

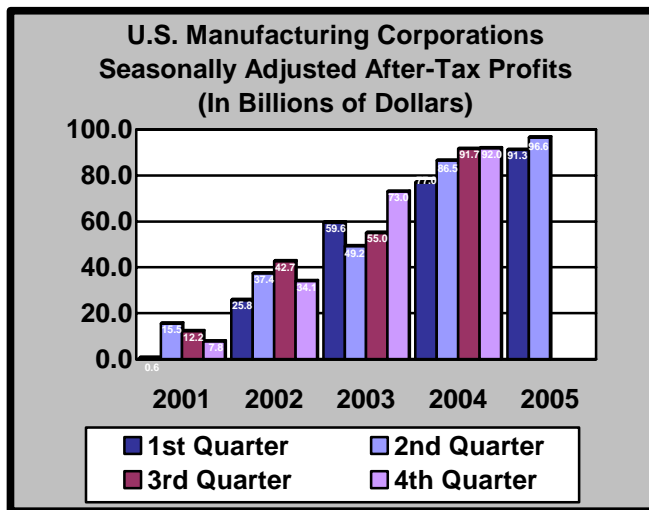
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SECOND QUARTER 2005 ADVANCE DATA FROM THE QUARTERLY FINANCIAL REPORT U.S. MANUFACTURING, MINING, AND TRADE CORPORATIONS



Seasonally Adjusted After-Tax Profits and Sales

Manufacturing Corporations

Seasonally adjusted after-tax profits of U.S. manufacturing corporations totaled \$96.6 billion in the second quarter 2005, the U.S. Census Bureau reported. Second quarter 2005 after-tax profits were up \$5.3 (± 1.4) billion from the \$91.3 billion recorded in the previous quarter. Second quarter 2005 after-tax profits were up \$10.1 (± 1.3) billion from the \$86.5 billion recorded in the same quarter a year ago.

Seasonally adjusted sales for these manufacturers totaled \$1,335.5 billion for the quarter, up \$27.4 (± 8.7) billion from the \$1,308.1 billion recorded in the first quarter 2005, and up \$120.8 (± 8.6) billion from the \$1,214.8 billion recorded in the second quarter 2004.

After-tax profits averaged 7.2 cents per dollar of sales for the quarter, 7.0 cents last quarter, and 7.1 cents a year ago (not a statistically significant change).

Nondurable Goods Manufacturers

Nondurable goods manufacturers' after-tax profits in the second quarter 2005 were \$56.6 billion, not statistically different from the \$55.9 billion recorded in the previous quarter, but up \$10.1 (± 0.7) billion from the \$46.6 billion in the second quarter 2004.

Seasonally adjusted sales for the quarter were \$667.6 billion, up \$19.4 (± 6.5) billion from the \$648.2 billion recorded in the prior quarter, and up \$80.7 (± 6.4) billion from the \$586.9 billion in the second quarter 2004.

After-tax profits averaged 8.5 cents per dollar of sales for the quarter, 8.6 cents last quarter (not a statistically significant change), and 7.9 cents a year ago.

Durable Goods Manufacturers

Second quarter 2005 seasonally adjusted after-tax profits for durable goods manufacturers were \$40.0 billion, up \$4.6 (± 1.1) billion from the \$35.4 billion recorded in the previous quarter, but not statistically different from the \$39.9 billion in the second quarter 2004.

Seasonally adjusted sales for the quarter were \$668.0 billion, up \$8.0 (± 6.6) billion from the \$659.9 billion recorded in the previous quarter, and up \$40.1 (± 6.6) billion from the \$627.9 billion recorded in the second quarter 2004.

After-tax profits averaged 6.0 cents per dollar of sales for the quarter, 5.4 cents last quarter, and 6.4 cents a year ago.

Unadjusted After-Tax Profits and Sales

Manufacturing Corporations

Second quarter 2005 unadjusted after-tax profits for U.S. manufacturing corporations were \$104.2 billion, up \$9.6 (± 1.3) billion over the \$94.6 billion recorded in the same quarter a year ago. This overall improvement was mainly due to higher operating profits and the absence of nonrecurring charges. When compared to the first quarter 2005 after-tax profits of \$89.3 billion, the second quarter 2005 after-tax profits were up \$15.0 (± 1.4) billion.

Unadjusted sales for the second quarter 2005 were \$1,372.4 billion, up \$123.7 (± 8.6) billion from the \$1,248.7 billion in the same quarter a year ago, and up \$103.0 (± 8.7) billion from the prior quarter sales of \$1,269.4 billion.

After-tax profits per dollar of sales averaged 7.6 cents this quarter, 7.0 cents last quarter, and 7.6 cents in the second quarter 2004 (not a statistically significant change).

Nondurable Goods Manufacturers

Second quarter 2005 nondurable goods manufacturers' unadjusted after-tax profits of \$58.4 billion were up \$9.6 (± 0.7) billion from the \$48.8 billion recorded in the second quarter 2004. When compared to this quarter last year, results were mixed within the industry categories. Petroleum and coal products reported an increase of \$4.3 (± 0.1) billion, mainly due to increased domestic and equity earnings. Chemical products also reported a substantial increase of \$4.2 (± 0.4) billion, mainly due to increased domestic earnings. The other nondurable industries reported minimal gains or not statistically significant changes.

Unadjusted sales for the second quarter 2005 were \$685.8 billion, up \$81.7 (± 6.4) billion from the \$604.1 billion in the same quarter a year ago, and up \$57.5 (± 6.5) billion from the prior quarter sales of \$628.3 billion.

After-tax profits per dollar of sales averaged 8.5 cents this quarter, 8.9 cents last quarter, and 8.1 cents in the second quarter 2004.

When compared to the first quarter 2005 after-tax profits of \$55.7 billion, the second quarter 2005 after-tax profits were up \$2.7 (± 0.8) billion. Results were mixed within the industry categories. Beverage and tobacco products reported an increase of \$2.8 (± 0.1) billion, mainly from increased operating profits and dividend income this quarter. Petroleum and coal products' improved domestic operating profits were slightly offset by the lower equity income, resulting in an overall increase of \$1.7 (± 0.1) billion in after-tax profits. Chemical products reported an overall decrease in after-tax profits of \$2.5 (± 0.4) billion, mainly due to a decline in domestic profits and nonoperating income this quarter.

Durable Goods Manufacturers

Second quarter 2005 durable goods manufacturers' unadjusted after-tax profits of \$45.8 billion were not statistically different from the \$45.8 billion recorded in the second quarter 2004. When compared to this quarter last year, results were mixed within the industry categories. Electrical equipment and appliances made improvements in domestic and equity income, gaining \$1.2 (± 0.2) billion. Computer and electronic products reported an increase in earnings of \$0.8 (± 0.5) billion, mainly due to the absence of nonrecurring charges in the same quarter last year. Nonmetallic mineral products' domestic operating profits resulted in an increase of \$0.7 (± 0.2) billion. The decline in domestic operating profits and equity income in the transportation equipment industry resulted in an overall decrease of \$4.0 (± 0.3) billion.

Unadjusted sales for the second quarter 2005 were \$686.6 billion, up \$42.0 (± 6.6) billion from the \$644.6 billion in the same quarter a year ago, and up \$45.5 (± 6.6) billion from the prior quarter sales of \$641.0 billion.

After-tax profits per dollar of sales averaged 6.7 cents this quarter, 5.2 cents last quarter, and 7.1 cents in the second quarter 2004.

When compared to the first quarter 2005 after-tax profits of \$33.6 billion, the second quarter 2005 after-tax profits were up \$12.2 (± 1.1) billion. Results were mixed within the industry categories. Nonmetallic mineral products' reported a slight increase in domestic operating income as well as fewer nonrecurring charges, which resulted in increased profits of \$6.1 (± 0.1) billion. Computer and electronic products reported an increase of \$1.7 (± 0.4) billion, from domestic income slightly offset by a decrease in equity earnings. Machinery's increase of \$1.3 (± 0.4) billion and fabricated metal products' increase of \$1.1 (± 0.5) billion were mainly due to domestic operations. Miscellaneous manufacturing reported a small decline and wood products' after-tax profits were not statistically significant.

Mining Corporations

Second quarter 2005 unadjusted after-tax profits for mining corporations with assets of \$50 million and over, at \$9.4 billion, were up \$3.7 (± 0.1) billion from the \$5.7 billion recorded in the second quarter 2004.

Unadjusted sales for the second quarter 2005 were \$37.0 billion, up \$7.4 (± 0.2) billion from the \$29.6 billion in the same quarter a year ago.

After-tax profits per dollar of sales averaged 25.3 cents this quarter, compared to the 19.1 cents in the second quarter 2004.

Wholesale Trade Corporations

Second quarter 2005 unadjusted after-tax profits for wholesale trade corporations with assets of \$50 million and over, at \$9.0 billion, were up \$0.35 (± 0.26) billion from the \$8.7 billion recorded in the second quarter 2004.

Unadjusted sales for the second quarter 2005 were \$407.0 billion, up \$33.8 (± 5.7) billion from the \$373.2 billion in the same quarter a year ago.

After-tax profits per dollar of sales averaged 2.2 cents this quarter, compared to the 2.3 cents in the second quarter 2004 (not a statistically significant change).

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 2005 (QFR-05-2).

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% 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.

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.

Second quarter 2005 advance data for U.S. Retail Corporations are scheduled for release on October 12, 2005.

Third quarter 2005 advance data for U.S. Manufacturing, Mining, Wholesale Trade Corporations are scheduled for release on December 12, 2005, for U.S. Retail Corporations, January 11, 2006.

Table 1. U.S. Manufacturing Corporations

Item	Seasonally adjusted			Unadjusted		
	2Q 2005	1Q 2005 ¹	2Q 2004 ¹	2Q 2005	1Q 2005 ¹	2Q 2004 ¹
Rate of return (after taxes):						
Cents per dollar of sales	7.2	7.0	7.1	7.6	7.0	7.6
Percent on equity (annual rate)	N/A	N/A	N/A	17.6	15.4	17.4
	(million dollars)					
Sales	1,335,520	1,308,109	1,214,753	1,372,396	1,269,378	1,248,717
Income after income taxes	96,607	91,263	86,477	104,230	89,270	94,641
Dividends paid (cash)	N/A	N/A	N/A	37,449	45,813	37,143

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:								
1995.....	871,485	872,455	883,442	900,163	52,835	51,852	49,425	44,186
1996.....	914,399	932,046	948,117	962,130	51,287	53,818	61,299	58,687
1997.....	965,958	971,460	986,338	996,580	60,849	61,666	61,951	60,263
1998.....	989,751	980,838	985,401	995,207	74,878	48,835	61,265	49,650
1999.....	1,002,883	1,025,571	1,047,374	1,073,592	60,167	63,014	67,279	67,482
2000.....	1,120,036	1,126,495	1,144,695	1,123,571	77,723	70,447	74,821	47,215
2001.....	1,115,031	1,090,971	1,059,734	1,031,294	573	15,500	12,235	7,752
2002.....	1,024,043	1,044,797	1,066,718	1,081,187	25,767	37,404	42,675	34,087
2003.....	1,100,325	1,067,655	1,109,037	1,117,143	59,571	49,164	54,991	72,951
2004.....	1,180,421	1,214,753	1,252,255	1,285,895	76,955	86,477	91,670	92,006
2005.....	1,308,109	1,335,520			91,263	96,607		
All nondurable manufacturing:								
1995.....	425,788	427,368	430,760	436,300	25,875	28,195	27,593	22,247
1996.....	442,317	451,841	457,605	463,738	28,024	28,314	32,136	30,439
1997.....	463,300	455,726	461,053	464,734	33,383	30,682	30,556	28,678
1998.....	452,177	445,336	443,191	441,192	29,767	28,458	30,972	17,543
1999.....	445,461	452,041	460,664	476,908	26,510	28,727	31,654	30,672
2000.....	507,029	513,484	527,452	505,957	37,585	38,230	37,618	28,971
2001.....	508,119	503,678	489,223	473,825	31,817	33,603	27,638	19,238
2002.....	463,510	474,925	498,609	519,274	26,958	28,301	31,569	31,749
2003.....	540,020	508,856	535,172	530,436	43,888	33,377	30,414	41,133
2004.....	570,228	586,871	607,648	631,614	41,264	46,553	52,233	51,424
2005.....	648,175	667,556			55,882	56,609		
All durable manufacturing:								
1995.....	445,697	445,087	452,682	463,863	26,960	23,657	21,832	21,939
1996.....	472,082	480,206	490,512	498,391	23,263	25,504	29,162	28,248
1997.....	502,658	515,733	525,284	531,846	27,466	30,985	31,395	31,585
1998.....	537,574	535,502	542,209	554,015	45,111	20,377	30,293	32,107
1999.....	557,422	573,530	586,710	596,684	33,657	34,288	35,624	36,810
2000.....	613,007	613,010	617,243	617,614	40,139	32,217	37,203	18,245
2001.....	606,911	587,294	570,511	557,469	(31,244)	(18,103)	(15,403)	(11,486)
2002.....	560,533	569,871	568,109	561,913	(1,191)	9,103	11,106	2,338
2003.....	560,304	558,799	573,865	586,707	15,683	15,786	24,577	31,818
2004.....	610,193	627,883	644,606	654,282	35,691	39,924	39,437	40,582
2005.....	659,934	667,964			35,380	39,998		

¹Data prior to and including third quarter 2000 are on a Standard Industrial Classification basis. Data subsequent are presented on a North American Industry 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 2005	1Q 2005 ²	2Q 2004 ²	2Q 2005	1Q 2005 ²	2Q 2004 ²	2Q 2005	1Q 2005 ²	2Q 2004 ²
	(million dollars)								
All manufacturing ³	1,372,396	1,269,378	1,248,717	95,746	82,743	87,539	104,230	89,270	94,641
All nondurable manufacturing	685,827	628,330	604,129	55,231	51,101	46,950	58,396	55,677	48,798
Food.....	105,771	105,703	103,525	6,162	6,508	6,161	4,958	5,345	4,889
Beverage and tobacco products	37,639	33,926	36,076	6,260	5,668	6,498	7,029	4,204	6,974
Textile mills and textile product mills	12,423	12,159	12,833	768	564	668	421	350	321
Apparel and leather products	22,441	21,133	20,428	1,844	1,955	1,701	1,415	1,526	1,280
Paper.....	38,138	37,337	40,659	3,779	2,303	2,713	1,620	1,178	1,564
Printing and related support activities	16,722	16,831	15,838	1,221	1,133	1,102	671	519	426
Petroleum and coal products.....	254,156	208,135	192,694	18,455	15,311	16,554	22,737	21,053	18,416
Chemicals.....	158,680	155,829	144,593	14,256	15,915	9,054	17,952	20,495	13,733
Basic chemicals, resins, and synthetics ⁴	50,598	50,330	43,839	3,970	3,997	1,677	3,607	3,676	1,565
Pharmaceuticals and medicines ⁴	62,744	64,032	58,169	5,868	7,933	3,173	10,453	13,593	8,824
All other chemicals ⁴	45,338	41,467	42,585	4,418	3,985	4,204	3,893	3,226	3,344
Plastics and rubber products	39,857	37,277	37,481	2,484	1,742	2,499	1,593	1,006	1,195
All durable manufacturing	686,569	641,048	644,588	40,515	31,643	40,589	45,834	33,593	45,843
Wood products	21,204	17,996	19,412	1,626	1,312	2,048	1,076	811	1,668
Nonmetallic mineral products.....	28,884	22,733	25,648	3,418	1,146	2,663	2,471	(3,621)	1,724
Primary metals	48,688	46,915	44,284	4,589	4,670	3,949	3,984	3,617	3,520
Iron, steel, and ferroalloys ⁴	25,030	24,681	22,626	2,577	2,940	2,455	1,783	2,145	1,740
Nonferrous metals ⁴	18,129	17,423	17,262	1,521	1,348	1,171	1,843	1,187	1,537
Foundries ⁴	5,529	4,811	4,396	491	382	323	358	286	243
Fabricated metal products	61,774	57,058	56,899	5,861	4,697	5,234	4,589	3,460	4,056
Machinery	78,273	71,479	73,018	5,910	4,331	5,822	4,781	3,500	4,735
Computer and electronic products.....	134,762	130,804	128,661	7,383	4,985	7,421	12,971	11,280	12,191
Computer and peripheral equipment ⁴	41,530	40,923	38,840	1,238	(29)	1,775	5,195	4,076	4,771
Communications equipment ⁴	27,331	25,291	24,939	1,723	547	50	2,652	2,540	1,508
All other electronic products ⁴	65,901	64,590	64,883	4,422	4,467	5,596	5,123	4,664	5,912
Electrical equipment, appliances, and components	52,522	48,616	48,357	3,850	2,925	3,249	6,655	5,444	5,449
Transportation equipment	212,873	199,575	205,588	3,177	2,529	6,012	5,666	4,837	9,672
Motor vehicles and parts ⁴	151,546	143,866	149,349	(2,037)	(1,918)	1,568	1,617	1,131	6,043
Aerospace products and parts ⁴	49,701	45,307	46,181	3,881	3,334	3,266	3,092	2,859	2,671
Furniture and related products	16,001	15,361	14,801	1,221	1,122	920	870	765	448
Miscellaneous manufacturing	31,587	30,510	27,920	3,480	3,926	3,272	2,769	3,499	2,379
All mining ³	36,973	34,168	29,614	9,680	8,394	6,220	9,355	7,310	5,660
All wholesale trade ³	407,000	389,738	373,237	12,282	10,946	11,842	9,040	7,211	8,694
All retail trade ³	N/A	427,603	405,436	N/A	19,803	18,614	N/A	12,296	13,572

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.