

GDP GREW 4.1 PERCENT IN THE THIRD QUARTER

“Final” Estimate of Profits Released

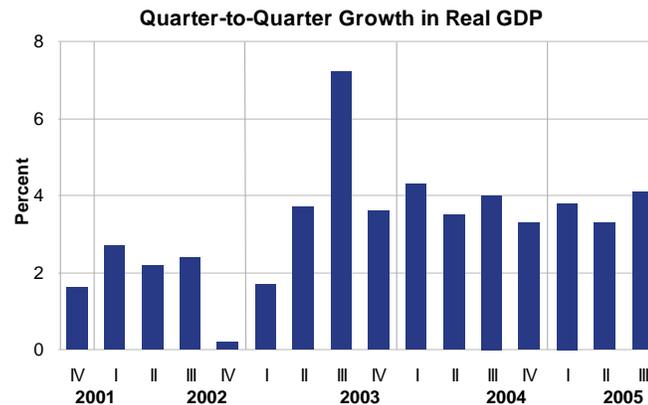
The economy grew at an annual rate of 4.1 percent in the third quarter, 0.2 percentage point less than the “preliminary” estimates released in November, according to the U.S. Bureau of Economic Analysis. In the second quarter, real GDP increased 3.3 percent.

Third-quarter corporate profits rose 15.7 percent from the same quarter a year ago.

Gross Domestic Product (GDP)

The increase in real GDP primarily reflected increases in consumer spending, investment in equipment and software, federal government spending, and residential fixed investment. However, inventory investment decreased, although less than it had in the second quarter, and imports increased.

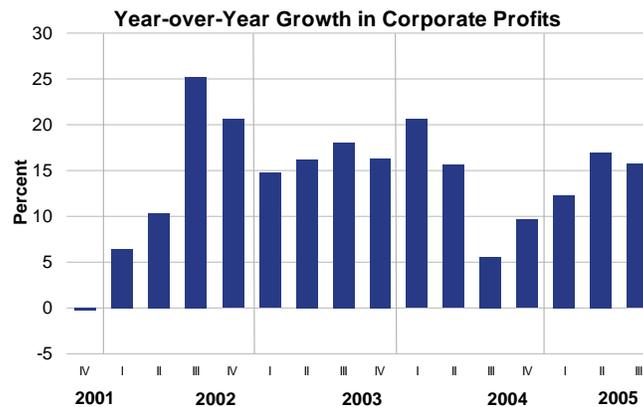
The acceleration in real GDP growth reflected a smaller decrease in inventory investment and accelerations in consumer spending and federal government spending.



Real GDP growth is measured at seasonally adjusted annual rates.

Corporate Profits

The 15.7-percent rise in profits mainly reflected a rise in the profits of domestic nonfinancial corporations. However, quarter-to-quarter profits fell 4.0 percent, reflecting losses from Hurricanes Katrina and Rita.



Corporate profits growth is measured as the percent change from the same quarter one year ago.

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: The “advance” estimate of GDP for the fourth quarter of 2005 will be released on January 28, 2006.