

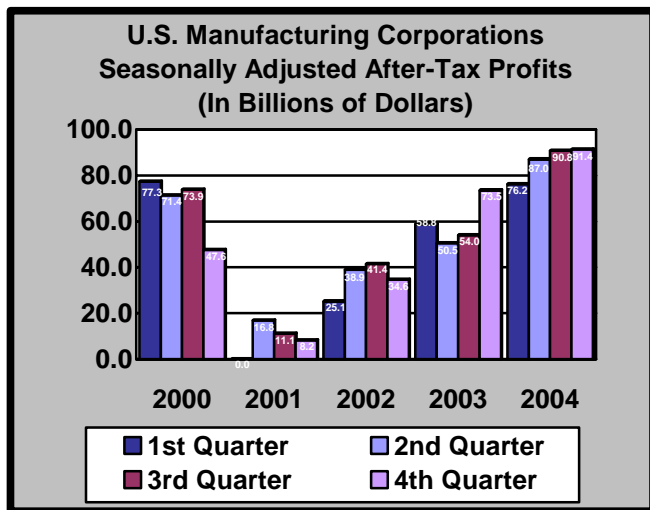
# U.S. Census Bureau News

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## FOURTH 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 \$91.4 billion in the fourth quarter 2004, the U.S. Census Bureau reported. Fourth quarter 2004 after-tax profits were not statistically different from the \$90.8 billion recorded in the previous quarter. Fourth quarter 2004 after-tax profits were up \$17.9 ( $\pm 1.3$ ) billion from the \$73.5 billion recorded in the same quarter a year ago.

Seasonally adjusted sales for these manufacturers totaled \$1,276.5 billion for the quarter, up \$30.2 ( $\pm 8.3$ ) billion from the \$1,246.3 billion recorded in the third quarter 2004, and up \$164.2 ( $\pm 7.9$ ) billion from the \$1,112.3 billion recorded the year before.

After-tax profits averaged 7.2 cents per dollar of sales for the quarter, 7.3 cents last quarter (which is not a statistically significant change), and 6.6 cents a year ago.

### Nondurable Goods Manufacturers

Nondurable goods manufacturers' after-tax profits in the fourth quarter 2004 were \$50.7 billion, not statistically different from the \$51.3 billion recorded in the previous quarter, and up \$9.8 ( $\pm 0.8$ ) billion from the \$40.9 billion in the fourth quarter 2003.

Seasonally adjusted sales for the quarter were \$618.8 billion, up \$15.1 ( $\pm 6.1$ ) billion from the \$603.7 billion recorded in the prior quarter, and up \$95.8 ( $\pm 5.7$ ) billion from the \$523.1 billion in the fourth quarter 2003.

After-tax profits averaged 8.2 cents per dollar of sales for the quarter, 8.5 cents last quarter, and 7.8 cents a year ago.

### Durable Goods Manufacturers

Fourth quarter 2004 seasonally adjusted after-tax profits for durable goods manufacturers were \$40.7 billion, up \$1.2 ( $\pm 1.0$ ) billion from the \$39.5 billion recorded in the previous quarter, and up \$8.0 ( $\pm 1.1$ ) billion from \$32.7 billion in the fourth quarter 2003.

Seasonally adjusted sales for the quarter were \$657.7 billion, up \$15.1 ( $\pm 6.4$ ) billion from the \$642.6 billion recorded in the previous quarter, and up \$68.5 ( $\pm 6.2$ ) billion from the \$589.2 billion recorded in the fourth quarter 2003.

After-tax profits averaged 6.2 cents per dollar of sales for the quarter, 6.1 cents last quarter (which is not a statistically significant change), and 5.5 cents a year ago.

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

Fourth quarter 2004 unadjusted after-tax profits for U.S. manufacturing corporations were \$86.6 billion, up \$18.1 ( $\pm 1.3$ ) billion over the \$68.4 billion recorded in the same quarter a year ago. This overall improvement was mainly due to higher operating profits and equity income as well as lower nonrecurring charges. When compared to the third quarter 2004 after-tax profits of \$89.5 billion, the fourth quarter 2004 after-tax profits were down \$3.0 ( $\pm 1.2$ ) billion.

Unadjusted sales for the fourth quarter 2004 were \$1,283.7 billion, up \$164.9 ( $\pm 7.9$ ) billion from the \$1,118.8 billion in the same quarter a year ago, and up \$34.2 ( $\pm 8.3$ ) billion from the prior quarter sales of \$1,249.5 billion.

After-tax profits per dollar of sales averaged 6.7 cents this quarter, 7.2 cents last quarter, and 6.1 cents in the fourth quarter 2003.

### **Nondurable Goods Manufacturers**

Fourth quarter 2004 nondurable goods manufacturers' unadjusted after-tax profits of \$48.8 billion were up \$10.1 ( $\pm 0.8$ ) billion from the \$38.7 billion recorded in the fourth quarter 2003. Most nondurable categories were up when compared to this quarter last year. Petroleum and coal products reported the greatest increase, \$9.1 ( $\pm 0.1$ ) billion, mainly due to increased domestic and equity earnings and dividend income. Plastics and rubber products contributed \$1.3 ( $\pm 0.1$ ) billion, with domestic and equity earnings increases as well as lower nonrecurring charges. Chemical products' level operating profits and nonoperating charges resulted in a decrease in after-tax profits of \$2.2 ( $\pm 0.5$ ) billion.

Unadjusted sales for the fourth quarter 2004 were \$623.9 billion, up \$96.9 ( $\pm 5.7$ ) billion from the \$527.0 billion in the same quarter a year ago, and up \$14.6 ( $\pm 6.1$ ) billion from the prior quarter sales of \$609.3 billion.

After-tax profits per dollar of sales averaged 7.8 cents this quarter, 8.6 cents last quarter, and 7.3 cents in the fourth quarter 2003.

When compared to the third quarter 2004 after-tax profits of \$52.6 billion, the fourth quarter 2004 after-tax profits were down \$3.8 ( $\pm 0.8$ ) billion. Chemical products reported a decrease in after-tax profits of \$5.5 ( $\pm 0.4$ ) billion, mainly due to domestic and equity earnings. Petroleum and coal products' improved profits of \$4.2 ( $\pm 0.1$ ) billion were also mainly due to domestic and equity earnings.

### **Durable Goods Manufacturers**

Fourth quarter 2004 durable goods manufacturers unadjusted after-tax profits of \$37.8 billion were up \$8.1 ( $\pm 1.1$ ) billion from the \$29.7 billion recorded in the fourth quarter 2003. Most durable goods manufacturing categories improved their after-tax positions this quarter. Primary metal industries took the lead with improved profits of \$4.0 ( $\pm 0.2$ ) billion, resulting from domestic and equity earnings. Fabricated metal products' domestic operating profits and lower nonrecurring charges resulted in improved after-tax profits of \$1.5 ( $\pm 0.5$ ) billion. Nonmetallic mineral products suffered equity losses which contributed to a decrease in after-tax profits of \$1.1 ( $\pm 0.2$ ) billion.

Unadjusted sales for the fourth quarter 2004 were \$659.9 billion, up \$68.0 ( $\pm 6.2$ ) billion from the \$591.8 billion in the same quarter a year ago, and up \$19.7 ( $\pm 6.4$ ) billion from the prior quarter sales of \$640.2 billion.

After-tax profits per dollar of sales averaged 5.7 cents this quarter, 5.8 cents last quarter (which is not a statistically significant change), and 5.0 cents in the fourth quarter 2003.

When compared to the third quarter 2004 after-tax profits of \$36.9 billion, the fourth quarter 2004 after-tax profits were not statistically different. Results were mixed in these industry categories. Computers and electronic products reported the largest increase, \$2.1 ( $\pm 0.5$ ) billion, mainly from domestic and equity earnings. Electrical equipment and appliances reported a slight increase in domestic operating and nonoperating earnings and a slight decrease in equity earnings which resulted in after-tax profits increase of \$1.3 ( $\pm 0.2$ ) billion. Fabricated metal products and wood products reported decreases in after-tax profits mainly due to domestic and equity earnings.

### **Mining Corporations**

Fourth quarter 2004 unadjusted after-tax profits for mining corporations with assets of \$50 million and over, at \$6.6 billion, were up \$4.9 ( $\pm 0.1$ ) billion from the \$1.7 billion recorded in the fourth quarter 2003.

Unadjusted sales for the fourth quarter 2004 were \$32.7 billion, up \$7.3 ( $\pm 0.2$ ) billion from the \$25.3 billion in the same quarter a year ago.

After-tax profits per dollar of sales averaged 20.1 cents this quarter, compared to the 6.7 cents in the fourth quarter 2003.

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### **Wholesale Trade Corporations**

Fourth quarter 2004 unadjusted after-tax profits for wholesale trade corporations with assets of \$50 million and over, at \$8.2 billion, were up \$4.2 ( $\pm 0.5$ ) billion from the \$4.1 billion recorded in the fourth quarter 2003.

Unadjusted sales for the fourth quarter 2004 were \$403.2 billion, up \$48.2 ( $\pm 6.8$ ) billion from the \$355.0 billion in the same quarter a year ago.

After-tax profits per dollar of sales averaged 2.0 cents this quarter, compared to the 1.1 cents in the fourth quarter 2003.

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### **Retail Trade Corporations**

Fourth quarter 2004 unadjusted after-tax profits for retail trade corporations with assets of \$50 million and over, at \$16.5 billion, were up \$1.6 ( $\pm 0.1$ ) billion from the \$14.9 billion recorded in the fourth quarter 2003.

Unadjusted sales for the fourth quarter 2004 were \$448.1 billion, up \$20.0 ( $\pm 2.2$ ) billion from the \$428.0 billion in the same quarter a year ago.

After-tax profits per dollar of sales averaged 3.7 cents this quarter, compared to the 3.5 cents in the fourth quarter 2003.

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### **NOTE**

These advance data, based on quarterly financial reports from approximately 8,500 corporations, were released today from the [Quarterly Financial Report for Manufacturing, Mining, and Trade Corporations](#) – Fourth quarter 2004 (QFR-04-4).

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### **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 ( $\pm 0.2$ ) 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% 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 at the 90% confidence level. The quarterly publication includes more detailed explanations of confidence intervals and sampling variability, along with additional measures of sampling variability.

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### **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.

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First quarter 2005 advance data for U.S. Manufacturing, Mining, Wholesale Trade Corporations are scheduled for release on June 13, 2005, for U.S. Retail Corporations, July 12, 2005.

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**Table 1. U.S. Manufacturing Corporations**

Item	Seasonally adjusted			Unadjusted		
	4Q 2004	3Q 2004 <sup>1</sup>	4Q 2003 <sup>1</sup>	4Q 2004	3Q 2004 <sup>1</sup>	4Q 2003 <sup>1</sup>
Rate of return (after taxes):						
Cents per dollar of sales .....	7.2	7.3	6.6	6.7	7.2	6.1
Percent on equity (annual rate) .....	N/A	N/A	N/A	15.1	16.2	13.2
	(million dollars)					
Sales .....	1,276,527	1,246,337	1,112,295	1,283,731	1,249,510	1,118,800
Income after income taxes .....	91,386	90,765	73,523	86,551	89,504	68,425
Dividends paid (cash) .....	N/A	N/A	N/A	39,263	32,263	31,695

<sup>1</sup>Revised.

**Table 2. U.S. Manufacturing Corporations Seasonally Adjusted Sales And Net Income After-Tax<sup>1</sup>**

Industry group and year	Sales <sup>2</sup>				After-tax profits <sup>2</sup>			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
	(million dollars)				(million dollars)			
<b>All manufacturing:</b>								
1994.....	784,680	803,515	825,137	841,382	36,427	41,108	45,448	52,075
1995.....	871,365	873,097	883,468	899,501	52,820	51,884	49,369	44,233
1996.....	914,258	932,961	948,187	961,118	51,261	53,860	61,214	58,776
1997.....	965,803	972,623	986,629	994,951	60,792	61,734	61,835	60,384
1998.....	989,982	981,843	985,897	993,402	74,732	49,101	60,953	49,851
1999.....	1,003,244	1,026,509	1,048,119	1,072,272	59,916	63,551	66,726	67,735
2000.....	1,120,546	1,127,934	1,145,550	1,120,341	77,331	71,415	73,874	47,593
2001.....	1,115,361	1,093,998	1,060,147	1,027,127	42	16,765	11,110	8,161
2002.....	1,023,450	1,050,636	1,066,134	1,075,668	25,083	38,897	41,443	34,596
2003.....	1,097,929	1,077,765	1,106,751	1,112,295	58,762	50,537	53,998	73,523
2004.....	1,175,742	1,229,679	1,246,337	1,276,527	76,244	87,033	90,765	91,386
<b>All nondurable manufacturing:</b>								
1994.....	387,307	394,778	405,707	409,888	19,003	19,807	22,441	26,573
1995.....	425,663	427,753	430,848	435,773	25,879	28,179	27,587	22,268
1996.....	442,199	452,579	457,728	462,805	28,032	28,297	32,099	30,495
1997.....	463,165	456,772	461,372	463,165	33,389	30,672	30,480	28,756
1998.....	452,424	446,268	443,688	439,428	29,728	28,629	30,669	17,699
1999.....	445,842	452,966	461,321	474,657	26,446	29,090	31,127	30,844
2000.....	507,612	514,926	528,054	502,831	37,500	38,926	36,712	29,200
2001.....	508,823	506,511	489,208	469,604	31,762	34,491	26,587	19,318
2002.....	464,439	479,313	498,111	512,853	26,996	29,396	30,361	31,703
2003.....	541,492	515,166	534,226	523,075	44,089	34,387	29,373	40,861
2004.....	574,103	593,434	603,744	618,828	42,105	47,355	51,274	50,706
<b>All durable manufacturing:</b>								
1994.....	397,372	408,737	419,430	431,494	17,424	21,301	23,007	25,502
1995.....	445,701	445,344	452,620	463,728	26,940	23,705	21,782	21,965
1996.....	472,058	480,382	490,460	498,313	23,229	25,563	29,114	28,281
1997.....	502,638	515,851	525,257	531,785	27,402	31,062	31,355	31,628
1998.....	537,558	535,575	542,209	553,974	45,004	20,471	30,284	32,152
1999.....	557,402	573,543	586,799	596,615	33,470	34,461	35,599	36,891
2000.....	612,935	613,008	617,496	617,510	39,831	32,490	37,162	18,392
2001.....	606,539	587,486	570,938	557,523	(31,721)	(17,727)	(15,478)	(11,157)
2002.....	559,011	571,323	568,023	562,815	(1,914)	9,500	11,082	2,892
2003.....	556,437	562,598	572,525	589,219	14,673	16,150	24,625	32,661
2004.....	601,639	636,245	642,592	657,699	34,139	39,677	39,491	40,679

<sup>1</sup>Data 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.

<sup>2</sup>Revised.

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

Industry group	Sales			Operating profits <sup>1</sup>			After-tax profits		
	4Q 2004	3Q 2004 <sup>2</sup>	4Q 2003 <sup>2</sup>	4Q 2004	3Q 2004 <sup>2</sup>	4Q 2003 <sup>2</sup>	4Q 2004	3Q 2004 <sup>2</sup>	4Q 2003 <sup>2</sup>
	(million dollars)								
All manufacturing <sup>3</sup> .....	1,283,731	1,249,510	1,118,800	80,729	88,356	56,608	86,551	89,504	68,425
All nondurable manufacturing .....	623,858	609,295	526,972	46,003	47,718	32,264	48,781	52,582	38,731
Food.....	108,706	103,752	101,484	7,431	6,348	7,155	5,764	5,184	5,222
Beverage and tobacco products .....	34,181	35,669	33,715	4,821	5,340	5,043	4,640	5,605	4,244
Textile mills and textile product mills .....	12,282	12,671	11,611	323	547	333	61	289	261
Apparel and leather products .....	22,479	23,723	18,503	1,891	2,507	1,408	1,403	2,029	513
Paper.....	40,257	40,938	37,872	2,457	3,146	1,542	812	1,551	600
Printing and related support activities .....	17,802	17,120	17,273	1,024	1,270	1,007	424	745	394
Petroleum and coal products.....	203,760	196,411	142,886	16,152	14,261	4,386	21,676	17,467	12,563
Chemicals.....	148,310	143,045	131,711	10,407	12,276	10,475	12,965	18,449	15,201
Basic chemicals, resins, and synthetics <sup>4</sup> .....	44,644	43,017	36,594	762	1,490	(1,243)	1,130	1,230	(2,407)
Pharmaceuticals and medicines <sup>4</sup> .....	63,052	58,793	57,463	5,910	6,028	7,975	5,007	11,621	11,967
All other chemicals <sup>4</sup> .....	40,613	41,235	37,654	3,735	4,758	3,742	6,828	5,599	5,641
Plastics and rubber products .....	36,081	35,967	31,917	1,498	2,023	913	1,035	1,262	(266)
All durable manufacturing .....	659,874	640,214	591,828	34,726	40,637	24,344	37,770	36,922	29,694
Wood products .....	18,773	20,796	16,209	892	2,027	1,031	512	1,476	697
Nonmetallic mineral products.....	26,042	28,764	22,042	1,939	3,401	1,196	(1,721)	(1,501)	(662)
Primary metals .....	43,308	44,001	33,459	3,512	4,412	58	3,559	3,211	(482)
Iron, steel, and ferroalloys <sup>4</sup> .....	22,955	23,630	15,159	2,639	3,060	(185)	2,229	2,248	(943)
Nonferrous metals <sup>4</sup> .....	16,041	16,084	14,264	907	1,168	249	1,405	1,118	500
Foundries <sup>4</sup> .....	4,312	4,287	4,036	(33)	183	(7)	(75)	(155)	(39)
Fabricated metal products .....	58,188	58,582	51,237	3,787	5,199	2,530	2,511	3,539	1,033
Machinery .....	72,522	71,786	59,817	3,844	5,386	2,810	3,300	4,189	2,168
Computer and electronic products.....	141,002	132,883	126,493	8,502	7,050	9,027	13,728	11,669	12,623
Computer and peripheral equipment <sup>4</sup> .....	46,434	40,146	40,977	1,951	470	3,778	5,797	3,764	5,393
Communications equipment <sup>4</sup> .....	27,550	26,114	23,285	996	1,073	539	2,359	2,402	2,217
All other electronic products <sup>4</sup> .....	67,018	66,623	62,231	5,555	5,507	4,710	5,571	5,503	5,013
Electrical equipment, appliances, and components .....	52,292	48,963	48,970	4,159	3,358	3,505	7,246	5,949	5,906
Transportation equipment .....	202,584	190,131	192,426	4,027	5,623	1,406	5,156	4,800	5,646
Motor vehicles and parts <sup>4</sup> .....	144,219	134,604	137,359	(48)	1,419	(2,412)	2,447	1,643	2,035
Aerospace products and parts <sup>4</sup> .....	48,524	45,631	46,184	3,160	3,134	3,028	2,134	2,381	2,995
Furniture and related products .....	15,152	15,311	13,952	798	1,141	742	392	712	292
Miscellaneous manufacturing .....	29,981	28,999	27,222	3,265	3,041	2,039	3,088	2,878	2,474
All mining <sup>3</sup> .....	32,651	30,687	25,341	8,001	6,699	3,809	6,564	5,192	1,705
All wholesale trade <sup>3</sup> .....	403,205	379,499	355,000	10,826	12,024	10,589	8,237	8,954	4,051
All retail trade <sup>3</sup> .....	448,069	410,933	428,026	24,472	16,354	23,435	16,481	11,503	14,907

<sup>1</sup>Operating profits are profits before nonoperating income and expense items and income taxes.

<sup>2</sup>Revised.

<sup>3</sup>Manufacturing 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.

<sup>4</sup>Included in major industry above

**Table 4. Income Statement For U.S. Retail Trade Corporations - Assets \$50 Million And Over**

Item	4Q 2004	3Q 2004 <sup>1</sup>	4Q 2003 <sup>1</sup>
	(million dollars)		
Net sales, receipts, and operating revenues.....	448,069	410,933	428,026
Less: Depreciation, depletion, and amortization.....	8,227	7,738	7,530
Less: All other operating costs and expenses .....	415,370	386,841	397,062
<b>Income (or loss) from operations</b> .....	<b>24,472</b>	<b>16,354</b>	<b>23,435</b>
Net nonoperating income (expense).....	178	816	1,934
<b>Income (or loss) before income taxes</b> .....	<b>24,650</b>	<b>17,170</b>	<b>25,369</b>
Less: Provision for current and deferred domestic income taxes .....	8,169	5,667	10,463
<b>Income (or loss) after income taxes</b> .....	<b>16,481</b>	<b>11,503</b>	<b>14,907</b>
Cash dividends charged to retained earnings in current quarter.....	2,754	2,021	1,782
<b>Net income retained in business</b> .....	<b>13,727</b>	<b>9,482</b>	<b>13,125</b>
Retained earnings at beginning of quarter .....	236,108	227,689	207,520
Other direct credits (or charges) to retained earnings (net) .....	(3,948)	(2,464)	(7,976)
<b>Retained earnings at end of quarter</b> .....	<b>245,886</b>	<b>234,707</b>	<b>212,669</b>

<sup>1</sup>Revised.**Table 5. Income Statement Ratios For U.S. Retail Trade Corporations - Assets \$50 Million And Over**

Item	4Q 2004	3Q 2004 <sup>1</sup>	4Q 2003 <sup>1</sup>
	(cents)		
Net sales, receipts, and operating revenues .....	100.0	100.0	100.0
Less: Depreciation, depletion, and amortization .....	1.8	1.9	1.8
Less: All other operating costs and expenses .....	92.7	94.1	92.8
<b>Income (or loss) from operations</b> .....	<b>5.5</b>	<b>4.0</b>	<b>5.5</b>
Net nonoperating income (expense) .....	0.0	0.2	0.4
<b>Income (or loss) before income taxes</b> .....	<b>5.5</b>	<b>4.2</b>	<b>5.9</b>
Less: Provision for current and deferred domestic income taxes .....	1.8	1.4	2.4
<b>Income (or loss) after income taxes</b> .....	<b>3.7</b>	<b>2.8</b>	<b>3.5</b>

<sup>1</sup>Revised.**Table 6. Operating Ratios For U.S. Retail Trade Corporations - Assets \$50 Million And Over**

Item	4Q 2004	3Q 2004 <sup>1</sup>	4Q 2003 <sup>1</sup>
	(percent)		
Annual rate of profit on stockholders' equity at end of period:			
<b>Before income taxes</b> .....	29.82	21.48	33.91
<b>After income taxes</b> .....	19.94	14.39	19.92
Annual rate of profit on total assets:			
<b>Before income taxes</b> .....	12.09	8.56	13.45
<b>After income taxes</b> .....	8.08	5.74	7.90

<sup>1</sup>Revised.**Schedule of Advance Data Release Dates—2005**

Quarter	Manufacturing, Mining, and Wholesale Trade	Retail Trade
First 2005	June 13, 2005	July 12, 2005
Second 2005	September 12, 2005	October 12, 2005
Third 2005	December 12, 2005	