

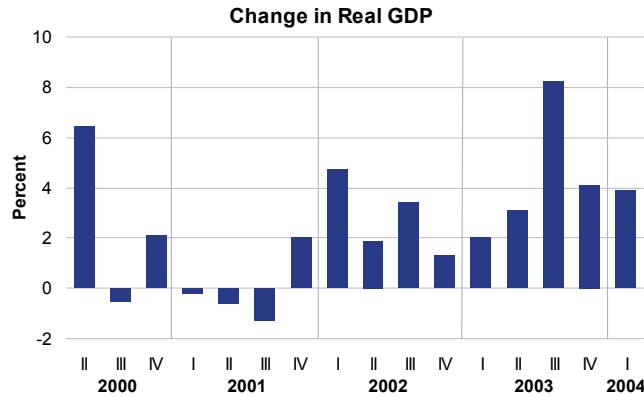


# GDP GROWTH REVISED DOWN; PROFITS REVISED UP

*"Final" GDP estimate and Corporate Profits*

Estimates released today by the U.S. Bureau of Economic Analysis show inflation-adjusted GDP grew at an annualized rate of 3.9 percent in the first quarter of 2004, 0.5 percentage point less than in the "preliminary" estimates released a month ago. Corporate profits increased at a quarterly rate of 1.7 percent, 0.5 percentage point more than was estimated last month.

Gross domestic product (GDP) is the most comprehensive measure of U.S. economic activity. The revised first-quarter estimate is a little lower than growth in the fourth quarter of 2003 and a little higher than the average growth over the past 2 years.



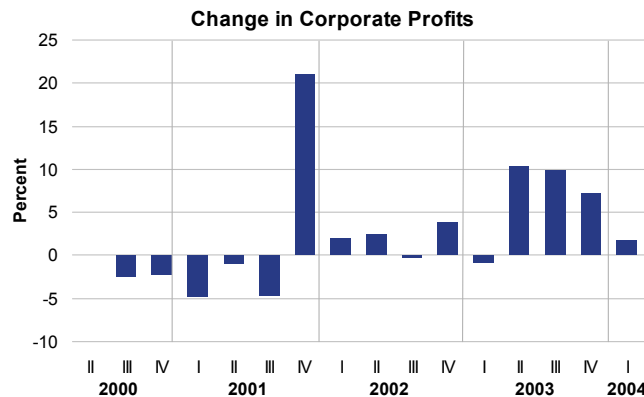
Note: The change in real GDP is measured at seasonally adjusted annual rates.

Consumer spending made the largest contribution to growth in the first quarter, but most other components of GDP also contributed. The growth of these components was partly offset by a rise in imports.

Today's revision to GDP growth mainly reflects an upward revision to imports, especially petroleum and auto imports.

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Corporate profits increased less than in the fourth quarter of 2003. Profits of domestic corporations increased almost as much as in the fourth quarter, but receipts from foreign affiliates of U.S. corporations slowed sharply.



Note: The change in corporate profits is measured at seasonally adjusted quarterly rates.

BEA's data—including GDP, personal income, the balance of payments, foreign direct investment, the input-output accounts, and economic data for states, local areas, and industries—are available on its Web site: <[www.bea.gov](http://www.bea.gov)>.

NOTE: On July 30, 2004, the "advance" estimate of GDP for the second quarter of 2004 will be released along with revised estimates for the first quarter of 2001 through the first quarter of 2004.