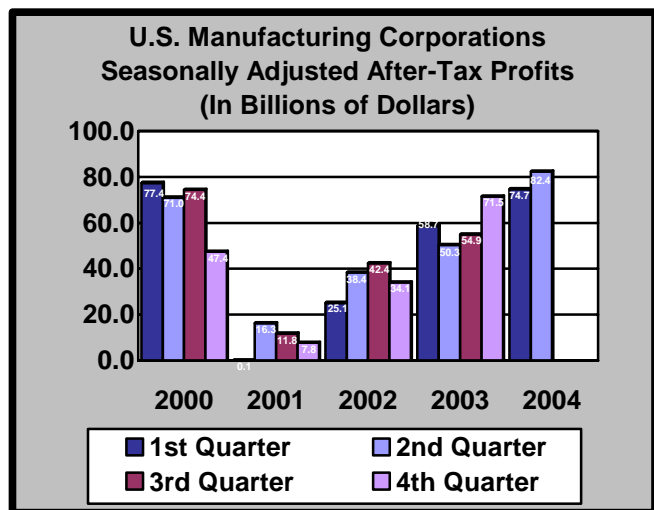


U.S. Census Bureau Contact:
Yolando St. George (301) 763-6600
John Seabold (301) 763-3386
e-mail: csd.qfr@census.gov

For Release Monday, September 13, 2004
10 a.m.(EDT)
CB04-157

**SECOND 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 \$82.4 billion in the second quarter 2004, the Department of Commerce's U.S. Census Bureau reported. Second quarter 2004 after-tax profits were up \$7.8 (± 1.1) billion from the \$74.7 billion recorded in the prior quarter due to an increase of \$4.8 (± 1.0) billion by durable manufacturers and \$3.0 (± 0.6) billion by nondurable manufacturers. Second quarter 2004 after-tax profits were up \$32.2 (± 1.2) billion from the \$50.3 billion recorded in the same quarter a year ago.

Seasonally adjusted sales for these manufacturers totaled \$1,199.2 billion for the quarter, up \$33.8 (± 7.8) billion from the \$1,165.4 billion recorded in the first quarter 2004, and up \$128.1 (± 7.6) billion from the \$1,071.1 billion recorded the year before.

After-tax profits averaged 6.9 cents per dollar of sales for the quarter, 6.4 cents last quarter, and 4.7 cents a year ago.

Nondurable Goods Manufacturers

Nondurable goods manufacturers' after-tax profits in the second quarter 2004 were \$43.5 billion, up \$3.0 (± 0.6) billion from the \$40.5 billion recorded in the previous quarter, and up \$10.0 (± 0.7) billion from the \$33.5 billion in the second quarter 2003.

Seasonally adjusted sales for the quarter were \$575.7 billion, up \$17.3 (± 5.6) billion from the \$558.4 billion recorded in the prior quarter, and up \$62.5 (± 6.3) billion from the \$513.3 billion in the second quarter 2003.

After-tax profits averaged 7.6 cents per dollar of sales for the quarter, 7.3 cents last quarter, and 6.5 cents a year ago.

Durable Goods Manufacturers

Second quarter 2004 seasonally adjusted after-tax profits for durable goods manufacturers were \$38.9 billion, up \$4.8 (± 1.0) billion from the \$34.2 billion recorded in the previous quarter, and up \$22.1 (± 1.0) billion from the \$16.8 billion in the second quarter 2003.

Seasonally adjusted sales for the quarter were \$623.5 billion, up \$16.5 (± 6.1) billion from the \$607.0 billion recorded in the previous quarter, and up \$65.6 (± 6.0) billion from the \$557.9 billion recorded in the second quarter 2003.

After-tax profits averaged 6.2 cents per dollar of sales for the quarter, 5.6 cents last quarter, and 3.0 cents a year ago.

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

Second quarter 2004 unadjusted after-tax profits for U.S. manufacturing corporations were \$89.5 billion, up \$31.7 (± 1.2) billion over the \$57.8 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 first quarter 2004 after-tax profits of \$74.1 billion, the second quarter 2004 after-tax profits were up \$15.4 (± 1.1) billion.

Unadjusted sales for the second quarter 2004 were \$1,227.6 billion, up \$130.7 (± 7.6) billion from the \$1,096.9 billion in the same quarter a year ago, and up \$93.1 (± 7.8) billion from the prior quarter sales of \$1,134.5 billion.

After-tax profits per dollar of sales averaged 7.3 cents this quarter, 6.5 cents last quarter, and 5.3 cents in the second quarter 2003.

Nondurable Goods Manufacturers

Second quarter 2004 nondurable goods manufacturers' unadjusted after-tax profits of \$45.7 billion were up \$9.7 (± 0.7) billion from the \$36.0 billion recorded in the second quarter 2003. Most nondurable categories were up. Petroleum and coal products contributed the largest increase, \$6.2 (± 0.1) billion, mainly due to equity income and the absence of the nonrecurring charges of a year ago. Equity income also played a big role in the increases reported by the food products, paper products, and pharmaceuticals and medicines. The changes in all other chemical products and plastics and rubber products were not statistically significant.

Unadjusted sales for the second quarter 2004 were \$586.5 billion, up \$62.5 (± 6.3) billion from the \$524.0 billion in the same quarter a year ago, and up \$42.9 (± 5.6) billion from the prior quarter sales of \$543.6 billion.

After-tax profits per dollar of sales averaged 7.8 cents this quarter, 7.4 cents last quarter, and 6.9 cents in the second quarter 2003.

When compared to the first quarter 2004 after-tax profits of \$40.1 billion, the second quarter 2004 after-tax profits were up \$5.6 (± 0.6) billion. Most nondurable categories were up when compared to last quarter. Petroleum and coal products again led the field with increased operating profits of \$3.4 (± 0.1) billion as well as nonrecurring gains. Beverage and tobacco products showed improvements in all areas resulting in an increase of \$1.9 (± 0.1) billion. Pharmaceuticals and medicines' high operating costs were partly offset by the absence of the high nonrecurring charges last quarter, resulting in a net decrease of \$0.7 (± 0.3) billion.

Durable Goods Manufacturers

Second quarter 2004 durable goods manufacturers unadjusted after-tax profits of \$43.8 billion were up \$22.0 (± 1.0) billion from the \$21.8 billion recorded in the second quarter 2003. Most durable goods manufacturing categories improved their after-tax positions this quarter. Computers and electronics' increase of \$6.9 (± 0.5) billion was due to strong operating and equity income. Strong operating and equity income also contributed to the improvement of motor vehicles and parts' \$3.6 (± 0.2) billion, machinery's \$2.6 (± 0.4) billion, as well as that of iron, steel and ferroalloys' \$2.0 (± 0.1) billion.

Unadjusted sales for the second quarter 2004 were \$641.1 billion, up \$68.2 (± 6.0) billion from the \$572.9 billion in the same quarter a year ago, and up \$50.2 (± 6.1) billion from the prior quarter sales of \$590.9 billion.

After-tax profits per dollar of sales averaged 6.8 cents this quarter, 5.8 cents last quarter, and 3.8 cents in the second quarter 2003.

When compared to the first quarter 2004 after-tax profits of \$34.0 billion, the second quarter 2004 after-tax profits increased \$9.8 (± 1.0) billion. Most durable goods manufacturing categories improved their after-tax positions this quarter. Machinery's increase of \$2.0 (± 0.3) billion resulted from stronger operating profits. Motor vehicles and parts' operating income contributed to their increase of \$1.9 (± 0.2) billion. Nonmetallic mineral products rebounded from last quarter's disappointing operating profits with an increase of \$1.3 (± 0.2) billion. Fabricated metal products and electrical equipment, appliances, and components also improved their operating profits this quarter over the last.

Mining Corporations

Second quarter 2004 unadjusted after-tax profits for mining corporations with assets of \$50 million and over at \$4.0 billion were up \$1.1 (± 0.1) billion from the \$3.0 billion recorded in the second quarter 2003.

Unadjusted sales for the quarter were \$27.2 billion, up \$4.2 (± 0.2) billion from the \$23.0 billion in the same quarter a year ago.

After-tax profits per dollar of sales averaged 14.7 cents this quarter compared to the 12.8 cents in the second quarter 2003.

Wholesale Trade Corporations

Second quarter 2004 unadjusted after-tax profits for wholesale trade corporations with assets of \$50 million and over at \$8.4 billion were up \$3.6 (± 0.3) billion from the \$4.8 billion recorded in the second quarter 2003.

Unadjusted sales this quarter were \$380.6 billion, up \$48.4 (± 6.4) billion from the \$332.2 billion in the same quarter a year ago.

After-tax profits per dollar of sales averaged 2.2 cents this quarter compared to 1.5 cents in the second 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 - Second quarter 2004 (QFR-04-2).

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 (+2.3 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 the 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 statements of 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.

Second quarter 2004 advance data for U.S. Retail Corporations are scheduled for release on October 13, 2004.

Third quarter 2004 advance data for U.S. Manufacturing, Mining and Wholesale Trade Corporations are scheduled for release on December 14, 2004.

Table 1. All U.S. Manufacturing Corporations

Item	Seasonally adjusted			Unadjusted		
	2Q 2004	1Q 2004 ¹	2Q 2003 ¹	2Q 2004	1Q 2004 ¹	2Q 2003 ¹
Rate of return (after taxes):						
Cents per dollar of sales	6.9	6.4	4.7	7.3	6.5	5.3
Percent on equity (annual rate)	NA	NA	NA	16.6	14.1	11.9
	(million dollars)					
Sales	1,199,240	1,165,432	1,071,117	1,227,572	1,134,511	1,096,910
Income after income taxes	82,430	74,655	50,275	89,501	74,058	57,815
Dividends paid (cash)	NA	NA	NA	30,143	25,413	28,874

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.....	784,482	802,934	825,252	841,863	36,441	41,151	45,417	52,046
1995.....	871,428	872,475	883,439	900,181	52,815	51,972	49,320	44,192
1996.....	914,355	932,088	948,095	962,145	51,247	53,974	61,168	58,721
1997.....	965,929	971,488	986,319	996,578	60,764	61,859	61,799	60,333
1998.....	989,768	980,865	985,309	995,245	74,730	49,093	61,067	49,764
1999.....	1,002,933	1,025,622	1,047,219	1,073,595	59,923	63,414	66,991	67,624
2000.....	1,120,135	1,126,638	1,144,679	1,123,099	77,375	71,046	74,424	47,378
2001.....	1,115,154	1,091,613	1,059,684	1,030,585	70	16,314	11,844	7,839
2002.....	1,023,577	1,046,446	1,066,351	1,080,347	25,099	38,407	42,361	34,122
2003.....	1,098,621	1,071,117	1,107,925	1,113,251	58,686	50,275	54,914	71,505
2004.....	1,165,432	1,199,240			74,655	82,430		
All nondurable manufacturing:								
1994.....	387,255	394,635	405,688	410,109	18,994	19,819	22,457	26,548
1995.....	425,739	427,373	430,767	436,315	25,878	28,194	27,602	22,235
1996.....	442,282	451,864	457,601	463,741	28,037	28,307	32,124	30,455
1997.....	463,282	455,744	461,054	464,705	33,398	30,671	30,508	28,727
1998.....	452,212	445,368	443,106	441,183	29,785	28,480	30,829	17,648
1999.....	445,547	452,138	460,463	476,814	26,534	28,782	31,435	30,792
2000.....	507,230	513,803	527,173	505,394	37,623	38,349	37,315	29,109
2001.....	508,364	504,825	488,443	473,171	31,850	33,715	27,456	19,205
2002.....	463,172	477,364	497,081	518,579	27,034	28,427	31,514	31,543
2003.....	538,510	513,254	532,158	529,905	44,002	33,462	30,581	39,706
2004.....	558,409	575,735			40,488	43,486		
All durable manufacturing:								
1994.....	397,227	408,299	419,564	431,754	17,447	21,332	22,960	25,498
1995.....	445,689	445,102	452,672	463,866	26,938	23,778	21,718	21,957
1996.....	472,073	480,224	490,494	498,404	23,211	25,667	29,045	28,266
1997.....	502,647	515,744	525,265	531,873	27,366	31,189	31,291	31,607
1998.....	537,556	535,498	542,203	554,063	44,945	20,614	30,238	32,117
1999.....	557,385	573,484	586,755	596,781	33,389	34,632	35,556	36,832
2000.....	612,905	612,835	617,506	617,705	39,753	32,696	37,109	18,269
2001.....	606,790	586,788	571,240	557,414	(31,781)	(17,401)	(15,612)	(11,367)
2002.....	560,405	569,082	569,270	561,768	(1,935)	9,980	10,847	2,580
2003.....	560,110	557,862	575,767	583,345	14,684	16,813	24,333	31,798
2004.....	607,023	623,505			34,167	38,944		

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 ¹			After-tax profits		
	2Q 2004	1Q 2004 ²	2Q 2003 ²	2Q 2004	1Q 2004 ²	2Q 2003 ²	2Q 2004	1Q 2004 ²	2Q 2003 ²
	(million dollars)								
All manufacturing ³	1,227,572	1,134,511	1,096,910	83,497	65,907	64,210	89,501	74,058	57,815
All nondurable manufacturing	586,508	543,617	524,023	42,783	36,891	40,163	45,665	40,068	35,996
Food.....	101,207	94,756	89,056	5,942	6,075	5,448	4,525	4,669	3,818
Beverage and tobacco products	35,940	31,939	35,393	6,373	5,082	6,408	6,916	5,052	6,445
Textile mills and textile product mills	12,936	11,934	12,326	678	370	474	331	75	43
Apparel and leather products	23,964	21,337	20,526	1,896	1,477	1,359	1,503	1,294	1,074
Paper.....	41,018	38,180	36,096	2,779	1,927	1,692	1,607	1,157	904
Printing and related support activities	16,445	16,654	17,047	1,228	1,326	1,106	614	786	419
Petroleum and coal products.....	174,023	158,003	141,318	8,882	5,157	7,142	14,823	11,393	8,667
Chemicals.....	145,329	138,659	140,469	12,731	13,880	14,402	14,240	14,779	13,540
Basic chemicals, resins, and synthetics ⁴	44,678	42,724	40,181	2,086	1,902	2,118	2,038	1,867	1,748
Pharmaceuticals and medicines ⁴	58,018	57,365	60,355	5,911	7,771	8,188	8,342	9,005	7,699
All other chemicals ⁴	42,633	38,571	39,933	4,734	4,207	4,096	3,861	3,907	4,092
Plastics and rubber products	35,645	32,154	31,792	2,273	1,597	2,132	1,107	863	1,087
All durable manufacturing	641,064	590,895	572,887	40,714	29,016	24,047	43,836	33,990	21,818
Wood products	18,524	16,273	15,456	1,905	1,291	775	1,606	925	449
Nonmetallic mineral products.....	24,956	19,919	23,060	2,459	432	2,134	1,404	87	1,096
Primary metals	43,771	37,894	33,659	3,791	1,982	313	3,226	1,720	40
Iron, steel, and ferroalloys ⁴	22,442	18,119	14,941	2,285	751	(304)	1,651	617	(317)
Nonferrous metals ⁴	16,925	15,639	13,894	1,159	974	406	1,309	970	291
Foundries ⁴	4,404	4,136	4,824	347	257	212	266	133	65
Fabricated metal products	58,621	53,514	51,658	5,501	4,099	4,269	4,184	2,919	2,822
Machinery	74,483	65,203	66,083	6,375	4,289	4,257	5,506	3,482	2,918
Computer and electronic products	120,288	114,446	105,610	5,676	4,826	2,344	9,127	9,785	2,228
Computer and peripheral equipment ⁴	35,646	35,262	35,207	591	(86)	909	2,601	2,429	2,991
Communications equipment ⁴	25,406	22,862	19,922	540	842	(446)	1,989	2,431	209
All other electronic products ⁴	59,235	56,322	50,482	4,546	4,070	1,881	4,537	4,925	(973)
Electrical equipment, appliances, and components	52,422	45,203	45,827	3,377	2,362	3,163	5,607	4,426	4,849
Transportation equipment	205,696	198,210	192,508	7,767	6,308	3,796	10,543	7,999	5,282
Motor vehicles and parts ⁴	150,142	145,170	142,316	3,390	2,425	394	6,983	5,120	3,359
Aerospace products and parts ⁴	45,533	43,721	42,437	3,191	2,993	2,572	2,591	2,252	1,396
Furniture and related products	14,928	13,874	13,092	902	734	687	414	377	293
Miscellaneous manufacturing	27,373	26,358	25,934	2,961	2,693	2,311	2,219	2,270	1,842
All mining ³	27,215	25,719	22,992	5,736	5,122	4,134	4,014	3,952	2,951
All wholesale trade ³	380,640	358,681	332,204	11,650	10,118	8,041	8,384	7,146	4,833
All retail trade ³	N/A	393,272	364,786	N/A	19,878	16,586	N/A	11,529	9,612

¹Operating profits are profits before nonoperating income and expense items and income taxes.

²Revised.

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.

