

**▼ DER AKTIONÄR: Mrs. Buffett, your famous ex-father-in-law recently said in an interview that he can see no indication of a bubble on the share market. At the same time, it's getting harder to find attractively priced shares. Would you agree with that?**

**MARY BUFFETT:** I would. The P/E ratio of the S&P 500 is currently at 20, which is not particularly low from a historical point of view, but it's not excessively expensive, either. All talk of a bubble is blowing it out of all proportion, in my view.

**▼ Do you prefer to buy shares when they're considerably undervalued, like Warren does?**

Of course. I invest in companies when they're not doing too well. One example of this is Johnson & Johnson. A few years back, the group had to withdraw its paracetamol due to possible bacterial contamination and two years ago, they had to pay out 2.5 billion dollars in compensation over faulty hip implants. If a share falls due to bad news, preferably as low as possible, I'll buy – as long as I'm fundamentally convinced of the quality of the company.

**▼ The fact that Warren Buffett trades counter-cyclically is one of the few things that we know about him here in Germany. You know him well. What's he like as a person?**

When I first met him in the late 1970s, the only thing I knew about him was that he owned the candy company See's Candy, and I thought I'd get free candy for the rest of my life. But it didn't work out like that. With Warren, you get nothing for free. He's very careful with his money, he always has been. If a multi-billionaire says to you, "I'm taking you out for dinner", you naturally expect a fabulous meal in a fashionable five-star restaurant. But not in your wildest dreams would Warren think that way. He would take us to his favorite burger bar round the corner. He'd press a \$20 bill into my ex-husband Peter's hand to pay for the meal, and would always ask for the change.

**▼ What's it like sitting round the table with the most successful investor of all time? What do you talk about over dinner?**

You don't get to do much talking yourself, because Warren talks the whole time – along the lines of "have you heard the one about...?" It's never dull, because he has lots of really interesting and often very funny things to talk about. He's extremely well-read and interested in an unbelievable number of things. And he is extremely bright, probably one of the most intelligent people of our time. There are some people who think that Warren never buys technology companies because he doesn't understand them. Nonsense! He knows only too well what the companies do.

**▼ But does he use modern technology? I read somewhere that he doesn't even own a computer.**

He doesn't have a computer in his office, but he has one at home. But he mainly only uses it for his private entertainment, to play bridge. He adores bridge.

**▼ It's also been said that he is a workaholic and that's why he's still head of Berkshire Hathaway, even though he's going to turn 85 this summer.**

To my ears, workaholic sounds negative. It's someone who's addicted to work, who

would probably go mad without it. But whilst Warren loves his work deeply, it's something he genuinely enjoys. I'm not sure that that's necessarily always the case with a workaholic.

Also, there are many things that Warren doesn't see as work, but as pleasure. He used to say to me sometimes on a Monday that he'd had a quiet weekend. Do you know what he'd done? He'd read a couple of thousand pages – business reports, newspaper reports, anything he could lay his hands on. He's constantly reading something. He has a secretary, but he reads his post himself. A few years ago, the management of an Israeli firm called Iscar wrote to Warren and described their business model. As far as I know, the company is in metal processing. Warren read the letter and it sparked his interest. He flew to Israel to visit Iscar. It didn't take long for him to be won over and he bought the company. For him, and for Iscar, it was well worth the initial approach. Iscar is doing extremely well and has since gone into China.

**v What else is typical of him?**

He can focus on something extremely intensively, which means that a lot of what's going on around him simply passes him by. Charlie Munger (Buffett's partner at Berkshire Hathaway for many years: Ed) and Warren were once walking around New York together and having an intensive conversation. At some point, Charlie looked at his watch, said he had a plane to catch, and got into a cab. Warren carried on walking and talking. It wasn't until two blocks later that he said "hey, where's Charlie gone?"

**v What's the most important thing you've learnt from him?**

When I'm considering an investment, I should switch all my emotions off. That was something he really insisted I should do. It's a good thing if your head and heart are as far from Wall Street as possible – otherwise, counter-cyclical trading doesn't work.

You should never fall in love with a share or a product. Warren always says you should only fall in love with a share's performance.

**v There has been speculation for years about who will take over from Warren. Who do you think has the best chance of the top job at Berkshire Hathaway?**

I wouldn't be surprised if there's not just one new boss. Warren will probably get Todd Combs, Ajit Jain and maybe also Ted Weschler to run various divisions at Berkshire. As chairman of the board of directors, his son Howard will make sure that the company policy continues to reflect Warren's wishes and objectives.

**v Mrs. Buffett, thank you so much for the interview.**