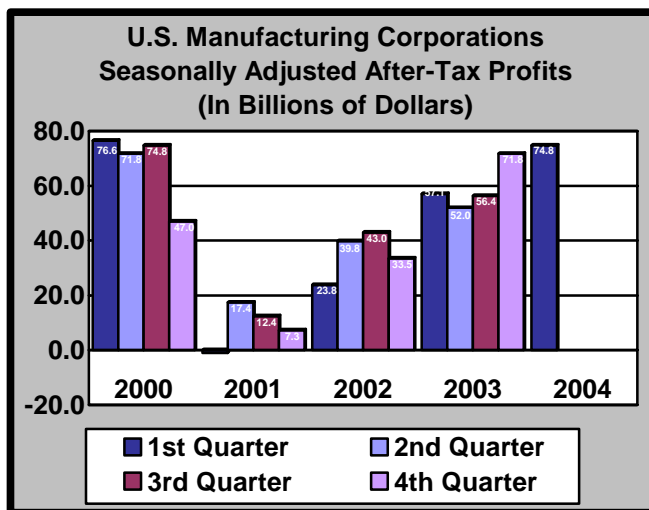


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**FIRST QUARTER 2004 ADVANCE DATA FROM THE QUARTERLY FINANCIAL REPORT
U.S. MANUFACTURING, MINING, AND TRADE CORPORATIONS**



**Seasonally Adjusted After-Tax Profits and Sales
Manufacturing Corporations**

Seasonally adjusted after-tax profits of U.S. manufacturing corporations totaled \$74.8 billion in the first quarter 2004, the Department of Commerce's U.S. Census Bureau reported. First quarter 2004 after-tax profits were up \$3.0 (± 1.3) billion from the \$71.8 billion recorded in the prior quarter due to an increase of \$2.0 (± 1.0) billion by durable manufacturers and \$1.0 (± 0.8) billion by nondurable manufacturers. First quarter 2004 after-tax profits were up \$17.7 (± 1.1) billion from the \$57.1 billion recorded in the same quarter a year ago.

Seasonally adjusted sales for these manufacturers totaled \$1,164.8 billion for the quarter, up \$50.7 (± 7.4) billion from the \$1,114.1 billion recorded in the fourth quarter 2003, and up \$64.0 (± 7.3) billion from the \$1,100.7 billion recorded in the same quarter a year ago.

After-tax profits averaged 6.4 cents per dollar of sales for the quarter, 6.4 cents last quarter and 5.2 cents in the same quarter a year ago.

Nondurable Goods Manufacturers

Nondurable goods manufacturers after-tax profits in the first quarter 2004 were at \$41.2 billion, up \$1.0 (± 0.8) billion from the \$40.2 billion recorded in the previous quarter, and down \$2.5 (± 0.6) billion from the \$43.7 billion in the first quarter 2003.

Seasonally adjusted sales for the quarter at \$557.8 billion were up \$26.7 (± 5.3) billion from the \$531.1 billion recorded in the prior quarter, and up \$18.9 (± 5.3) billion from the \$538.8 billion in the first quarter 2003.

After-tax profits averaged 7.4 cents per dollar of sales for the quarter, 7.6 cents last quarter and 8.1 cents a year ago.

Durable Goods Manufacturers

First quarter 2004 seasonally adjusted after-tax profits for durable goods manufacturers were \$33.6 billion, up \$2.0 (± 1.0) billion from the \$31.6 billion recorded in the previous quarter, and up \$20.2 (± 0.9) billion from \$13.4 billion in the first quarter 2003.

Seasonally adjusted sales for the quarter were \$607.0 billion, up \$24.0 (± 5.8) billion from the \$583.0 recorded in the previous quarter, and up \$45.1 (± 5.6) billion from the \$561.9 billion recorded in the first quarter 2003.

After-tax profits averaged 5.5 cents per dollar of sales for the quarter, 5.4 cents last quarter and 2.4 cents in the same quarter a year ago.

**Unadjusted After-Tax Profits and Sales
Manufacturing Corporations**

First quarter 2004 unadjusted after-tax profits for U.S. manufacturing corporations were \$75.9 billion, up \$17.7 (± 1.1) billion over the \$58.2 billion recorded in the same quarter a year ago. This improvement was mainly due to higher operating profits and equity income. When compared to the fourth quarter 2003 after-tax profits of \$68.0 billion, the first quarter 2004 after-tax profits were up \$7.9 (± 1.3) billion.

Unadjusted sales for the first quarter 2004 were \$1,135.9 billion, up \$63.9 (± 7.3) billion from the \$1,072.0 billion in the same quarter a year ago; and up \$20.6 (± 7.4) billion from the prior quarter sales of \$1,115.3 billion.

After-tax profits per dollar of sales averaged 6.7 cents this quarter, 6.1 cents last quarter, and 5.4 cents in the first quarter 2003.

Nondurable Goods Manufacturers

First quarter 2004 nondurable goods manufacturers' unadjusted after-tax profits at \$41.1 billion were down \$2.4 (± 0.6) billion from the \$43.6 billion recorded in the first quarter 2003. The largest declines were in chemicals, petroleum and coal products, and apparel and leather products. The chemicals decline of \$2.5 (± 0.4) billion was mainly due to lower nonoperating income and to nonrecurring charges in pharmaceuticals. Petroleum and coal products, and apparel and leather were each down \$1.9 (± 0.1 and ± 0.2 resp.) billion; the apparel and leather decline resulted from the absence of nonrecurring gains reported in the first quarter 2003. Partially offsetting these declines were increases in food products of \$1.5 (± 0.3) billion and beverage and tobacco products of \$1.1 (± 0.1) billion; both increases resulted from operating and nonoperating improvements.

Unadjusted sales for the first quarter 2004 were \$544.3 billion, up \$20.6 (± 5.3) billion from the \$523.7 billion in the same quarter a year ago; and up \$16.7 (± 5.3) billion from the prior quarter sales of \$527.6 billion.

After-tax profits per dollar of sales averaged 7.6 cents this quarter, 7.3 cents last quarter, and 8.3 cents in the first quarter 2003.

When compared to the fourth quarter 2003 after-tax profits of \$38.6 billion, the first quarter 2004 after-tax profits were up \$2.5 (± 0.8) billion. There was a slight improvement in most nondurable goods manufacturing categories after-tax positions this quarter. Textiles was the only industry reporting decreased profits this quarter over last, while petroleum and coal products, chemical products and food products remained relatively unchanged.

Durable Goods Manufacturers

First quarter 2004 durable goods manufacturers unadjusted after-tax profits of \$34.8 billion were up \$20.1 (± 0.9) billion from the \$14.6 billion recorded in the first quarter 2003. Most durable goods manufacturing categories improved their after-tax positions this quarter. Computers and electronics continued their recovery with an increase of \$9.1 (± 0.4) billion due to strong operating and equity income. Strong operating and equity income also contributed to machinery's \$3.0 (± 0.3) billion improvement. Fabricated metals overcame heavy nonrecurring charges of a year ago, showing an increase of \$2.4 (± 0.5) billion. Primary metals improved their operating position to show an increase of \$1.9 (± 0.1) billion. Transportation's gain of \$1.8 (± 0.2) billion resulted mainly from nonoperating and equity income.

Unadjusted sales for the first quarter 2004 were \$591.6 billion, up \$43.3 (± 5.6) billion from the \$548.3 billion in the same quarter a year ago; and not significantly different from the prior quarter sales of \$587.8 billion.

After-tax profits per dollar of sales averaged 5.9 cents this quarter, 5.0 cents last quarter, and 2.7 cents in the first quarter 2003.

When compared to the fourth quarter 2003 after-tax profits of \$29.4 billion, the first quarter 2004 after-tax profits increased \$5.4 (± 1.0) billion. There was a slight improvement in most durable goods manufacturing categories after-tax positions this quarter. Transportation equipment's operating profits contributed an increase of \$2.6 (± 0.3) billion. Primary metal industries reported an increase of \$1.9 (± 0.1) billion mainly from operating and equity earnings. Fabricated metal products reported an increase of \$1.8 (± 0.5) billion primarily due to the absence of nonrecurring charges of the fourth

quarter 2003 and improved equity earnings this quarter. Electrical equipment and appliances had a decrease in profits this quarter of \$1.5 (± 0.2) billion, following high operating profits in the prior quarter. Computer and electronics slipped slightly, \$1.3 (± 0.4) billion, from their strong showing of operating and equity income last quarter.

Mining Corporations

First quarter 2004 unadjusted after-tax profits for mining corporations with assets of \$50 million and over at \$3.9 billion were up \$0.4 (± 0.1) billion from the \$3.5 billion recorded in the first quarter 2003.

Unadjusted sales for the quarter were \$25.8 billion, up \$2.3 (± 0.2) billion from the same quarter a year ago.

After-tax profits per dollar of sales averaged 15.1 cents this quarter no change from the 15.1 cents in the first quarter 2003.

Wholesale Trade Corporations

First quarter 2004 unadjusted after-tax profits for wholesale trade corporations with assets of \$50 million and over at \$7.2 billion were up \$3.1 (± 0.4) billion from the \$4.1 billion recorded in the first quarter 2003.

Unadjusted sales this quarter were \$363.6 billion, up \$40.8 (± 6.2) billion from the same quarter a year ago.

After-tax profits per dollar of sales averaged 2.0 cents this quarter compared to 1.3 cents in the first quarter 2003.

NOTE

These advance data, based on quarterly financial reports from approximately 8,000 corporations, were released today from the Quarterly Financial Report for Manufacturing, Mining, and Trade Corporations - First quarter 2004 (QFR-04-1).

SAMPLING

The data presented in this report are estimated from a sample survey and therefore are subject to sampling variability as well as nonsampling variability such as response error, nonreporting, and coverage errors. Estimates of sampling variability are presented in the publication. A statement such as "up 2.5 (± 0.2) cents," appearing in the text, indicates the range (+2.4 to +2.7 cents) in which the actual change is likely to have occurred. The range given for the change is a 90 percent confidence interval that accounts only for sampling variability. If the range had contained zero (0), it would have been uncertain whether there was an increase or decrease; that is, the change would not have been statistically significant. For any comparison cited without a confidence interval, the change is statistically significant. The quarterly publication includes more detailed explanations of confidence intervals and sampling variability, along with additional measures of sampling variability.

DATA AVAILABILITY

This press release can be viewed today in page image format (.pdf) at our internet website (<http://www.census.gov/csd/qfr/>). In addition, more detailed information on U.S. Manufacturing, Mining, and Wholesale and Retail Trade Corporations is available for downloading at our website under "QFR Products: Publication". The publication includes income and retained earnings, balance sheets, and related financial and operating ratios. Data presented are classified by industry and asset size. The publication becomes available for sale approximately two weeks from the date of this release from the Superintendent of Documents, P.O. Box 371954, Pittsburgh, PA 15250-7954 (202-512-1800). Fax orders to (202) 512-2250 or phone orders to (202) 512-1800 (8am-4:30pm EST). The cost for an annual subscription is \$58 domestic and \$81.20 foreign. Data are also available on 3.5 inch diskettes from the U.S. Department of Commerce, Census Bureau (MS0801), P.O. Box 277943, Atlanta, GA 30384-7943 (301-763-INFO/301-763-4636). The cost for an annual subscription is \$80 domestic and \$105 foreign. The cost for a single diskette is \$50. All remittances from foreign countries must be by international money order or by draft on a U.S. bank.

First quarter 2004 advance data for U.S. Retail Corporations are scheduled for release on July 14, 2004.

Second quarter 2004 advance data for U.S. Manufacturing, Mining and Wholesale Trade Corporations are scheduled for release on September 13, 2004.

Table 1. All U.S. Manufacturing Corporations

Item	Seasonally adjusted			Unadjusted		
	1Q 2004	4Q 2003 ¹	1Q 2003 ¹	1Q 2004	4Q 2003 ¹	1Q 2003 ¹
Rate of return (after taxes):						
Cents per dollar of sales	6.4	6.4	5.2	6.7	6.1	5.4
Percent on equity (annual rate)	NA	NA	NA	14.5	13.4	12.6
	(million dollars)					
Sales	1,164,782	1,114,098	1,100,744	1,135,939	1,115,344	1,072,017
Income after income taxes	74,768	71,782	57,100	75,866	67,974	58,170
Dividends paid (cash)	NA	NA	NA	23,176	28,980	20,744

¹Revised.

Table 2. U.S. Manufacturing Corporations Seasonally Adjusted Sales And Net Income After-Tax¹

Industry group and year	Sales ²				After-tax profits ²			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
	(million dollars)				(million dollars)			
All manufacturing:								
1994.....	784,480	802,932	825,243	841,881	36,406	41,172	45,446	52,039
1995.....	871,422	872,470	883,419	900,235	52,739	52,033	49,365	44,166
1996.....	914,317	932,079	948,074	962,258	51,126	54,089	61,226	58,682
1997.....	965,820	971,481	986,295	996,821	60,570	62,048	61,885	60,281
1998.....	989,479	980,891	985,347	995,535	74,394	49,427	61,199	49,669
1999.....	1,002,486	1,025,679	1,047,336	1,073,991	59,387	63,940	67,226	67,416
2000.....	1,119,365	1,126,812	1,144,906	1,123,534	76,637	71,774	74,814	47,028
2001.....	1,114,153	1,091,909	1,059,948	1,031,091	(965)	17,368	12,355	7,332
2002.....	1,022,268	1,046,968	1,066,690	1,080,926	23,775	39,804	42,952	33,481
2003.....	1,100,744	1,071,636	1,108,364	1,114,098	57,100	52,014	56,373	71,782
2004.....	1,164,782				74,768			
All nondurable manufacturing:								
1994.....	387,252	394,627	405,684	410,125	18,983	19,826	22,465	26,542
1995.....	425,735	427,367	430,748	436,361	25,871	28,197	27,612	22,224
1996.....	442,254	451,858	457,578	463,824	28,036	28,308	32,133	30,443
1997.....	463,217	455,733	461,020	464,894	33,397	30,676	30,518	28,712
1998.....	452,014	445,384	443,109	441,401	29,769	28,514	30,835	17,614
1999.....	445,246	452,186	460,504	477,081	26,502	28,863	31,446	30,716
2000.....	506,762	513,912	527,309	505,582	37,557	38,513	37,356	28,944
2001.....	507,873	504,979	488,611	473,362	31,702	34,059	27,496	18,941
2002.....	462,505	477,686	497,314	518,785	26,797	28,959	31,554	31,178
2003.....	538,826	514,280	532,550	531,095	43,701	34,191	31,109	40,179
2004.....	557,772				41,214			
All durable manufacturing:								
1994.....	397,227	408,305	419,560	431,755	17,423	21,345	22,981	25,497
1995.....	445,687	445,103	452,671	463,873	26,868	23,836	21,753	21,942
1996.....	472,063	480,221	490,496	498,434	23,090	25,781	29,093	28,239
1997.....	502,603	515,748	525,275	531,927	27,173	31,372	31,367	31,569
1998.....	537,465	535,507	542,237	554,134	44,626	20,912	30,364	32,055
1999.....	557,240	573,494	586,831	596,910	32,885	35,077	35,780	36,700
2000.....	612,604	612,900	617,596	617,953	39,081	33,261	37,458	18,084
2001.....	606,280	586,930	571,337	557,729	(32,667)	(16,691)	(15,142)	(11,608)
2002.....	559,763	569,282	569,376	562,141	(3,022)	10,845	11,397	2,303
2003.....	561,918	557,357	575,815	583,003	13,399	17,823	25,264	31,604
2004.....	607,010				33,554			

¹Data after fourth quarter 2000 are presented on the North American Industry Classification System basis. Data prior to fourth quarter 2000 are presented on the Standard Industrial Classification system basis. Comparisons of these data are useful only for trend analysis.

²Revised.

Table 3. U.S. Manufacturing, Mining, And Trade Corporations Unadjusted Sales And Profits

Industry group	Sales			Operating profits ²			After-tax profits		
	1Q 2004	4Q 2003 ¹	1Q 2003 ¹	1Q 2004	4Q 2003 ¹	1Q 2003 ¹	1Q 2004	4Q 2003 ¹	1Q 2003 ¹
	(million dollars)								
All manufacturing ³	1,135,939	1,115,344	1,072,017	66,684	53,240	53,235	75,866	67,974	58,170
All nondurable manufacturing	544,293	527,559	523,697	38,707	32,969	35,990	41,110	38,608	43,552
Food.....	95,296	98,396	86,918	6,119	6,878	4,959	4,721	4,903	3,180
Beverage and tobacco products	32,146	33,828	31,887	5,373	5,229	5,096	5,012	4,291	3,887
Textile mills and textile product mills	12,007	11,600	11,231	390	326	424	110	258	597
Apparel and leather products	21,534	21,485	20,588	1,515	1,602	1,314	1,318	759	3,196
Paper.....	39,044	38,815	35,303	1,973	1,624	1,351	1,108	610	282
Printing and related support activities	16,490	17,141	17,496	1,356	1,034	961	828	415	358
Petroleum and coal products.....	157,943	140,828	156,205	5,139	2,045	7,244	11,373	11,371	13,313
Chemicals.....	137,395	133,604	135,761	15,264	12,921	13,431	15,857	15,506	18,307
Basic chemicals, resins, and synthetics ⁴	41,952	38,589	39,372	1,903	1,107	1,420	1,882	(414)	1,098
Pharmaceuticals and medicines ⁴	56,913	57,233	60,483	9,199	8,161	8,788	10,034	12,575	14,264
All other chemicals ⁴	38,530	37,781	35,906	4,162	3,653	3,224	3,941	3,345	2,944
Plastics and rubber products	32,437	31,862	28,307	1,578	1,309	1,210	783	495	432
All durable manufacturing	591,646	587,786	548,320	27,977	20,271	17,245	34,756	29,366	14,619
Wood products	16,284	15,956	14,014	1,306	1,083	267	930	694	45
Nonmetallic mineral products.....	20,066	22,192	18,132	490	1,179	162	106	(681)	(479)
Primary metals	38,168	33,822	32,297	1,944	253	103	1,681	(264)	(242)
Iron, steel, and ferroalloys ⁴	18,299	15,324	13,881	741	(180)	(400)	599	(920)	(551)
Nonferrous metals ⁴	15,775	14,473	13,682	979	388	265	1,003	693	275
Foundries ⁴	4,095	4,025	4,734	224	45	237	78	(37)	34
Fabricated metal products	53,373	50,893	47,875	4,087	2,564	3,080	2,908	1,094	459
Machinery	65,473	65,426	59,257	4,177	3,249	1,606	3,488	2,699	486
Computer and electronic products	115,432	118,391	104,386	5,189	5,768	808	10,455	11,785	1,360
Computer and peripheral equipment ⁴	35,930	37,990	33,868	203	1,154	348	3,191	5,027	2,298
Communications equipment ⁴	22,909	23,160	20,012	926	407	(388)	2,395	2,187	(625)
All other electronic products ⁴	56,594	57,241	50,506	4,060	4,207	848	4,868	4,571	(313)
Electrical equipment, appliances, and components	45,253	48,894	42,254	2,342	3,499	2,578	4,406	5,906	4,080
Transportation equipment	196,973	190,989	190,395	4,886	(205)	5,276	7,936	5,291	6,132
Motor vehicles and parts ⁴	143,952	136,041	141,707	990	(4,000)	2,536	5,041	1,665	4,602
Aerospace products and parts ⁴	43,740	46,052	41,422	2,995	3,016	2,118	2,254	3,011	1,140
Furniture and related products	13,909	14,027	12,968	747	743	702	387	274	452
Miscellaneous manufacturing	26,713	27,196	26,742	2,810	2,140	2,664	2,459	2,568	2,326
All mining ³	25,777	23,970	23,462	5,163	3,264	4,587	3,899	2,179	3,539
All wholesale trade ³	363,612	368,292	322,785	9,729	10,504	6,974	7,175	3,842	4,124
All retail trade ³	N/A	418,463	354,328	N/A	23,123	15,402	N/A	14,672	11,283

¹Revised.

²Operating profits are profits before nonoperating income and expense items and income taxes.

³Manufacturing data are the quarterly results of companies within that division with assets over \$250,000; whereas, data for mining and trade corporations represent the quarterly results of companies with assets over \$50 million.

⁴Included in major industry above.

