

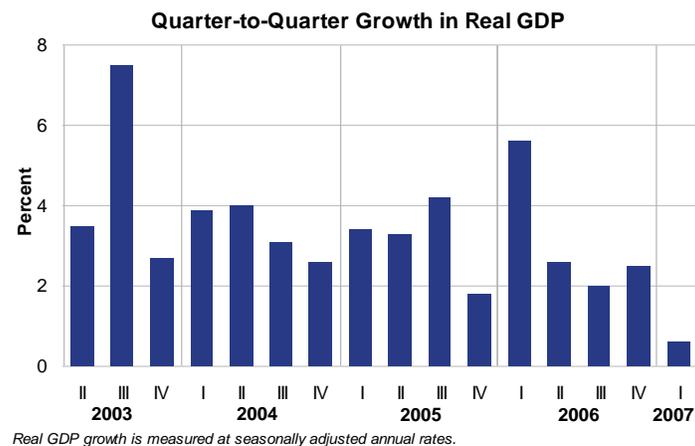
GDP GREW 0.6 PERCENT IN FIRST QUARTER

Corporate Profits Growth Slows

The economy grew at an annual rate of 0.6 percent in the first quarter, according to the “preliminary” estimates released by the Bureau of Economic Analysis. Based on newly available data that showed a marked reduction in business inventories and a surge in imports in March, the GDP growth rate was revised down 0.7 percentage point from the “advance” estimate of 1.3 percent. BEA also released its first estimate of first-quarter corporate profits.

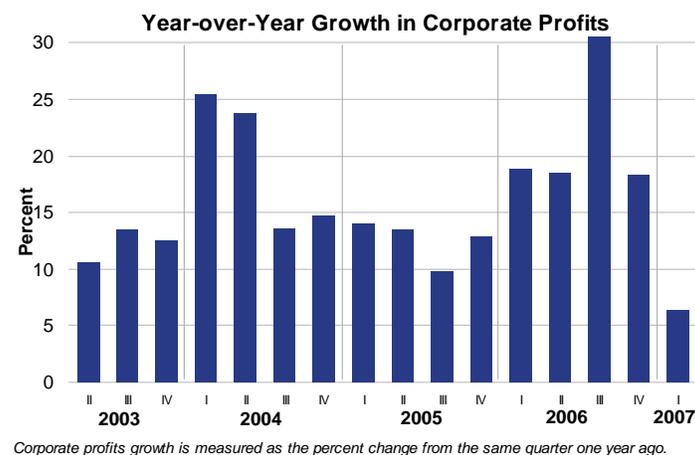
Gross Domestic Product (GDP)

The deceleration in first-quarter GDP growth primarily reflected a downturn in net exports.



Corporate Profits

First-quarter corporate profits increased 6.3 percent from the same quarter a year ago. In the fourth quarter, profits grew 18.3 percent. Profits of financial corporations increased 13.1 percent in the first quarter, and profits of nonfinancial corporations decreased 0.4 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: Additional information that becomes available in the coming weeks will be incorporated in a “final” estimate of first-quarter GDP on June 28, 2007. A revised estimate of corporate profits will also be released.