

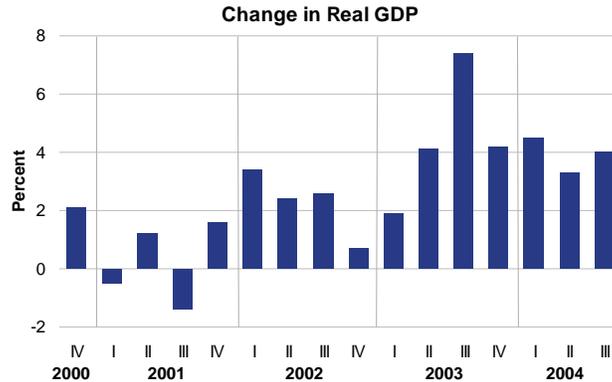


GDP GROWTH 4.0%; PROFITS REVISED DOWN

"Final" estimate of GDP and Corporate Profits

Estimates released today by the U.S. Bureau of Economic Analysis show inflation-adjusted gross domestic product (GDP) grew at an *annualized* rate of 4.0 percent in the third quarter of 2004, 0.1 percentage point more than the "preliminary" estimate released last month.

Corporate profits decreased at a *quarterly* rate of 4.8 percent in the third quarter; last month's report showed a decrease of 2.4 percent.



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

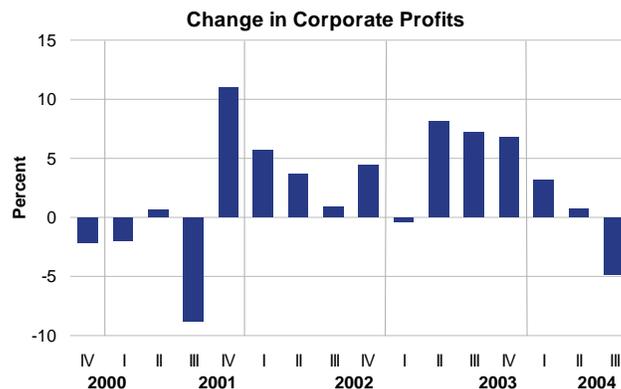
GDP is the most comprehensive measure of U.S. economic activity. The revised third-quarter growth rate is higher than the second-quarter growth rate of 3.3 percent and higher than the 2001-2003 average growth rate of 2.5 percent.

Today's revision to the GDP growth rate mainly reflects a downward revision to imports that was partly offset by a downward revision to state and local government spending.



The third-quarter drop in corporate profits reflected a decrease in the profits of domestic financial corporations (partly due to hurricane-related losses of insurance companies). For an explanation of how natural disasters affect profits and other incomes, please visit BEA's Web site: <<http://www.bea.gov/bea/faq/national/disasters.htm>>.

Today's revision of profits mainly reflects downward revisions to profits of domestic financial corporations.



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: The "advance" estimate of GDP for the fourth quarter of 2004 will be released on January 28, 2005.

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Bureau of Economic Analysis
U.S. Department of Commerce