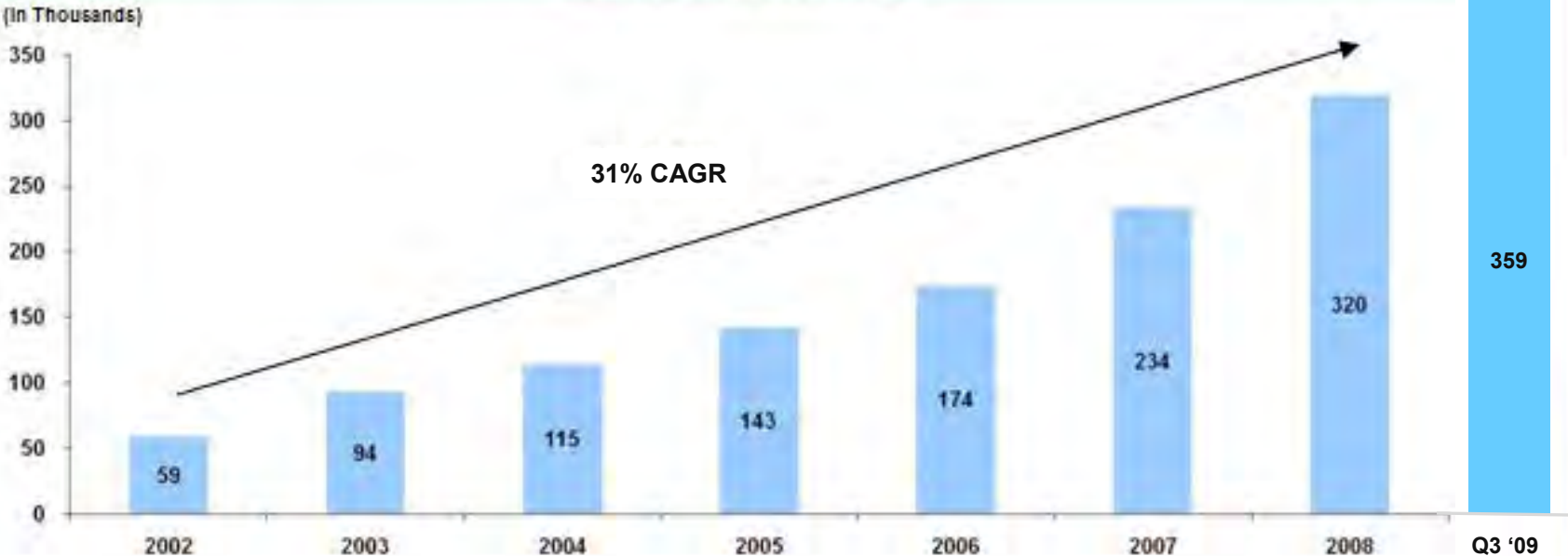
Total MSS Market Share 2008 - \$1.3 billion



	<u>COVERAGE</u>	<u>SERVICES</u>	<u>2008 REVS.</u>
	GEO – 3 + 8 legacy	Voice, Broadband	\$635M
	LEO – 66 + spares	Voice, Low & High Data	\$321M
	Regional GEO – 2	Voice, Broadband	\$127M
	Regional LEO – 48	Voice, Low Data	\$86M
	Global LEO – 24	Low Data	\$30M

Iridium Has Shown Extraordinary Growth in Subscribers

Total Subscribers



Source: Company filings.

Iridium Has Shown Extraordinary Growth in Revenue and Operational EDITDA

T2 Partners LLC

Revenue



Operational EBITDA



In Q3 '09, revenue was down 4% due to weak equipment sales, but Operational EBITDA rose 28% and net income grew 36% (excluding acquisition-related expenses). Guidance for Operational EBITDA is \$126-\$130M in 2009 \$145-\$155M and in 2010.

Iridium's Stock Has Tumbled Since It Began Trading in September

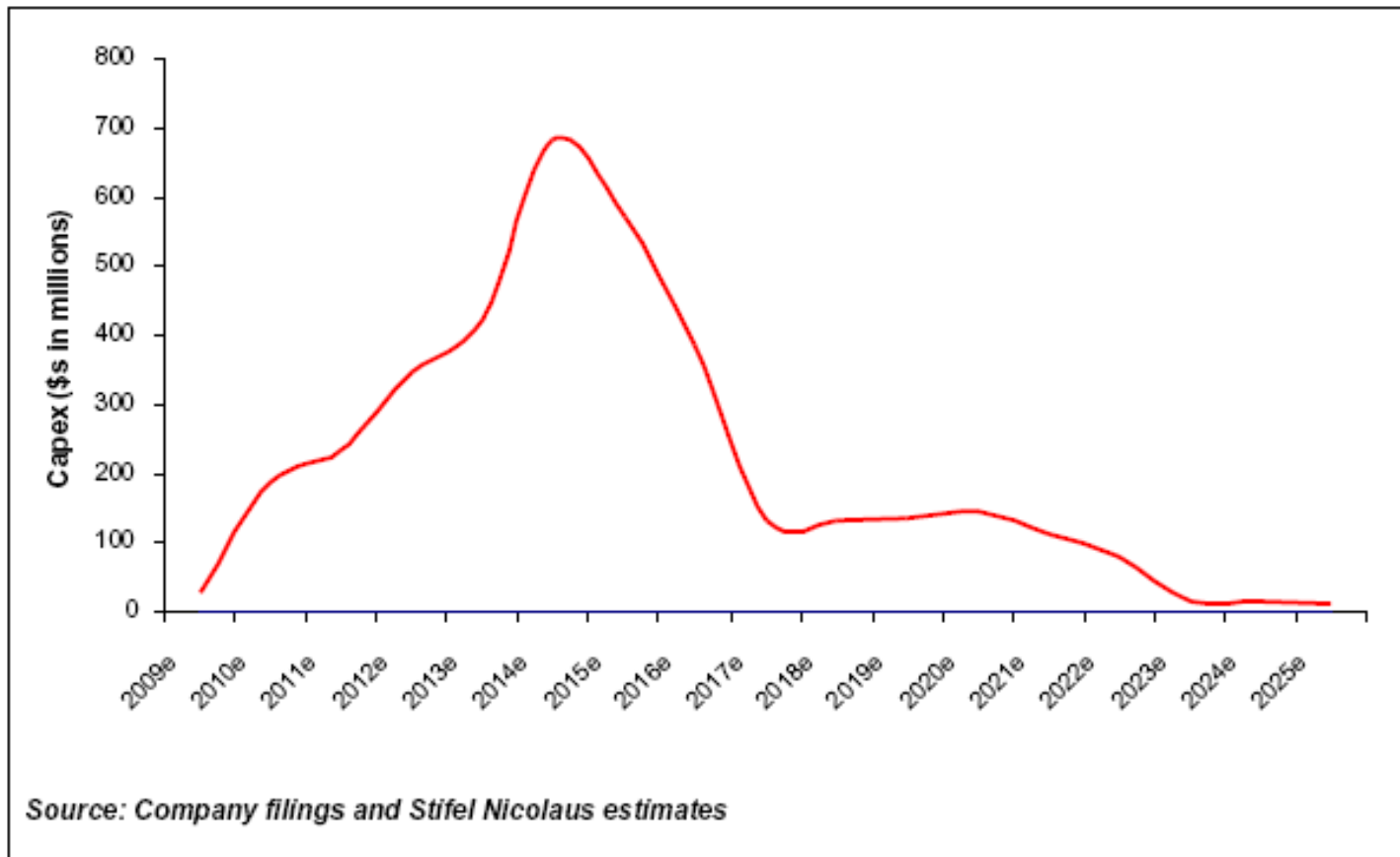
T2 Partners LLC



- Current satellite constellation will need to be replaced starting in 2014
 - Backwards compatible (existing customers will not need to replace equipment)
 - Improved capacity and data rates
- Total cost: \$2.7 billion
 - Satellites: \$1.9 billion
 - Launch: \$0.6 billion
 - Other: \$0.2 billion
- Funding
 - Internally generated cash flow
 - Debt
 - Equity
 - Revenue offsets (hosted payloads)

Iridium's Cap Ex Requirements Will Rise to Fund Iridium Next, and Then Fall

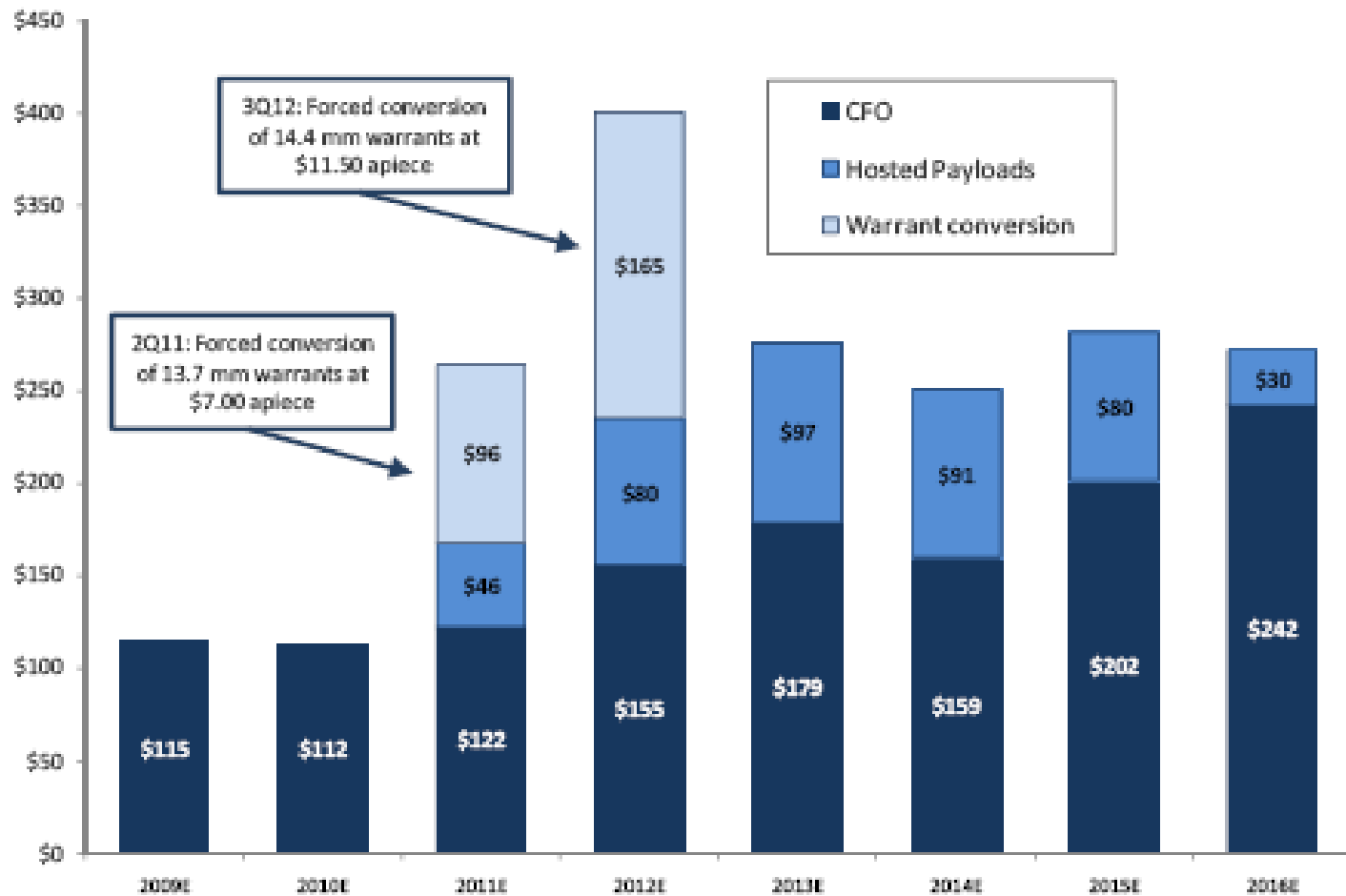
Iridium Capital Expenditures



Source: Company filings and Stifel Nicolaus estimates

Iridium Should Be Able to Fund Iridium NEXT From Cash Flow, Hosted Payloads and Warrant Conversion

T2 Partners LLC



Source: Raymond James estimates.

Share price (2/2/10):	\$6.88
Shares outstanding:	68.2 million
\$7 warrants	13.5 million
\$11.50 warrants	14.4 million
Market cap:	\$469 million
Less cash:	\$137 million
Enterprise value:	\$332 million
2010 EBITDA (E)	\$150
EV/EBITDA:	2.2x

We Expect a 25-35% IRR on This Investment for Many Years to Come

T2 Partners LLC

Stock Price Based on EV/EBITDA Multiples

<u>Multiple</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
8	\$25.36	\$31.20	\$37.77
9	\$29.05	\$35.22	\$42.10
10	\$32.74	\$39.25	\$46.43

IRR

<u>Multiple</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
8	24%	29%	33%
9	27%	31%	35%
10	30%	34%	37%

Appendix – Berkshire Hathaway

T2 Partners LLC

Recent Performance of Key Business Units

T2 Partners LLC

Earnings Before Taxes and Minority Interests, By Year:

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
<u>Insurance Group:</u>					
GEICO	970	1,221	1,314	1,113	916
General Re	3	-334	523	555	342
Berkshire Reinsurance Group	417	-1,069	1,658	1,427	1,324
Berkshire H. Primary Group	161	235	340	279	210
Investment Income	<u>2,824</u>	<u>3,480</u>	<u>4,316</u>	<u>4,758</u>	<u>4,722</u>
Total Insurance Oper. Inc.	4,375	3,533	8,151	8,132	7,514
<u>Non-Insurance Businesses:</u>					
Finance and Financial products	584	822	1,157	1,006	787
Marmon					733
McLane Company	228	217	229	232	276
MidAmerican/Utilities/Energy	237	523	1,476	1,774	2,963
Shaw Industries	466	485	594	436	205
Other businesses	<u>1,787</u>	<u>1,921</u>	<u>2,703</u>	<u>3,279</u>	<u>2,809</u>
Total Non-Insur. Oper. Inc.	3,302	3,968	6,159	6,727	7,773
Total Operating Income	7,677	7,501	14,310	14,859	15,287

Recent Performance of Key Business Units

Earnings Before Taxes and Minority Interests, By Quarter:

T2 Partners LLC

	<u>Q1 05</u>	<u>Q2 05</u>	<u>Q3 05</u>	<u>Q4 05</u>	<u>Q1 06</u>	<u>Q2 06</u>	<u>Q3 06</u>	<u>Q4 06</u>	<u>Q1 07</u>	<u>Q2 07</u>	<u>Q3 07</u>	<u>Q4 07</u>	<u>Q1 08</u>	<u>Q2 08</u>	<u>Q3 08</u>	<u>Q4 08</u>	<u>Q1 09</u>	<u>Q2 09</u>	<u>Q3 09</u>	
Insurance Group:																				
GEICO	312	358	237	314	311	288	407	308	295	325	335	158	186	298	246	186	148	111	200	
General Re	19	43	-389	-7	71	106	177	169	30	230	157	138	42	102	54	144	-16	276	186	
Berkshire Reinsurance Group	143	140	-1,635	283	94	137	735	692	553	356	183	335	29	79	-166	1,382	203	-291	167	
Berkshire H. Primary Group	18	37	-10	190	35	43	108	154	49	63	77	90	25	81	-8	112	4	29	7	
Investment Income	787	851	900	942	1,018	1,102	1,103	1,093	1,078	1,236	1,217	1,227	1,089	1,204	1,074	1,355	1,298	1,422	1,348	
Total Insurance Oper. Inc.	1,279	1,429	-897	1,722	1,529	1,676	2,530	2,416	2,005	2,210	1,969	1,948	1,371	1,764	1,200	3,179	1,637	1,547	1,908	
Non-Insurance Businesses:																				
Finance and Financial products	199	199	207	217	251	343	282	281	242	277	273	214	241	254	163	129	127	135	142	
Marmon													28	261	247	197	162	170	194	
McLane Company	69	59	53	36	55	56	50	68	58	72	50	52	73	68	68	67	143	66	64	
MidAmerican/Utilities/Energy	141	100	141	141	418	278	416	364	513	372	481	408	516	329	526	1,592	303	402	441	
Shaw Industries	88	139	145	113	155	169	138	132	91	111	125	109	51	82	49	23	55	30	51	
Other businesses	364	514	486	557	430	671	686	916	632	904	895	848	693	874	749	493	151	171	299	
Total Non-Insur. Oper. Inc.	861	1,011	1,032	1,064	1,309	1,517	1,572	1,761	1,536	1,736	1,824	1,631	1,602	1,868	1,802	2,501	941	974	1,191	
Total Operating Income	2,140	2,440	135	2,786	2,838	3,193	4,102	4,177	3,541	3,946	3,793	3,579	2,973	3,632	3,002	5,680	2,578	2,521	3,099	

The Earnings of Berkshire's Operating Businesses Have Grown at a Very High Rate – And Growth is Accelerating

<u>Year</u>	<u>Per-Share Investments</u>	<u>CAGR</u>	<u>Per-Share Pre-Tax Earnings</u>	<u>CAGR</u>
1965	\$4		\$4	
1979	\$577	42.8%	\$18	11.1%
1993	\$13,961	25.6%	\$212	19.1%
2008	\$77,793	12.1%	\$3,921	21.5%

Berkshire is becoming less of an investment company and more of an operating business.

Note: CAGR: 1965-1979, 1979-1993, 1993-2008.

EPS is pretax, net of minority interests and excludes profits of Berkshire's insurance operations.

Growth in Earnings of Berkshire's Operating Businesses Has Slowed as Buffett Has Allocated More Capital to Investments in Recent Years

T2 Partners LLC

Company Name	Market Cap	% Growth
		Rate*
Exxon Mobil	\$408,458	24
Wal-Mart	\$219,741	10
Procter & Gamble	\$185,621	14
Microsoft	\$184,672	18
General Electric	\$177,404	8
AT&T	\$166,772	26
Johnson & Johnson	\$165,614	9
Chevron	\$157,159	27
Berkshire Hathaway	\$154,573	14
Pfizer	\$120,024	6
IBM	\$119,877	9
Cisco Systems	\$104,162	13
Coca-Cola	\$103,439	9
Google	\$102,180	n/a
Hewlett-Packard	\$94,981	22
Oracle	\$92,799	19
Verizon	\$90,782	3
Genentech	\$88,371	48
Pepsico	\$86,509	11
Intel	\$85,488	11
ConocoPhillips	\$83,009	28
Apple	\$82,689	202
Abbott Labs	\$79,007	9
McDonald's	\$69,258	16
Amgen	\$61,813	14
Median		14

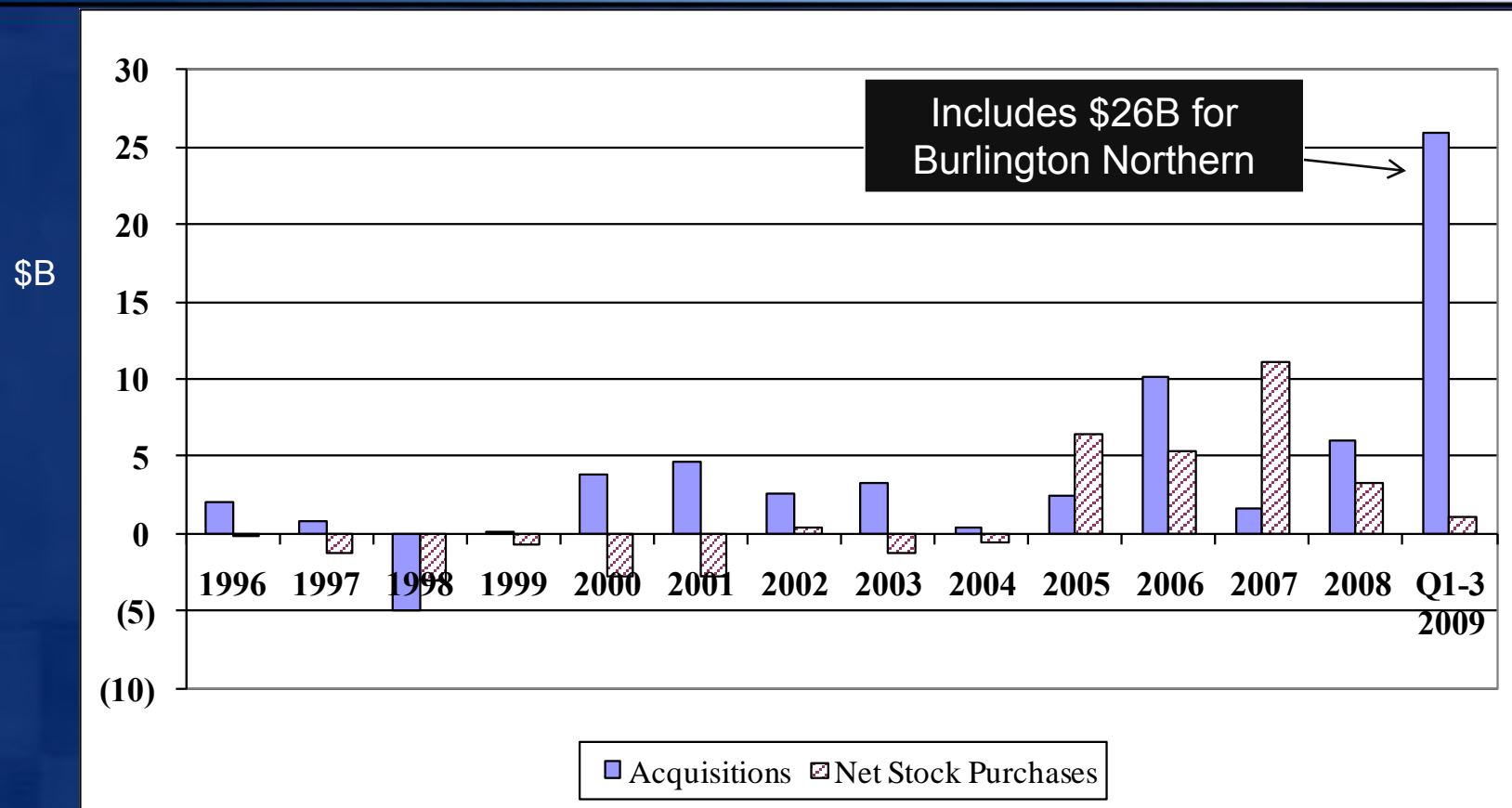
* 5-year compound annual growth rate of EBIT (earnings before interest and taxes) through Q3 07. Berkshire's figure is pre-tax EPS excluding all income from investments.

Note: List of 25 largest companies (by market cap) that trades on U.S. exchanges

Source: Capital IQ, through 1/6/09

The Burlington Northern Acquisition Dwarfs Anything Before It

T2 Partners LLC



- He's doing a good job – but the cash is coming in so fast!
 - A high-class problem
- Markets have a way of presenting big opportunities on short notice
 - Current chaos, junk bonds in 2002
 - Buffett has reduced average maturity of bond portfolio so he can act quickly

A Breakdown of Berkshire's Capital Commitments in 2008

T2 Partners LLC

<u>Investment/Commitment</u>	<u>Amount (Bn)</u>	<u>Comment</u>
Mars/Wrigley	\$6.5	
Auction rate securities	\$6.5	Q2 event; sold much in Q3
Goldman Sachs	\$5.0	Plus \$5B to exercise warrants
Constellation Energy stock and preferred	\$5.7	Sold for a \$1.1B gain incl. breakup fee
Marmon	\$4.5	The remaining 34.6% not owned by BRK will be purchased from 2011-14
General stock purchases	\$3.3	Full year; net of sales
Dow/Rohm & Haas	\$3.0	
General Electric	\$3.0	Plus \$3B to exercise warrants
Fed. Home Loan Disc. Notes	\$2.4	Q2 event; sold much in Q3
Tungaloy	\$1.0	Iscar acquisition
Swiss Re unit	\$0.8	Plus sharing agreement
ING reinsurance unit	\$0.4	
Other businesses purchased	<u>\$3.9</u>	
TOTAL	\$46.0	Plus \$8B to exercise GS & GE warrants

Note: Does not include capital committed to Berkshire's new bond insurance business, Berkshire Assurance

Valuing Berkshire

“Over the years we've...attempt[ed] to increase our marketable investments in wonderful businesses, while simultaneously trying to buy similar businesses in their entirety.” – 1995 Annual Letter

“In our last two annual reports, we furnished you a table that Charlie and I believe is central to estimating Berkshire's intrinsic value. In the updated version of that table, which follows, we trace our two key components 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 expenses. The second column excludes all dividends, interest and capital gains that we realized from the investments presented in the first column.” – 1997 Annual Letter

<u>Year</u>	<u>Investments Per Share</u>	<u>Pre-tax Earnings Per Share Excluding All Income from Investments</u>
1967	\$ 41	\$ 1.09
1977	372	12.44
1987	3,910	108.14
1997	38,043	717.82

“In effect, the columns show what Berkshire would look like were it split into two parts, with one entity holding our investments and the other operating all of our businesses and bearing all corporate costs.” – 1997 Annual Letter

Buffett's Comments on Berkshire's Valuation Lead to an Implied Multiplier of Approximately 12

<u>Year</u>	<u>Investments</u> <u>Per Share</u>	<u>Pre-tax EPS</u>		<u>Year-End</u> <u>Stock</u> <u>Price</u>	<u>Intrinsic</u> <u>Value</u>	<u>Implied</u> <u>Multiplier</u>
		<u>Excluding All</u> <u>Income From</u> <u>Investments</u>	<u>Year-End</u>			
1996	\$28,500	\$421		\$34,100	\$34,100	13
1997	\$38,043	\$718		\$46,000	\$46,000	11
1998	\$47,647	\$474		\$70,000	\$54,000	13
1999	\$47,339	-\$458		\$56,100	\$60,000	

- 1996 Annual Letter: "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."
- 1997 Annual Letter: "Berkshire's intrinsic value grew at nearly the same pace as book value" (book +34.1%)
- 1998 Annual Letter: "Though Berkshire's intrinsic value grew very substantially in 1998, the gain fell well short of the 48.3% recorded for book value." (Assume a 15-20% increase in intrinsic value.)
- 1999 Annual Letter: "A repurchase of, say, 2% of a company's shares at a 25% discount from per-share intrinsic value...We will not repurchase shares unless we believe Berkshire stock is selling well below intrinsic value, conservatively calculated...Recently, when the A shares fell below \$45,000, we considered making repurchases."

Appendix – Iridium

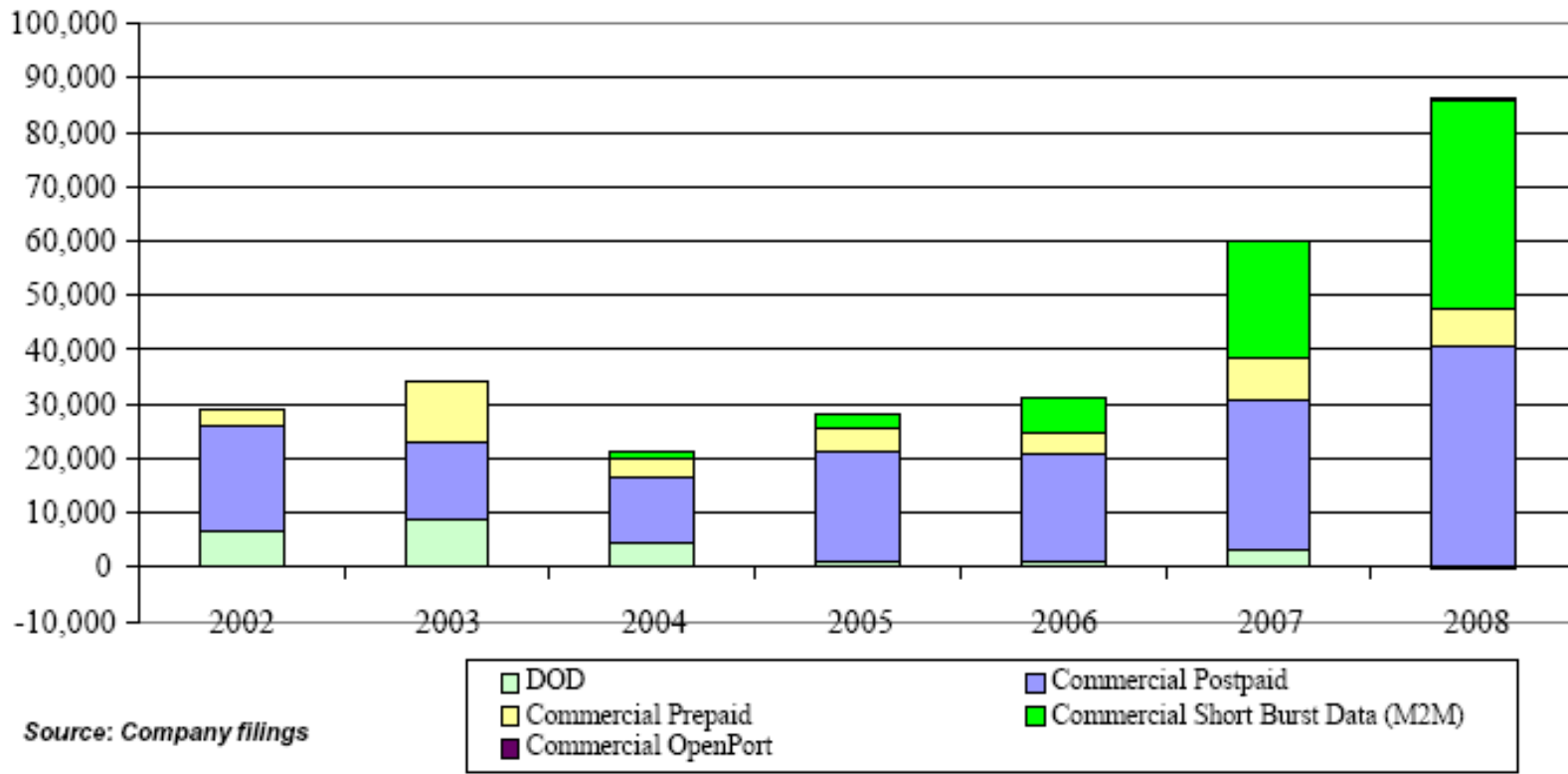
T2 Partners LLC

A Highly Attractive Business

- Growing market share in a growing industry
- Huge barriers to entry
- US Department of Defense is an anchor customer (22% of revenues in Q2 „09)
- Very high and rapidly expanding margins
- New products and applications

Subscriber Growth Has Been Driven by Commercial and Machine-to-Machine

2002-2008 Subscriber Growth by Segment



Why Is Iridium Out of Favor?

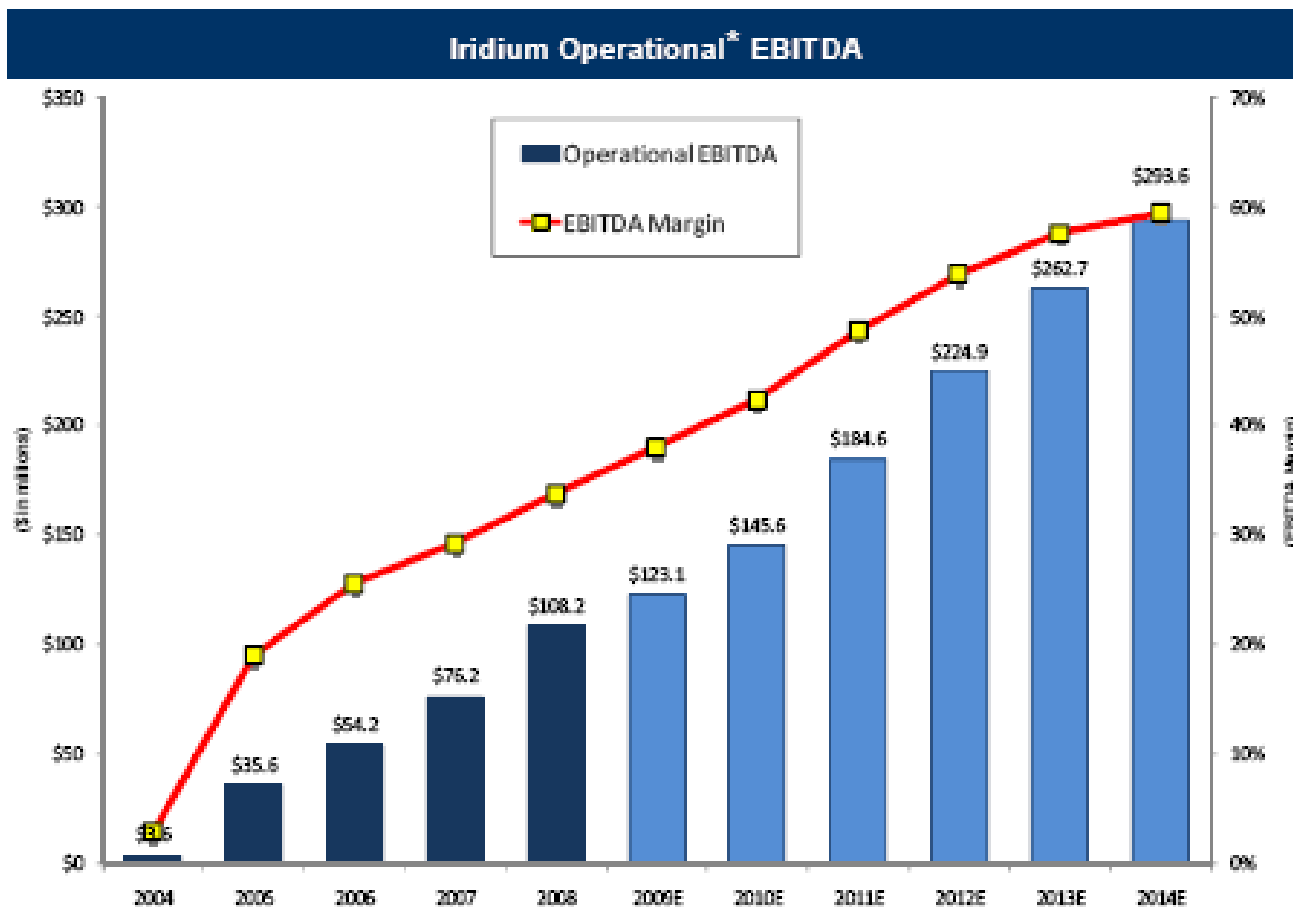
- SPAC structure
 - Many SPAC shareholders were just in it for the cash payout upon consummation of a deal and are now selling
- Many warrant owners are shorting the stock
 - Iridium tried to mitigate technical issues:
 - Retired 30.5 million \$7 warrants
 - Issued 16 million new shares
 - Repurchased 15.9 million shares
- Large future funding requirement for Iridium NEXT
- Dismal record of early telecom satellite networks
- Prior bankruptcy

Iridium Came Public Via a SPAC Transaction

- SPACs have very poor track records in general
- But Iridium was acquired by a SPAC (Special Purpose Acquisition Company) controlled by Greenhill, a top quality private equity sponsor
- The deal price was negotiated during the market meltdown last fall (deal was announced 9/23/08), then the price was reduced in April and warrant dilution was cut back in July

Iridium's Operational EBITDA is Projected to Double in Only Three Years

T2 Partners LLC



*Note: Operational EBITDA excludes R&D development costs, GHQ transaction costs, and other non-recurring items.

- Low current valuation multiple (40% discount to closest public comp, Inmarsat)
- Rapid growth in earnings
- Removal of legacy SPAC investors
- Warrant holders finish hedging (shorting the stock)
- Removal of uncertainty overhang related to future capital expenditures