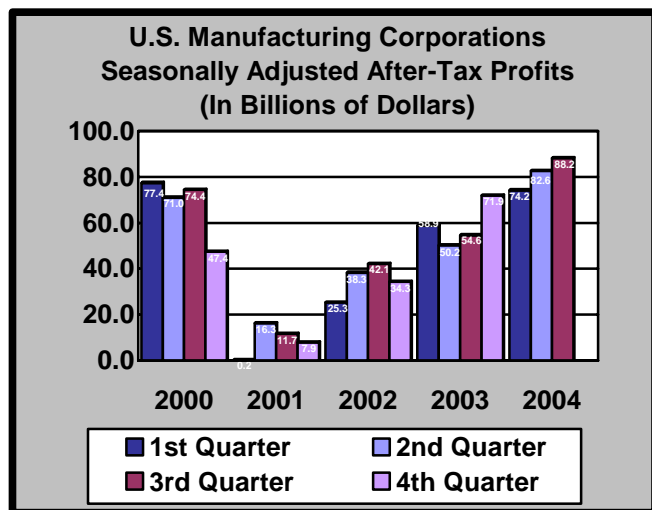


U.S. Census Bureau Contact:
Yolando St. George (301) 763-6600
John Seabold (301) 763-3386
e-mail: csd.qfr@census.gov

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**THIRD 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 \$88.2 billion in the third quarter 2004, the Department of Commerce's U.S. Census Bureau reported. Third quarter 2004 after-tax profits were up \$5.5 (± 1.2) billion from the \$82.6 billion recorded in the previous quarter, with nondurable manufacturers showing an increase of \$3.0 (± 0.7) billion and durable manufacturers showing an increase of \$2.5 (± 1.0) billion. Third quarter 2004 after-tax profits were up \$33.6 (± 1.2) billion from the \$54.6 billion recorded in the same quarter a year ago.

Seasonally adjusted sales for these manufacturers totaled \$1,230.0 billion for the quarter, up \$21.2 (± 8.1) billion from the \$1,208.7 billion recorded in the second quarter 2004, and up \$127.1 (± 7.7) billion from the \$1,102.8 billion recorded the year before.

After-tax profits averaged 7.2 cents per dollar of sales for the quarter, 6.8 cents last quarter, and 4.9 cents a year ago.

Nondurable Goods Manufacturers

Nondurable goods manufacturers' after-tax profits in the third quarter 2004 were \$46.6 billion, up \$3.0 (± 0.7) billion from the \$43.6 billion recorded in the previous quarter, and up \$16.5 (± 0.7) billion from the \$30.2 billion in the third quarter 2003.

Seasonally adjusted sales for the quarter were \$586.1 billion, up \$10.3 (± 5.8) billion from the \$575.8 billion recorded in the prior quarter, and up \$53.6 (± 5.6) billion from the \$532.5 billion in the third quarter 2003.

After-tax profits averaged 8.0 cents per dollar of sales for the quarter, 7.6 cents last quarter, and 5.7 cents a year ago.

Durable Goods Manufacturers

Third quarter 2004 seasonally adjusted after-tax profits for durable goods manufacturers were \$41.5 billion, up \$2.5 (± 1.0) billion from the \$39.0 billion recorded in the previous quarter, and up \$17.1 (± 0.9) billion from \$24.4 billion in the third quarter 2003.

Seasonally adjusted sales for the quarter were \$643.8 billion, up \$10.9 (± 6.3) billion from the \$632.9 billion recorded in the previous quarter, and up \$73.5 (± 6.0) billion from the \$570.3 billion recorded in the third quarter 2003.

After-tax profits averaged 6.5 cents per dollar of sales for the quarter, 6.2 cents last quarter, and 4.3 cents a year ago.

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

Third quarter 2004 unadjusted after-tax profits for U.S. manufacturing corporations were \$86.4 billion, up \$33.8 (± 1.2) billion over the \$52.6 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 second quarter 2004 after-tax profits of \$89.8 billion, the third quarter 2004 after-tax profits were down \$3.3 (± 1.2) billion.

Unadjusted sales for the third quarter 2004 were \$1,237.7 billion, up \$128.3 (± 7.7) billion from the \$1,109.4 billion in the same quarter a year ago, and up \$8.8 (± 8.1) billion from the prior quarter sales of \$1,228.9 billion.

After-tax profits per dollar of sales averaged 7.0 cents this quarter, 7.3 cents last quarter, and 4.7 cents in the third quarter 2003.

Nondurable Goods Manufacturers

Third quarter 2004 nondurable goods manufacturers' unadjusted after-tax profits of \$47.2 billion were up \$16.6 (± 0.7) billion from the \$30.6 billion recorded in the third quarter 2003. Most nondurable categories were up when compared to this quarter last year. Chemical products contributed the largest increase, \$6.9 (± 0.4) billion mainly due to the absence of the high nonrecurring charges reported this quarter a year ago as well as an increase in equity earnings. Beverage and tobacco products reported an increase of \$3.4 (± 0.1) billion also resulting from the absence of nonrecurring charges from the same quarter a year ago. Petroleum and coal products reported an increase of \$3.8 (± 0.1) billion mainly due to equity earnings partially offset by a small decline in domestic operating profits.

Unadjusted sales for the third quarter 2004 were \$593.6 billion, up \$53.9 (± 5.6) billion from the \$539.8 billion in the same quarter a year ago, and up \$7.3 (± 5.8) billion from the prior quarter sales of \$586.4 billion.

After-tax profits per dollar of sales averaged 8.0 cents this quarter, 7.8 cents last quarter, and 5.7 cents in the third quarter 2003.

When compared to the second quarter 2004 after-tax profits of \$45.6 billion, the third quarter 2004 after-tax profits were up \$1.6 (± 0.7) billion. Results were mixed in these industry categories. Chemicals reported an increase in profits of \$3.8 (± 0.5) billion, mainly from domestic operations with a slight decrease in equity earnings. Petroleum and coal products reported an overall decrease in profits of \$2.0 (± 0.1) billion, mainly due to domestic operations.

Durable Goods Manufacturers

Third quarter 2004 durable goods manufacturers unadjusted after-tax profits of \$39.2 billion were up \$17.2 (± 0.9) billion from the \$22.0 billion recorded in the third quarter 2003. Most durable goods manufacturing categories improved their after-tax positions this quarter. Computers and electronics' increase of \$6.4 (± 0.5) billion, machinery's increase of \$4.1 (± 0.3) billion, and primary metals' increase of \$3.6 (± 0.1) billion were mainly due to strong operating profits. Machinery's nonrecurring charges were also less than a year ago. Transportation equipment's increase of \$2.8 (± 0.2) billion was due to increased operating profits, slightly offset by nonrecurring charges and lower equity earnings.

Unadjusted sales for the third quarter 2004 were \$644.1 billion, up \$74.4 (± 6.0) billion from the \$569.7 billion in the same quarter a year ago, but not statistically significantly different from the prior quarter sales of \$642.5 billion.

After-tax profits per dollar of sales averaged 6.1 cents this quarter, 6.9 cents last quarter, and 3.9 cents in the third quarter 2003.

When compared to the second quarter 2004 after-tax profits of \$44.2 billion, the third quarter 2004 after-tax profits decreased \$5.0 (± 1.0) billion. Results were mixed in these industry categories. Transportation equipment reported a decrease in profits of \$3.7 (± 0.3) billion resulting from increased nonrecurring charges and lower equity income in the motor vehicles and parts industry. Nonmetallic mineral products reported equity losses, their overall earnings decreased by \$2.9 (± 0.1) billion. Of those industries showing increased earnings over the previous quarter, computers and electronic products had the largest, increasing \$1.3 (± 0.5) billion.

Mining Corporations

Third quarter 2004 unadjusted after-tax profits for mining corporations with assets of \$50 million and over, at \$4.5 billion, were up \$1.4 (± 0.1) billion from the \$3.1 billion recorded in the third quarter 2003.

Unadjusted sales for the quarter were \$28.3 billion, up \$5.0 (± 0.2) billion from the \$23.3 billion in the same quarter a year ago.

After-tax profits per dollar of sales averaged 15.8 cents this quarter compared to the 13.2 cents in the third quarter 2003.

Wholesale Trade Corporations

Third quarter 2004 unadjusted after-tax profits for wholesale trade corporations with assets of \$50 million and over, at \$9.0 billion, were up \$2.9 (± 0.3) billion from the \$6.1 billion recorded in the third quarter 2003.

Unadjusted sales this quarter were \$382.7 billion, up \$46.5 (± 7.1) billion from the \$336.2 billion in the same quarter a year ago.

After-tax profits per dollar of sales averaged 2.4 cents this quarter compared to 1.8 cents in the third quarter 2003.

NOTE

This 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](#) - Third quarter 2004 (QFR-04-3).

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.

Third quarter 2004 advance data for U.S. Retail Corporations are scheduled for release on January 12, 2005.

Fourth quarter 2004 advance data for U.S. Manufacturing, Mining, Wholesale Trade and Retail Trade Corporations are scheduled for release on April 4, 2005.

Table 1. U.S. Manufacturing Corporations

Item	Seasonally adjusted			Unadjusted		
	3Q 2004	2Q 2004 ¹	3Q 2003 ¹	3Q 2004	2Q 2004 ¹	3Q 2003 ¹
Rate of return (after taxes):						
Cents per dollar of sales	7.2	6.8	4.9	7.0	7.3	4.7
Percent on equity (annual rate)	N/A	N/A	N/A	15.8	16.7	10.8
	(million dollars)					
Sales	1,229,876	1,208,718	1,102,756	1,237,721	1,228,877	1,109,436
Income after income taxes	88,166	82,629	54,560	86,449	89,791	52,631
Dividends paid (cash)	N/A	N/A	N/A	26,874	30,230	31,423

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.....	784,626	803,374	825,118	841,602	36,425	41,123	45,457	52,049
1995.....	871,438	872,719	883,392	900,037	52,815	51,915	49,374	44,197
1996.....	914,336	932,251	948,072	962,044	51,254	53,900	61,225	58,735
1997.....	965,905	971,611	986,330	996,469	60,776	61,775	61,849	60,353
1998.....	989,745	980,971	985,336	995,133	74,754	49,007	61,094	49,796
1999.....	1,002,909	1,025,751	1,047,211	1,073,440	59,963	63,328	66,989	67,661
2000.....	1,120,199	1,126,861	1,144,402	1,123,067	77,442	70,970	74,358	47,439
2001.....	1,115,144	1,092,361	1,058,420	1,031,520	175	16,252	11,686	7,940
2002.....	1,022,513	1,048,580	1,063,459	1,082,981	25,250	38,345	42,118	34,269
2003.....	1,095,365	1,075,554	1,102,756	1,118,943	58,876	50,195	54,560	71,900
2004.....	1,158,844	1,208,718	1,229,876		74,216	82,629	88,166	
All nondurable manufacturing:								
1994.....	387,255	394,635	405,688	410,109	18,999	19,817	22,458	26,545
1995.....	425,740	427,373	430,767	436,314	25,881	28,192	27,603	22,233
1996.....	442,282	451,864	457,602	463,740	28,039	28,305	32,121	30,461
1997.....	463,282	455,746	461,055	464,702	33,397	30,667	30,502	28,740
1998.....	452,211	445,370	443,109	441,177	29,783	28,476	30,814	17,671
1999.....	445,547	452,142	460,468	476,803	26,536	28,777	31,405	30,816
2000.....	507,230	513,813	527,180	505,371	37,647	38,354	37,230	29,150
2001.....	508,359	504,861	488,440	473,143	31,895	33,776	27,254	19,277
2002.....	463,139	477,450	497,064	518,535	27,114	28,546	31,187	31,645
2003.....	538,436	513,410	532,473	530,431	44,114	33,632	30,153	39,963
2004.....	559,076	575,805	586,096		40,139	43,617	46,622	
All durable manufacturing:								
1994.....	397,371	408,739	419,430	431,493	17,426	21,306	22,999	25,504
1995.....	445,699	445,346	452,624	463,723	26,934	23,723	21,771	21,964
1996.....	472,054	480,386	490,470	498,304	23,215	25,595	29,104	28,274
1997.....	502,623	515,865	525,275	531,767	27,379	31,108	31,347	31,614
1998.....	537,534	535,602	542,227	553,956	44,971	20,531	30,280	32,125
1999.....	557,363	573,610	586,743	596,638	33,426	34,551	35,584	36,845
2000.....	612,968	613,048	617,222	617,696	39,795	32,615	37,128	18,289
2001.....	606,785	587,500	569,979	558,377	(31,721)	(17,524)	(15,568)	(11,337)
2002.....	559,373	571,129	566,395	564,446	(1,864)	9,799	10,930	2,624
2003.....	556,928	562,145	570,284	588,512	14,761	16,563	24,407	31,937
2004.....	599,768	632,913	643,780		34,077	39,011	41,544	

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		
	3Q 2004	2Q 2004 ²	3Q 2003 ²	3Q 2004	2Q 2004 ²	3Q 2003 ²	3Q 2004	2Q 2004 ²	3Q 2003 ²
	(million dollars)								
All manufacturing ³	1,237,721	1,228,877	1,109,436	85,189	83,767	62,757	86,449	89,791	52,631
All nondurable manufacturing	593,649	586,367	539,785	42,170	42,765	41,078	47,235	45,599	30,608
Food.....	100,947	101,300	91,494	6,259	5,966	5,711	4,821	4,542	4,225
Beverage and tobacco products	35,663	35,955	35,073	5,263	6,486	5,435	5,554	7,012	2,168
Textile mills and textile product mills	12,487	12,743	11,679	543	662	416	294	316	59
Apparel and leather products	25,980	23,760	23,039	2,669	1,834	2,185	2,370	1,577	1,713
Paper.....	41,323	40,949	37,353	3,187	2,782	1,922	1,587	1,605	630
Printing and related support activities	17,258	16,285	16,928	1,295	1,202	1,407	756	613	788
Petroleum and coal products.....	181,076	174,021	157,388	5,995	8,924	7,705	12,832	14,863	9,057
Chemicals	144,252	145,711	135,266	14,955	12,667	14,408	17,835	13,987	10,937
Basic chemicals, resins, and synthetics ⁴	44,571	45,172	38,773	2,341	2,207	1,559	1,980	2,112	73
Pharmaceuticals and medicines ⁴	58,497	58,109	58,257	7,912	6,031	8,816	10,515	8,410	7,799
All other chemicals ⁴	41,184	42,430	38,236	4,702	4,429	4,033	5,340	3,465	3,065
Plastics and rubber products	34,663	35,642	31,566	2,003	2,243	1,890	1,186	1,084	1,032
All durable manufacturing	644,071	642,510	569,650	43,019	41,002	21,679	39,214	44,192	22,023
Wood products	20,770	19,667	16,621	1,994	1,989	1,294	1,482	1,636	864
Nonmetallic mineral products.....	28,825	25,104	24,558	3,443	2,444	2,662	(1,506)	1,378	1,927
Primary metals	43,647	43,237	33,234	4,498	3,793	403	3,384	3,217	(207)
Iron, steel, and ferroalloys ⁴	23,650	22,098	15,048	3,082	2,300	(231)	2,379	1,655	(583)
Nonferrous metals ⁴	15,686	16,725	13,997	1,165	1,165	475	1,083	1,314	364
Foundries ⁴	4,311	4,414	4,188	251	328	158	(78)	247	12
Fabricated metal products	58,732	58,580	52,828	5,152	5,554	3,862	3,729	4,227	1,898
Machinery	73,465	74,224	63,153	5,907	6,400	3,093	5,168	5,707	1,026
Computer and electronic products	124,402	120,375	107,824	6,591	5,642	2,201	10,456	9,169	4,104
Computer and peripheral equipment ⁴	37,129	35,612	35,503	683	592	700	3,005	2,586	3,207
Communications equipment ⁴	26,020	25,205	20,378	1,119	476	(960)	2,446	1,928	1,320
All other electronic products ⁴	61,253	59,557	51,942	4,790	4,574	2,461	5,005	4,655	(423)
Electrical equipment, appliances, and components	53,692	52,344	45,263	3,538	3,362	2,683	6,174	5,612	5,333
Transportation equipment	196,068	206,459	185,583	7,723	7,781	1,853	6,784	10,515	3,968
Motor vehicles and parts ⁴	140,554	150,510	135,286	3,390	3,339	(1,573)	3,446	6,883	1,689
Aerospace products and parts ⁴	45,502	45,947	41,982	3,268	3,243	2,699	2,568	2,655	1,694
Furniture and related products	15,459	14,859	13,914	1,157	906	1,065	708	423	644
Miscellaneous manufacturing	29,010	27,662	26,674	3,018	3,131	2,563	2,834	2,307	2,466
All mining ³	28,299	26,920	23,340	5,944	5,670	4,107	4,472	4,007	3,080
All wholesale trade ³	382,690	378,645	336,202	12,263	11,778	8,965	9,047	8,622	6,142
All retail trade ³	N/A	398,912	379,846	N/A	18,921	16,360	N/A	12,973	9,609

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.

