

Longleaf Partners Funds — TAX INFORMATION

2008 SOURCES OF DISTRIBUTIONS

CAPITAL GAIN DISTRIBUTION

Record date: November 5, 2008

Paid: November 6, 2008

Short-term Capital Gain	
Ordinary Income	
Subtotal Taxed as Ordinary Income	
Long-term Capital Gain	
Total Distribution	
Reinvest price	
Recharacterization from long-term capital gain to ordinary income included in amounts above*	
Percentage of Subtotal Taxed as Ordinary Income from:	
Qualified Dividends	
Amount qualifying for calculation of the Dividends Received Deduction (corporate shareholders only)	

Partners #133	Small-Cap #134	International #136
\$0.0000	\$0.0000	\$0.3980
0.0014	0.0009	0.0013
0.0014	0.0009	0.3993
0.6716	0.4391	0.3407
\$0.6730	\$0.4400	\$0.7400
\$16.01	\$14.23	\$10.35
0.2139%	0.1945%	0.3879%
100.00%	100.00%	53.5716%
100.00	100.00	None

* A portion of the original distribution was recharacterized for tax purposes. If you receive tax reporting from Longleaf's transfer agent, PNC Global Investment Servicing, these amounts will be properly reflected on your Form 1099-DIV.

NET INCOME DISTRIBUTION

Record date: December 29, 2008

Paid: December 30, 2008

Ordinary Income	
Return of Capital**	
Total Distribution	
Reinvest price	

\$ 0.03	\$0.084046	\$0.042437
—	0.045954	0.017563
\$ 0.03	\$0.130000	\$0.060000
\$15.40	\$14.21	\$10.94

** Securities held by these Funds changed the tax nature of income paid in 2008. If you receive tax reporting from Longleaf's transfer agent, PNC Global Investment Servicing, this amount will be included in Box 3 on Form 1099-DIV and will not be taxable in 2008. However, you should reduce your cost basis in the related shares to account for this deferral in future periods. Please consult your tax advisor if you require assistance with this calculation.

Percentage of Net Income Distribution Ordinary Income from:	
Qualified Dividends	
Amount qualifying for calculation of the Dividends Received Deduction (corporate shareholders only)	
Interest on Repurchase Agreements	
Interest on Exempt Federal Obligations	
Interest on State/Municipal Obligations	

100.00%	100.00%	100.00%
100.00	100.00	40.1231
None	None	None
None	None	None
None	None	None

PLEASE SAVE THIS INFORMATION WITH YOUR TAX RECORDS

NOTE: Longleaf representatives are not able to offer tax advice. Please consult your tax advisor for further guidance. For questions about your account, call (800) 445-9469, option 0.

COST BASIS INFORMATION

The Internal Revenue Service allows several methods to calculate capital gains and losses. With any method, you will need a record of all the activity in your account and the historical tax treatment of all distributions. If you have saved your year-end statements and tax forms, you should have the information you need to calculate your gain or loss.

You may request copies of your account history or prior year tax forms by calling extension 100 at the toll free number on the front of this statement. The tax treatment history of Longleaf distributions is also available on our website www.longleafpartners.com. Please allow ten business days to process your request.

FOREIGN TAX CREDITS:

The Longleaf Partners International Fund is passing through a foreign tax credit for taxes withheld by foreign countries on dividends paid by portfolio companies. If your account is taxable, you may either deduct or take a tax credit for the foreign taxes paid. Claiming a tax credit is generally more advantageous because a deduction only reduces your income subject to tax, while a tax credit actually reduces the tax you owe on a dollar-for-dollar basis.

Tax rules impose a holding period requirement at the shareholder level. This requirement is generally met if you held your shares at least 16 days. You must take the deduction instead of the tax credit if this requirement is not met. **Please consult your tax advisor for a full analysis of your personal situation.**

If you take the tax credit, you may need to file Form 1116 (Form 1118 for corporations) which requires breaking out income and taxes paid by country. In most cases, the Internal Revenue Service allows taking a tax credit for up to \$300 (\$600 filing jointly) without completing this form. If you must complete Form 1116, you will need the following information:

Number of shares of the Longleaf Partners International Fund owned at December 29, 2008	
Multiplied by ordinary income per share	X \$0.042437
Ordinary income distribution	\$

To calculate gross income and foreign taxes paid:

Gross Income		Foreign Taxes Paid	
Ordinary income distribution		Ordinary income distribution	
	(per box above)		(per box above)
Multiplied by	X 1.651242	Multiplied by	X 0.651242
Gross income		Foreign taxes paid	

If you receive tax reporting from Longleaf’s transfer agent, PNC Global Investment Servicing, these amounts will be properly reflected on your form 1099-DIV.

PLEASE SEE REVERSE SIDE FOR ADDITIONAL INFORMATION