

GDP GREW 5.6 PERCENT IN THE FIRST QUARTER

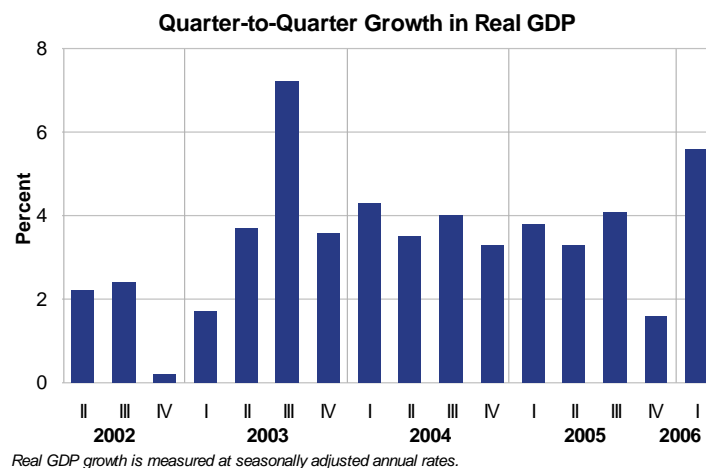
Corporate Profits Rose

The economy grew at an annual rate of 5.6 percent in the first quarter, according to the “final” estimates of gross domestic product (GDP) released by the U.S. Bureau of Economic Analysis. The growth rate was 0.3 percentage point more than the “preliminary” estimate released in May. In the fourth quarter, the economy increased 1.7 percent.

Gross Domestic Product

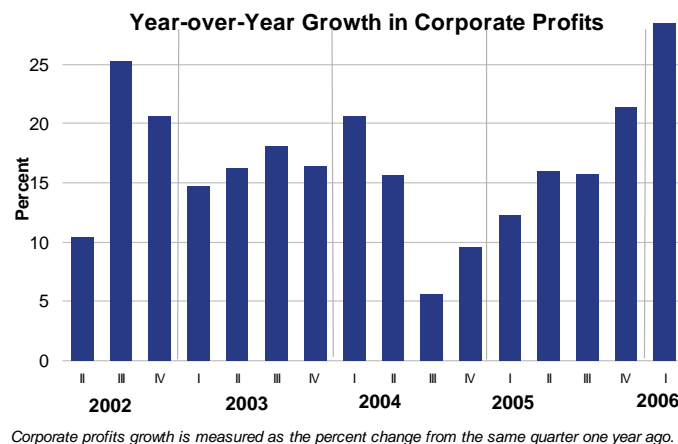
The acceleration in first-quarter GDP growth primarily reflected an upturn in consumer spending on durable goods, an acceleration in exports, an upturn in Federal government spending, and a pick-up in investment in equipment and software. On the other hand, private inventory investment turned down.

The upward revision to the first-quarter GDP estimate mainly reflected a downward revision to imports.



Corporate Profits

First-quarter corporate profits rose 28.5 percent from the same quarter a year ago. Profits of financial corporations increased 18.4 percent, and profits of nonfinancial corporations increased 35.2 percent.



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: On July 28, 2006, the “advance” estimate of GDP for the second quarter of 2006 will be released along with revised estimates for the first quarter of 2003 through the first quarter of 2006.