

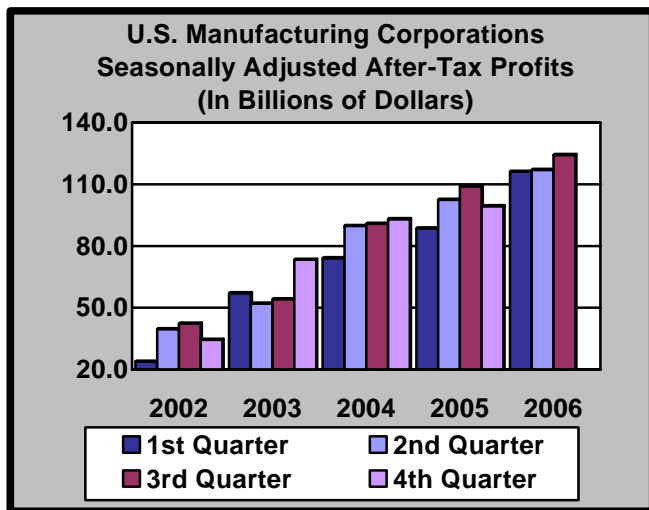
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THIRD QUARTER 2006 ADVANCE DATA FROM THE QUARTERLY FINANCIAL REPORT U.S. MANUFACTURING, MINING, AND WHOLESALE TRADE CORPORATIONS



Seasonally Adjusted After-Tax Profits and Sales

Manufacturing Corporations

Seasonally adjusted after-tax profits of U.S. manufacturing corporations totaled \$124.3 billion in the third quarter 2006, the U.S. Census Bureau reported. Third quarter 2006 after-tax profits were up \$7.3 (± 0.6) billion from the \$117.1 billion recorded in the previous quarter. Third quarter 2006 after-tax profits were up \$15.3 (± 1.2) billion from the \$109.0 billion recorded in the same quarter a year ago.

Seasonally adjusted sales for these manufacturers totaled \$1,455.2 billion for the quarter, up \$15.2 (± 5.7) billion from the \$1,440.0 billion recorded in the second quarter 2006, and up \$73.6 (± 18.9) billion from the \$1,381.6 billion recorded in the third quarter 2005.

After-tax profits averaged 8.5 cents per dollar of sales for the quarter, 8.1 cents last quarter, and 7.9 cents a year earlier.

Nondurable Goods Manufacturers

Nondurable goods manufacturers' after-tax profits in the third quarter 2006 were \$72.5 billion, up \$2.4 (± 0.3) billion from the \$70.1 billion recorded in the previous quarter, and up \$9.6 (± 0.5) billion from the \$62.9 billion in the third quarter 2005.

Seasonally adjusted sales for the quarter were \$723.0 billion, up \$3.5 (± 2.8) billion from the \$719.5 billion recorded in the prior quarter, and up \$31.5 (± 7.9) billion from the \$691.5 billion in the third quarter 2005.

After-tax profits averaged 10.0 cents per dollar of sales for the quarter, 9.7 cents last quarter, and 9.1 cents a year earlier.

Durable Goods Manufacturers

Second quarter 2006 seasonally adjusted after-tax profits for durable goods manufacturers were \$51.8 billion, up \$4.9 (± 0.5) billion from the \$47.0 billion recorded in the previous quarter, and up \$5.7 (± 0.9) billion from the \$46.2 billion in the third quarter 2005.

Seasonally adjusted sales for the quarter were \$732.2 billion, up \$11.7 (± 5.2) billion from the \$720.5 billion recorded in the previous quarter, and up \$42.1 (± 12.6) billion from the \$690.1 billion recorded in the third quarter 2005.

After-tax profits averaged 7.1 cents per dollar of sales for the quarter, 6.5 cents last quarter, and 6.7 cents a year earlier.

Unadjusted After-Tax Profits and Sales

Manufacturing Corporations

Third quarter 2006 unadjusted after-tax profits for U.S. manufacturing corporations were \$123.8 billion, up \$15.3 (± 1.2) billion over the \$108.5 billion recorded in the same quarter a year ago. This overall improvement was mainly due to higher domestic operating profits and equity earnings. When compared to the second quarter 2006 after-tax profits of \$120.4 billion, the third quarter 2006 after-tax profits were up \$3.4 (± 0.6) billion.

Unadjusted sales for the third quarter 2006 were \$1,456.7 billion, up \$72.4 (± 18.9) billion from \$1,384.2 billion in the same quarter a year ago, but down \$13.1 (± 5.7) billion from the prior quarter sales of \$1,469.7 billion.

After-tax profits per dollar of sales averaged 8.5 cents this quarter, 7.8 cents in the third quarter 2005, and 8.2 cents last quarter.

Nondurable Goods Manufacturers

Third quarter 2006 nondurable goods manufacturers' unadjusted after-tax profits of \$74.2 billion were up \$9.6 (± 0.5) billion from the \$64.7 billion recorded in the third quarter 2005. When compared to the third quarter last year, results were mixed within the industry categories. Petroleum and coal products' increase of \$7.2 (± 0.2) billion came from domestic and foreign operating income as well as non-recurring domestic gains in the current quarter. Chemical products had an overall increase of \$1.3 (± 0.2) billion. The chemical products industries reported after-tax increases except for the pharmaceuticals and medicines industry, which reported improved domestic operations and equity earnings offset by declines in nonoperating earnings. Food, and beverage and tobacco products reported small improvements in domestic and equity earnings. The other underlying industries reported changes in after-tax profits that were minimal or not statistically significant.

Unadjusted sales for the third quarter 2006 were \$732.2 billion, up \$32.1 (± 7.9) billion from the \$700.1 billion in the same quarter a year ago, and not statistically different from the prior quarter sales of \$730.0 billion.

After-tax profits per dollar of sales averaged 10.1 cents this quarter, 9.2 cents in the third quarter 2005, and 9.8 cents last quarter.

When compared to the second quarter 2006 after-tax profits of \$71.4 billion, the third quarter 2006 after-tax profits were up \$2.8 (± 0.3) billion. When compared to the last quarter, results were mixed within the industry categories. Non-operating domestic earnings in the pharmaceuticals and medicines industry, and equity earnings in the 'all other chemicals' category resulted in the overall increase of \$1.9 (± 0.2) billion in the chemical products industries. Food products reported an increase of \$1.4 (± 0.1) billion mainly due to the absence of the non-recurring charges reported last quarter, as well as an increase in domestic operating earnings. Paper products reported domestic and equity earnings this quarter that resulted in a decline of \$0.5 (± 0.1) billion. Petroleum and coal products' decrease of \$0.4 (± 0.1) billion was a result of declining domestic and equity earnings and non-recurring gains. The other underlying industries reported changes in after-tax profits that were minimal or not statistically significant.

Durable Goods Manufacturers

Third quarter 2006 durable goods manufacturers' unadjusted after-tax profits of \$49.6 billion were up \$5.8 (± 0.9) billion from the \$43.8 billion recorded in the third quarter 2005. Most durable goods manufacturers posted improved results over the same quarter last year. Primary metals overall increase in domestic and equity earnings contributed to the \$2.6 (± 0.5) billion increase. Machinery products reported an increase of \$2.3 (± 0.6) billion, also due to domestic and equity earnings. Fabricated metals reported an overall increase in domestic earnings and relatively level equity earnings resulting in an increase of \$1.4 (± 0.6) billion. Transportation equipment's earnings declined \$2.9 (± 0.2) billion, mainly due to motor vehicles and parts' nonrecurring charges in this quarter. The other underlying industries reported changes in after-tax profits that were minimal or not statistically significant.

Unadjusted sales for the third quarter 2006 were \$724.5 billion, up \$40.3 (± 12.6) billion from the \$684.2 billion in the same quarter a year ago, but down \$15.2 (± 5.2) billion from the prior quarter sales of \$739.7 billion.

After-tax profits per dollar of sales averaged 6.8 cents this quarter, 6.4 cents in the third quarter 2005, and 6.6 cents last quarter.

When compared to the second quarter 2006 after-tax profits of \$49.0 billion, the third quarter 2006 after-tax profits were up \$0.6 (± 0.5) billion. Many durable goods manufacturers posted

improved results over the last quarter. Miscellaneous manufacturing reported an increase in earnings of \$4.3 (± 0.1) billion, rebounding from the poor showing last quarter in the domestic and equity operations. Transportation equipment's overall decrease of \$2.9 (± 0.2) billion in the current quarter, generally came from domestic and equity nonrecurring charges in the motor vehicles and parts industry. The other underlying industries reported changes in after-tax profits that were minimal or not statistically significant.

Mining Corporations

Third quarter 2006 unadjusted after-tax profits for mining corporations with assets of \$50 million and over, at \$12.2 billion, were up \$1.9 (± 0.2) billion from the \$10.2 billion recorded in the third quarter 2005.

Unadjusted sales for the third quarter 2006 were \$43.6 billion, up \$4.4 (± 0.7) billion from the \$39.2 billion in the same quarter a year earlier.

After-tax profits per dollar of sales averaged 27.9 cents this quarter, compared to the 26.1 cents in the third quarter 2005.

Wholesale Trade Corporations

Third quarter 2006 unadjusted after-tax profits for wholesale trade corporations with assets of \$50 million and over, at \$11.0 billion, were up \$1.5 (± 0.3) billion from the \$9.5 billion recorded in the third quarter 2005.

Unadjusted sales for the third quarter 2006 were \$442.7 billion, up \$28.9 (± 10.2) billion from the \$413.9 billion in the same quarter a year earlier.

After-tax profits per dollar of sales averaged 2.5 cents this quarter, compared to the 2.3 cents in the third quarter 2005.

NOTE

These advance data, based on quarterly financial reports from approximately 8,100 corporations, were released today from the [Quarterly Financial Report for Manufacturing, Mining, and Trade Corporations](#) - Third quarter 2006 (QFR-06-3).

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% 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. **Beginning with the 3Q2006 publication, the methodology for calculating the sample variance has changed. See the Survey Methodology section of the Introduction text in the publication release for information on this change in methodology for calculating the sample variance.**

DATA AVAILABILITY

This press release can be viewed today in page image format (.pdf) at the internet website <http://www.census.gov/csd/qfr>. 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.

Third quarter 2006 advance data for U.S. Retail Corporations are scheduled for release on January 9, 2007.

Fourth quarter 2006 advance data for U.S. Manufacturing, Mining, Wholesale and Retail Trade Corporations are scheduled for release on April 3, 2007.

Table 1. U.S. Manufacturing Corporations

#	Seasonally adjusted			Unadjusted		
	3Q 2006	2Q 2006 ¹	3Q 2005 ¹	3Q 2006	2Q 2006 ¹	3Q 2005 ¹
Rate of return (after taxes):						
Cents per dollar of sales	8.5	8.1	7.9	8.5	8.2	7.8
Percent on equity (annual rate)	N/A	N/A	N/A	18.4	18.2	17.8
	(million dollars)					
Sales	1,455,168	1,440,009	1,381,563	1,456,668	1,469,734	1,384,246
Income after income taxes	124,325	117,059	109,045	123,820	120,409	108,479
Dividends paid (cash)	N/A	N/A	N/A	38,199	42,309	51,826

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:								
1996.....	914,288	932,459	948,129	961,785	51,104	54,086	61,196	58,747
1997.....	965,899	971,787	986,643	995,751	60,517	62,054	61,891	60,337
1998.....	989,910	981,268	986,002	993,421	74,314	49,394	61,293	49,731
1999.....	1,003,572	1,026,683	1,047,652	1,070,958	59,239	63,882	67,380	67,511
2000.....	1,120,769	1,129,016	1,144,635	1,119,785	76,477	71,651	74,905	47,272
2001.....	1,115,827	1,095,040	1,058,992	1,026,715	(1,077)	17,194	12,157	7,861
2002.....	1,024,953	1,050,277	1,064,816	1,075,269	23,753	39,641	42,265	34,416
2003.....	1,102,088	1,074,856	1,105,596	1,111,087	57,073	52,021	54,239	73,429
2004.....	1,182,318	1,223,639	1,247,427	1,278,723	74,131	89,767	90,829	93,141
2005.....	1,298,549	1,324,106	1,381,563	1,393,786	88,624	102,528	109,045	99,395
2006.....	1,431,906	1,440,009	1,455,168		116,190	117,059	124,325	
All nondurable manufacturing:								
1996.....	442,210	452,223	457,619	463,426	28,019	28,296	32,105	30,507
1997.....	463,240	456,018	461,349	463,965	33,367	30,657	30,518	28,766
1998.....	452,328	445,717	443,769	439,492	29,748	28,430	30,908	17,663
1999.....	446,199	452,980	460,973	474,392	26,491	28,692	31,566	30,806
2000.....	507,856	515,686	527,522	502,301	37,589	38,226	37,406	29,193
2001.....	509,013	507,321	488,762	469,334	31,841	33,614	27,311	19,504
2002.....	464,452	479,849	497,400	513,102	27,043	28,396	30,947	32,224
2003.....	541,971	515,261	532,951	523,659	43,979	33,525	29,558	41,761
2004.....	572,534	594,634	604,280	624,362	41,377	46,762	51,127	52,282
2005.....	637,967	649,268	691,452	692,880	55,745	57,540	62,895	62,718
2006.....	710,429	719,520	722,987		67,493	70,104	72,476	
All durable manufacturing:								
1996.....	472,078	480,236	490,510	498,359	23,085	25,790	29,091	28,240
1997.....	502,659	515,769	525,294	531,786	27,150	31,397	31,373	31,571
1998.....	537,582	535,551	542,233	553,929	44,566	20,964	30,385	32,068
1999.....	557,373	573,703	586,679	596,566	32,748	35,190	35,814	36,705
2000.....	612,913	613,330	617,113	617,484	38,888	33,425	37,499	18,079
2001.....	606,814	587,719	570,230	557,381	(32,918)	(16,420)	(15,154)	(11,643)
2002.....	560,501	570,428	567,416	562,167	(3,290)	11,245	11,318	2,192
2003.....	560,117	559,595	572,645	587,428	13,094	18,496	24,681	31,668
2004.....	609,784	629,005	643,147	654,361	32,754	43,005	39,702	40,859
2005.....	660,582	674,838	690,111	700,906	32,879	44,988	46,150	36,677
2006.....	721,477	720,489	732,181		48,697	46,955	51,849	

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.

²Revised.

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

Industry group	Sales			Operating profits ¹			After-tax profits		
	3Q 2006	2Q 2006 ²	3Q 2005 ²	3Q 2006	2Q 2006 ²	3Q 2005 ²	3Q 2006	2Q 2006 ²	3Q 2005 ²
	(million dollars)								
All manufacturing ³	1,456,668	1,469,734	1,384,246	111,622	110,084	93,090	123,820	120,409	108,479
All nondurable manufacturing	732,208	730,034	700,095	64,635	67,661	55,068	74,235	71,440	64,655
Food.....	113,021	109,197	106,849	7,058	5,930	6,742	6,001	4,609	5,144
Beverage and tobacco products	36,836	37,908	36,888	6,560	7,103	5,949	7,226	7,494	6,388
Textile mills and textile product mills	12,127	12,291	12,666	774	813	837	427	445	556
Apparel and leather products	21,936	19,803	23,315	2,245	1,733	2,479	1,770	1,178	1,977
Paper.....	36,209	35,900	39,095	2,166	2,420	3,209	1,089	1,618	1,794
Printing and related support activities	18,484	18,495	17,224	1,496	1,587	1,269	936	785	612
Petroleum and coal products.....	279,985	279,034	267,795	23,303	24,512	17,961	31,749	32,166	24,506
Chemicals.....	171,049	173,736	155,744	18,065	20,329	14,151	23,124	21,271	21,837
Basic chemicals, resins, and synthetics ⁴	56,547	56,350	50,864	3,526	4,226	2,047	3,369	4,257	1,614
Pharmaceuticals and medicines ⁴	69,034	68,316	61,744	9,540	9,522	7,985	14,488	11,893	16,774
All other chemicals ⁴	45,468	49,070	43,136	4,999	6,580	4,119	5,267	5,122	3,450
Plastics and rubber products	42,559	43,671	40,519	2,969	3,234	2,472	1,915	1,873	1,841
All durable manufacturing	724,460	739,700	684,151	46,987	42,423	38,022	49,585	48,969	43,824
Wood products	20,215	21,086	20,557	1,325	1,742	1,495	1,337	1,170	925
Nonmetallic mineral products.....	34,652	35,152	33,976	4,314	4,364	4,207	3,225	3,057	2,407
Primary metals	61,126	60,302	47,390	6,926	6,595	3,786	5,820	5,444	3,182
Iron, steel, and ferroalloys ⁴	29,165	28,711	23,273	3,607	3,416	1,922	2,838	2,782	1,619
Nonferrous metals ⁴	24,853	24,281	18,706	2,572	2,445	1,509	2,500	2,157	1,321
Foundries ⁴	7,109	7,310	5,411	747	733	355	481	505	242
Fabricated metal products	64,693	64,067	56,855	6,552	6,713	5,352	5,367	5,482	3,988
Machinery	88,604	91,132	81,794	7,878	8,590	6,019	7,214	7,614	4,915
Computer and electronic products.....	146,400	142,311	139,365	7,981	8,914	7,841	15,322	16,716	15,618
Computer and peripheral equipment ⁴	46,451	44,639	42,030	761	1,587	1,511	5,344	5,637	4,427
Communications equipment ⁴	28,917	28,189	28,325	1,332	1,893	1,501	3,370	3,556	4,879
All other electronic products ⁴	71,032	69,483	69,009	5,888	5,434	4,829	6,608	7,524	6,313
Electrical equipment, appliances, and components	50,813	49,112	49,265	4,506	3,980	3,540	7,064	6,730	6,736
Transportation equipment.....	202,035	220,374	202,074	1,118	(1,049)	(252)	(1,186)	1,699	1,762
Motor vehicles and parts ⁴	137,022	154,957	142,993	(5,238)	(6,524)	(5,178)	(6,443)	(2,610)	(2,495)
Aerospace products and parts ⁴	51,635	52,155	46,896	4,496	3,724	3,476	3,793	2,823	3,225
Furniture and related products	21,407	22,197	21,256	2,216	2,190	2,048	1,484	1,403	1,209
Miscellaneous manufacturing.....	34,515	33,968	31,618	4,172	385	3,985	3,939	(346)	3,082
All mining ³	43,628	42,012	39,186	13,586	12,242	11,460	12,153	10,868	10,210
All wholesale trade ³	442,747	436,453	413,886	14,728	13,543	11,738	10,985	9,734	9,458
All retail trade ³	N/A	484,101	446,121	N/A	22,805	19,147	N/A	13,510	12,807

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; data for mining and trade corporations represent the quarterly results of companies with assets over \$50 million.

⁴Included in major industry above.