

U.S. Census Bureau News

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FIRST QUARTER 2007 DATA FROM THE QUARTERLY FINANCIAL REPORT LARGE U.S. RETAIL TRADE CORPORATIONS

After-Tax Profits and Sales, First Quarter 2007 – Not Seasonally Adjusted

In the first quarter of 2007, **after-tax profits** of U.S. retail corporations with assets of \$50 million and over totaled \$15.8 billion. First quarter 2007 after-tax profits were down \$4.6 (± 0.1) billion, or 22.5 percent (± 0.4), from the \$20.4 billion recorded in fourth quarter 2006, but up \$0.3 (± 0.1) billion, or 1.7 percent (± 0.6), from the \$15.6 billion recorded in the first quarter of 2006.

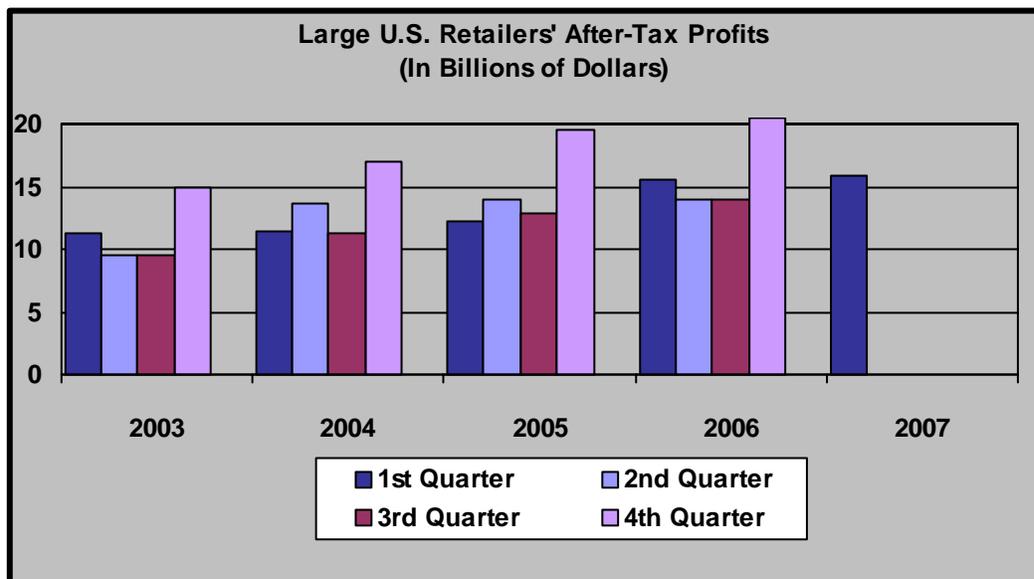
Sales in the first quarter 2007, at \$498.8 billion, were down \$30.5 (± 2.3) billion or 5.8 percent (± 0.4) from the \$529.4 billion recorded in the fourth quarter of 2006, but up \$30.9 (± 4.6) billion or 6.6 percent ($\pm 1.0\%$) from the \$467.9 billion recorded in the first quarter of 2006.

After-tax profits for these corporations averaged 3.2 cents per dollar of sales for the first quarter of 2007, down 0.7 (± 0.1) cents from the 3.9 cents of the fourth quarter of 2006, and down 0.2 (± 0.1) cents from the 3.3 cents recorded in the first quarter of 2006.

The annual rate of after-tax profits on stockholders' equity in the first quarter of 2007 was 15.1 percent, down 5.3 percent ($\pm 0.1\%$) from the 20.4 percent of the fourth quarter of 2006, and down 1.3 percent ($\pm 0.1\%$) from the 16.3 percent of the first quarter of 2006.

Retail Trade Corporations After-Tax Profits, 2003-2007 – Not Seasonally Adjusted

Since 2003, despite quarterly variations, not seasonally adjusted after-tax profits of U.S. retail trade corporations have increased steadily.



ACCESS TO QFR DATA

This press release can be viewed today in portable document format (.pdf) at our QFR internet website <http://www.census.gov/econhelp/qfr>. Data in the release are drawn from a more comprehensive data set published in the Quarterly Financial Report for Manufacturing, Mining, and Trade Corporations - Second quarter 2007 (QFR-07-2). On September 10, 2007, this quarterly publication will be available for downloading at our QFR internet website under "Press Releases and Publications". The quarterly publication includes summary statements of income and retained earnings, balance sheets, and related financial and operating ratios for manufacturing, mining and trade corporations. Data presented are classified by industry and asset size.

SAMPLING

Data in this press release are based on quarterly financial reports from approximately 600 U.S. corporations. The data 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 this release. A statement such as "up \$2.5 (± 0.2) billion," appearing in the text, indicates the range (+\$2.3 to +\$2.7 billion) 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, Quarterly Financial Report for Manufacturing, Mining, and Trade Corporations - Second quarter 2007 (QFR-07-2), includes more detailed explanations of confidence intervals and sampling variability, along with additional measures of sampling variability.

Beginning with the publication in the third quarter of 2006, the methodology for calculating the sample variance has changed. See the Survey Methodology section of the Introduction in the quarterly publication for information on this change in methodology.

Schedule of Data Release Dates - 2007		
Reference Quarter	Manufacturing, Mining, and Wholesale Trade	Retail Trade
Second 2007	September 10	October 09
Third 2007	December 10	

Table 1. Income Statement For U.S. Retail Trade Corporations - Assets \$50 Million And Over

Item	1Q 2007	4Q 2006 ¹	1Q 2006 ¹
	(million dollars)		
Net sales, receipts, and operating revenues	498,838	529,369	467,945
Less: Depreciation, depletion, and amortization.....	9,454	9,396	8,846
Less: All other operating costs and expenses	465,061	489,853	436,534
Income (or loss) from operations	24,322	30,120	22,566
Interest expense	3,895	3,776	3,320
Net nonoperating income (expense)	3,570	4,025	2,716
Income (or loss) before income taxes.....	23,997	30,369	21,961
Less: Provision for current and deferred domestic income taxes.....	8,165	9,951	6,398
Income (or loss) after income taxes	15,832	20,419	15,563
Cash dividends charged to retained earnings in current quarter.....	6,564	2,347	3,490
Net income retained in business.....	9,268	18,071	12,073
Retained earnings at beginning of quarter	289,957	279,531	261,207
Other direct credits (or charges) to retained earnings (net)	(4,587)	(3,162)	(4,525)
Retained earnings at end of quarter.....	294,638	294,441	268,756

Table 2. Income Statement Ratios For U.S. Retail Trade Corporations - Assets \$50 Million And Over

Item	1Q 2007	4Q 2006 ¹	1Q 2006 ¹
	(cents)		
Net sales, receipts, and operating revenues	100.00	100.00	100.00
Less: Depreciation, depletion, and amortization	1.90	1.77	1.89
Less: All other operating costs and expenses	93.23	92.54	93.29
Income (or loss) from operations	4.88	5.69	4.82
Interest expense	0.78	0.71	0.71
Net nonoperating income (expense)	0.72	0.76	0.58
Income (or loss) before income taxes	4.81	5.74	4.69
Less: Provision for current and deferred domestic income taxes	1.64	1.88	1.37
Income (or loss) after income taxes	3.17	3.86	3.33

Table 3. Operating Ratios For U.S. Retail Trade Corporations - Assets \$50 Million And Over

Item	1Q 2007	4Q 2006 ¹	1Q 2006 ¹
	(percent)		
Annual rate of profit on stockholders' equity at end of period:			
Before income taxes	22.88	30.26	23.06
After income taxes	15.09	20.35	16.34
Annual rate of profit on total assets:			
Before income taxes	9.95	12.95	9.88
After income taxes	6.56	8.71	7.00

¹Revised.