

Investors Against Genocide

Draw the line at investing in genocide

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ANALYSTS RECOGNIZE BERKSHIRE HATHAWAY'S DIVESTMENT FROM PETROCHINA Warren Buffett's actions serve as example to investment community

Boston, MA – October 10, 2007 – Berkshire Hathaway's latest SEC filing shows additional dramatic reductions in its holdings of PetroChina. Since July 11, Berkshire Hathaway has sold over 1.67 billion shares of PetroChina, a reduction of 71% so far. These shares would be worth more than \$3 billion if valued at today's price. With this latest filing, analysts are now recognizing that Berkshire Hathaway is on a path to complete divestment.

For months, analysts have attributed Warren Buffett's reasons for slashing his PetroChina stake to profit-taking. However, as reports surfaced yesterday that Buffett's company, Berkshire Hathaway, had filed notices of large reductions with the Hong Kong Stock Exchange for the sixth time since July, analysts began to acknowledge the broader context of the sales. Now, analysts from both JP Morgan and CLSA have expressed their belief that Buffett has already or will soon have sold his entire stake in PetroChina due to pressure by activists concerned with PetroChina's connection to the genocide in Darfur.

"He's being pressured by the human rights activists about PetroChina's parent's involvement in Sudan," said Gordan Kwan, director of China Oil and Gas Research of CLSA. "He may sell all by the end of this month." JP Morgan analyst Brynjar Eirik Bustnes stated, "We would not be surprised if Buffett has already sold off his entire stake." Both analysts' comments were reported by Reuters.

PetroChina is the worst of the four major oil companies funding the genocide in the Darfur region of Sudan and has been a primary target of divestment activists.

"These sales by the largest single shareholder of PetroChina, send a clear signal to PetroChina, the government of China and the government of Sudan that large investors, like Mr. Buffett, and hundreds of thousands of small investors, do not want their money to be complicit in genocide," states Eric Cohen, chairman of Investors Against Genocide, an activist group that has urged Berkshire Hathaway and other investment firms to divest from targeted companies whose revenues help fund genocide. "While Mr. Buffett is rightfully keeping quiet about his motives, it is increasingly clear that his pattern of sales indicates that he no longer wants to be associated with an investment that helps to fund genocide."

"Mr. Buffett's actions demonstrate that fiduciary responsibility and ethical responsibility are not mutually exclusive," states Cohen. "Americans want their investments to be genocide-free and American financial institutions should respond accordingly. There are many opportunities in the global market for good investments with excellent returns without investing in genocide," Cohen adds. Cohen cited Fidelity's Contra Fund, VIP Contra Fund, Advisor New Insight Fund, and New Millennium Fund as additional examples of responsible action taken by fund managers. "Despite official Fidelity intransigence, those fund managers made the ethically and financially responsible decision to cut the connection of those funds to the genocide in Darfur. Even index fund managers have substantial flexibility in tracking to the performance of their benchmarks and need not hold the problem companies."

"While we applaud the substantive actions of Mr. Buffett and these other fund managers, we urge them to make public statements confirming the reason for their actions. Taking a stand in favor of ethical investment practices will encourage others to reconsider their own positions, have the courage to act on their convictions, and overcome institutional reluctance to react to the worst human rights problem on the planet, genocide," Cohen continued.

“After this filing, we may not see another update on Berkshire Hathaway's PetroChina holdings until it publishes its annual report in early 2008,” states Cohen “As a result, unless Berkshire Hathaway makes public statements on its sales of PetroChina, it will be able to reduce its holdings without the media attention we are seeing now.”

An increasing number of colleges, universities, and states have taken action to divest from companies that help fund the genocide in Darfur. Thousands of individuals, led by the Boston-based Fidelity Out Of Sudan campaign, have joined this movement and divested their personal savings from investment firms, like Fidelity, that own shares in such companies. In May, Fidelity reported that it had sold over \$500 million worth of shares of PetroChina, a Chinese oil company considered one of the highest offenders, a move widely attributed to pressure from the activist campaign.

Investors Against Genocide, an organization formed by the founders of the Fidelity Out Of Sudan campaign, has expanded the spotlight of scrutiny to include a broader range of investment firms with significant holdings in PetroChina. The new list of targets includes the three largest American mutual fund companies: American Funds, Vanguard, and Fidelity, which still had very large holdings of PetroChina. In addition, Franklin Templeton is targeted, as the mutual fund with the largest holdings of PetroChina, and Allianz, as the largest holder on the New York Stock Exchange.

The goal of Investors Against Genocide is to convince financial institutions to make a commitment that they will not invest in companies that help to fund genocide. “Ethical investing may mean different things to different people, but surely there is a minimum standard upon which everyone agrees,” states Cohen. “Americans do not want their family savings and pension funds invested in companies that help to fund genocide whether that genocide is occurring today in Darfur or anywhere else in the future.”

In a 2007 study by KRC Research, 71% of respondents said companies should take into account extreme cases of human rights abuses, such as genocide, when investing overseas, rather than base their investment decisions on economic criteria only. “Genocide-free investing is a minimum standard to which all mainstream investment firms should be held accountable,” states Cohen.

Investors Against Genocide is a non-profit organization dedicated to convincing mutual fund and other investment firms to change their investing strategy so as to avoid complicity in genocide. In particular, we want investment firms to avoid or divest holdings of PetroChina (Chinese), Sinopec (Chinese), ONGC (Indian), and Petronas (Malaysian), the four major oil companies that are partnering with the Government of Sudan and helping to fund the genocide in Darfur. The campaign works with individuals, companies, organizations, financial institutions, the press, investment firm employees, and government agencies to build awareness and to create financial, public relations, and regulatory pressure for investment firms to change. The ultimate goals are that investment firms adopt at least the most basic ethical investment policies, that the Government of Sudan ends its deadly genocide in Darfur, and investment firms avoid investing in genocide in the future. For more information, visit www.investorsagainstgenocide.org.

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