

GDP GROWTH REVISED UP IN SECOND QUARTER

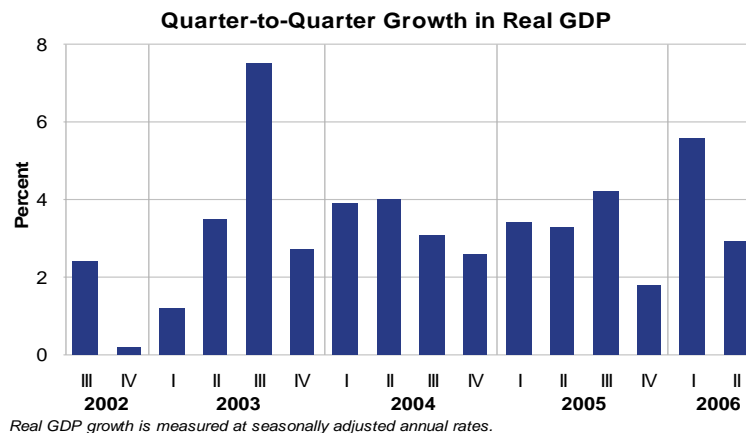
Corporate Profits Increase

The economy grew at an annual rate of 2.9 percent in the second quarter, compared with 5.6 percent in the first quarter, according to the “preliminary” estimates released by the U.S. Bureau of Economic Analysis. The growth rate was revised up 0.4 percentage point from the “advance” estimates released in July. BEA also released its first estimate of second-quarter corporate profits, which increased 20.5 percent from the same quarter a year ago.

Gross Domestic Product (GDP)

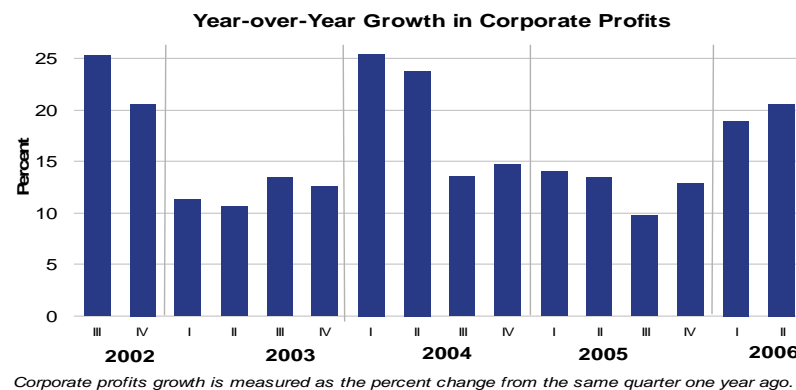
As reported last month, the deceleration in second-quarter GDP growth primarily reflected a deceleration in consumer spending on durable goods, a downturn in investment in equipment and software, and a downturn in Federal government spending.

The upward revision from the advance estimates reflected revisions to exports of goods, investment in nonresidential structures, and inventory investment.



Corporate Profits

Quarterly corporate profits increased for the third consecutive quarter, resulting in year-over-year growth of 20.5 percent. The growth rate reflected a 27.8-percent rise in profits of financial corporations and a 15.6-percent increase in profits of nonfinancial corporations.



BEA 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 the BEA Web site: www.bea.gov. [E-mail](#) alerts are also available.

NOTE: The “final” estimate of GDP and corporate profits for the second quarter of 2006 will be released on September 28, 2006.