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

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

In the second quarter of 2007, **after-tax profits** of U.S. retail corporations with assets of \$50 million and over totaled \$17.8 billion. Second quarter 2007 after-tax profits were up \$3.2 (± 0.1) billion, or 22.2 percent ($\pm 0.4\%$), from the \$14.5 billion recorded in first quarter 2007, and up \$3.8 (± 0.1) billion, or 27.2 percent ($\pm 0.4\%$), from the \$14.0 billion recorded in the second quarter of 2006.

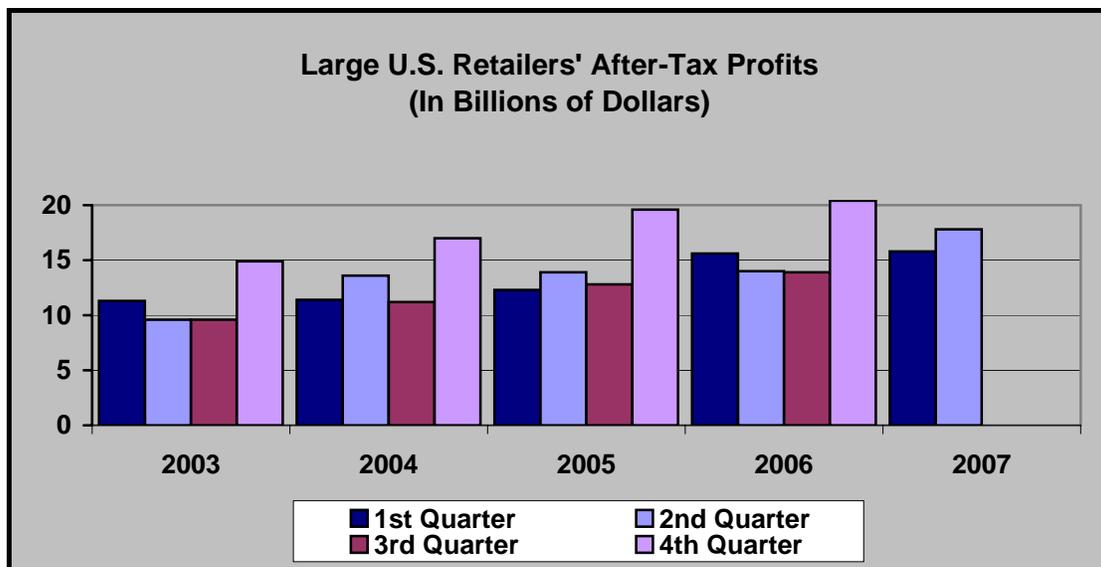
Sales in the second quarter of 2007, at \$507.5 billion, were up \$14.0 (± 2.7) billion or 2.8 percent ($\pm 0.6\%$) from the \$493.6 billion recorded in the first quarter of 2007, and up \$19.5 (± 3.7) billion or 4.0 percent ($\pm 0.8\%$) from the \$488.1 billion recorded in the second quarter of 2006.

After-tax profits for these corporations averaged 3.5 cents per dollar of sales for the second quarter of 2007, up 0.6 (± 0.1) cents from the 2.9 cents recorded in the first quarter of 2007, and up 0.6 (± 0.1) cents from the 2.9 cents recorded in the second quarter of 2006.

The annual rate of after-tax profits on stockholders' equity in the second quarter of 2007 was 17.1 percent, up 3.2 percent ($\pm 0.1\%$) from the 13.9 percent recorded in the first quarter of 2007, and up 2.5 percent ($\pm 0.1\%$) from the 14.6 percent recorded in the second 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.



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 - Third quarter 2007* (QFR-07-3). On December 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 - Third quarter 2007* (QFR-07-3), 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 Release Dates – 2007 Data		
Reference Quarter	Manufacturing, Mining, and Wholesale Trade	Retail Trade
First	June 11, 2007	July 11, 2007
Second	September 10, 2007	October 9, 2007
Third	December 10, 2007	January 9, 2008
Fourth	March 31, 2008	March 31, 2008

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

Item	2Q	1Q	2Q
	2007	2007 ¹	2006 ¹
	(million dollars)		
Net sales, receipts, and operating revenues	507,548	493,565	488,098
Less: Depreciation, depletion, and amortization	9,624	9,426	8,970
Less: All other operating costs and expenses	472,655	461,486	456,105
Income (or loss) from operations	25,268	22,653	23,022
Interest expense	4,032	3,950	3,525
Net nonoperating income (expense)	5,684	3,259	2,227
Income (or loss) before income taxes	26,920	21,961	21,723
Less: Provision for current and deferred domestic income taxes	9,156	7,430	7,759
Income (or loss) after income taxes	17,763	14,531	13,965
Cash dividends charged to retained earnings in current quarter	8,812	6,716	3,101
Net income retained in business	8,951	7,815	10,863
Retained earnings at beginning of quarter	297,868	294,449	265,331
Other direct credits (or charges) to retained earnings (net)	(4,814)	(4,468)	(2,855)
Retained earnings at end of quarter	302,005	297,796	273,339

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

Item	2Q	1Q	2Q
	2007	2007 ¹	2006 ¹
	(cents)		
Net sales, receipts, and operating revenues	100.00	100.00	100.00
Less: Depreciation, depletion, and amortization	1.90	1.91	1.84
Less: All other operating costs and expenses	93.13	93.50	93.45
Income (or loss) from operations	4.98	4.59	4.72
Interest expense	0.79	0.80	0.72
Net nonoperating income (expense)	1.12	0.66	0.46
Income (or loss) before income taxes	5.30	4.45	4.45
Less: Provision for current and deferred domestic income taxes	1.80	1.51	1.59
Income (or loss) after income taxes	3.50	2.94	2.86

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

Item	2Q	1Q	2Q
	2007	2007 ¹	2006 ¹
	(percent)		
Annual rate of profit on stockholders' equity at end of period:			
Before income taxes	25.86	20.96	22.72
After income taxes	17.06	13.87	14.60
Annual rate of profit on total assets:			
Before income taxes	11.08	9.08	9.49
After income taxes	7.31	6.00	6.10

¹Revised.