

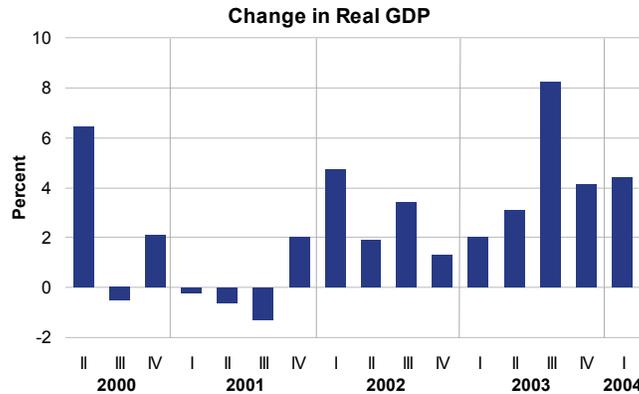


# FIRST-QUARTER GDP REVISED UP SLIGHTLY; PROFITS INCREASE

*Revised estimate of GDP—New estimates of profits*

Estimates released today by the U.S. Bureau of Economic Analysis show real GDP grew 4.4 percent in the first quarter of 2004, 0.2 percentage point higher than in the “advance” estimates released a month ago. The Bureau also released its first estimate of profits for the quarter—a small increase.

Gross domestic product (GDP), the most comprehensive measure of U.S. economic activity, is estimated to have increased 4.4 percent (*at an annual rate*) in the first quarter of 2004 after adjusting for inflation. The increase was a little stronger than in the fourth quarter of 2003 and above the average for the past 2 years.

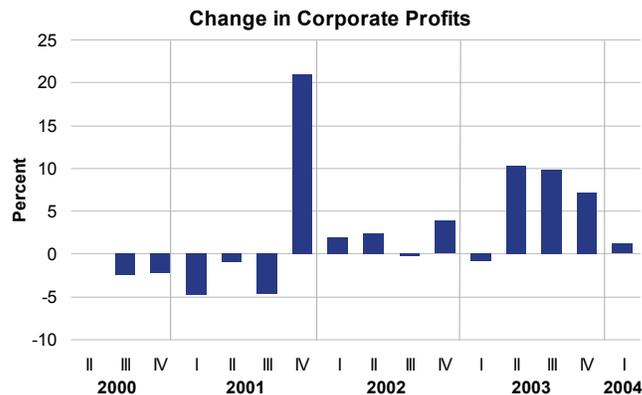


Note: The change in real GDP is measured at seasonally adjusted annual rates.

Today’s revision to GDP growth mainly reflects upward revisions to inventory investment, to spending by state and local governments, and to exports that were roughly offset by revisions to imports and to business investment in equipment and software.

As in the advance estimates, first-quarter growth was mainly accounted for by consumer spending and by business investment in equipment and software and in inventories.

Corporate profits increased 1.2 percent (*at a quarterly rate*) in the first quarter after increasing 7.2 percent in the fourth. Profits of domestic corporations increased about 3½ percent in each quarter, but receipts from foreign affiliates of U.S. corporations decreased in the first quarter after increasing sharply in the fourth. Total profits and profits of domestic corporations were each more than 30 percent higher than a year earlier.



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>.

NOTE: Additional information that becomes available in the coming weeks will be incorporated into revised estimates of first-quarter GDP and corporate profits on June 25, 2004.