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FIRST QUARTER 2010 DATA FROM THE QUARTERLY FINANCIAL REPORT: LARGE U.S. RETAIL TRADE CORPORATIONS

After-Tax Profits and Sales, First Quarter 2010 – Not Seasonally Adjusted

First quarter 2010 **after-tax profits** of U.S. retail corporations with assets of \$50 million and over totaled \$15.8 billion, down \$1.2 (± 0.1) billion from the after-tax profits of \$17.0 billion recorded in fourth quarter 2009, but up \$8.4 (± 0.2) billion from the after-tax profits of \$7.4 billion recorded in the first quarter of 2009.

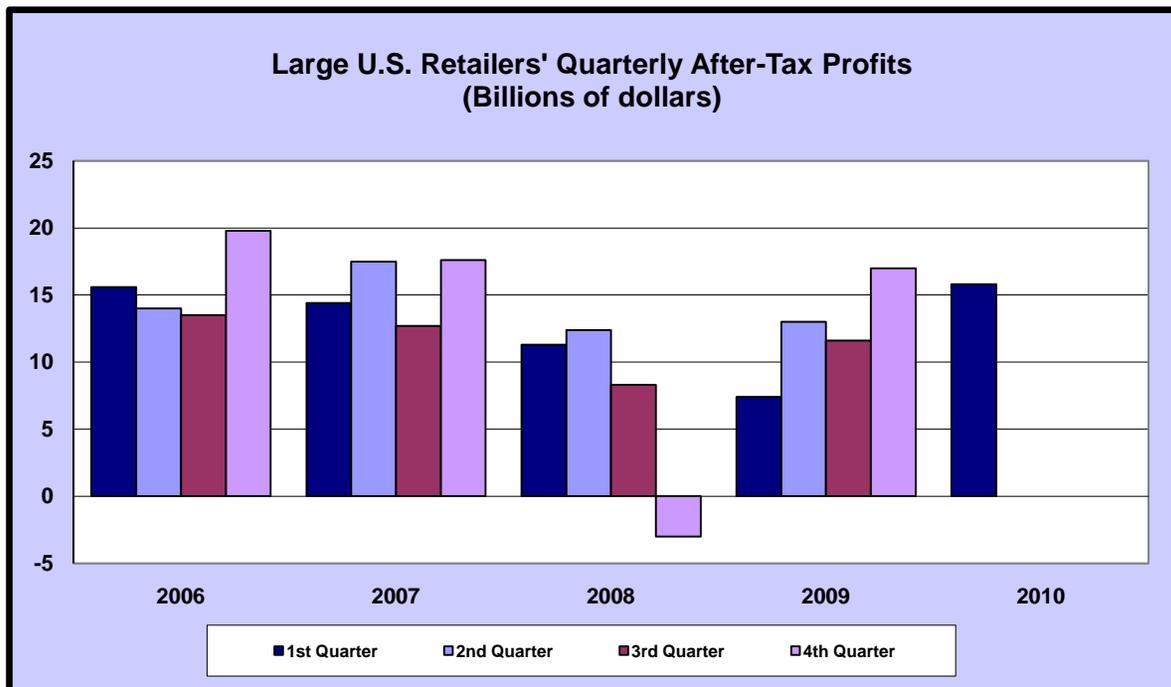
Sales in the first quarter of 2010, at \$521.3 billion, were down \$24.0 (± 3.2) billion from the \$545.3 billion recorded in the fourth quarter of 2009, but up \$34.9 (± 7.2) billion from the \$486.4 billion recorded in the first quarter of 2009.

After-tax profits for these corporations averaged 3.0 cents per dollar of sales for the first quarter of 2010, not significantly different from the 3.1 cents recorded in the fourth quarter of 2009, but up 1.5 (± 0.1) cents from the 1.5 cents recorded in the first quarter of 2009.

The annual rate of after-tax profits on stockholders' equity in the first quarter of 2010 was 15.2 percent, down 1.1 (± 0.1) percentage points from the 16.3 percent recorded in the fourth quarter of 2009, but up 7.4 (± 0.1) percentage points from the 7.8 percent recorded in the first quarter of 2009.

Retail Trade Corporations After-Tax Profits, 2006-2010 – Not Seasonally Adjusted

First quarter 2010 after-tax profits of U.S. retail trade corporations with assets of \$50 million and over (not seasonally adjusted) were down \$1.2 billion from fourth quarter 2009, but up \$8.4 billion from first quarter 2009, the lowest first quarter in the 2006-2010 period (see below).



SPECIAL NOTICES

Beginning with data collected for fourth quarter 2010 (released in March 2011) the Quarterly Financial Report (QFR) will implement a new methodology to account for nonrespondent companies. The new methodology will, on average, produce more accurate data estimates and better reflect current financial standing than the existing methodology. Estimates for the prior four quarters (fourth quarter 2009 through third quarter 2010) will be restated using this new imputation methodology to provide comparability of the data across these quarters. For more information on the new methodology, call the Statistical Research and Methods Branch on 1-301-763-3310.

ACCESS TO QFR DATA

This press release can be viewed today in portable document format (.pdf) at the QFR internet website <http://www.census.gov/econ/qfr/index.html>. Summary statements of income and retained earnings, balance sheets, and related financial and operating ratios for retail trade corporations are also available at the QFR internet website.

RELIABILITY OF THE ESTIMATES

Data in this press release are based on quarterly financial reports from approximately 630 U.S. corporations. The data are estimated from a sample survey and are subject to sampling and nonsampling errors.

Sampling error occurs because only a subset of the entire population is measured. Estimates of sampling error can be computed based on the sample and used to construct confidence intervals around the estimates. Statements of change appearing in this report include 90 percent confidence intervals. Thus, a statement in the report such as “up \$2.5 (± 0.2) billion” estimates the interval (+\$2.3 billion to +\$2.7 billion) within which the actual value is likely to fall in 90 percent of samples of the same size and design, drawn from the same population. If the range of estimated change contains zero (0), then it is uncertain whether there is an increase or decrease; that is, the change is not statistically different from zero (0). For any comparison cited in the text without a confidence interval, the change is statistically significant at the 90 percent confidence level.

Nonsampling error encompasses all other factors that contribute to the total error of a survey, including response errors, nonresponse, and coverage errors. Although no direct measures of nonsampling error are available, precautionary steps were taken in all phases of the collection, processing, and tabulation of the data in an effort to minimize their influence. The quarterly publication, *Quarterly Financial Report for Manufacturing, Mining, and Trade Corporations – First quarter 2010* (QFR/10-Q1), includes more detailed explanations of nonsampling and sampling error, and additional measures of sampling variability.

| Retail Trade Schedule of Release Dates for Calendar Year 2010 | |
|--|--------------------|
| Second Quarter 2010 | September 20, 2010 |
| Third Quarter 2010 | December 20, 2010 |

Table 1. U.S. Retail Trade Corporations, Assets \$50 Million and Over - Income Statement^{1,2}

| Item | 1Q 2010 | 4Q 2009 ³ | 1Q 2009 ³ |
|--|-------------------|-------------------------|-------------------------|
| | (million dollars) | | |
| Net sales, receipts, and operating revenues | 521,340 | 545,344 | 486,449 |
| Less: Depreciation, depletion, and amortization | 10,342 | 10,529 | 10,165 |
| Less: All other operating costs and expenses | 485,362 | 505,784 | 456,646 |
| Income (or loss) from operations | 25,636 | 29,032 | 19,638 |
| Interest expense | 4,096 | 4,256 | 4,261 |
| Net nonoperating income (expense) | 2,504 | (12) | (1,467) |
| Income (or loss) before income taxes | 24,044 | 24,764 | 13,910 |
| Less: Provision for current and deferred domestic income taxes | 8,239 | 7,788 | 6,520 |
| Income (or loss) after income taxes | 15,805 | 16,975 | 7,390 |
| Cash dividends charged to retained earnings in current quarter | 7,608 | 2,830 | 2,675 |
| Net income retained in business | 8,198 | 14,145 | 4,716 |
| Retained earnings at beginning of quarter | 301,460 | 294,935 | 280,734 |
| Other direct credits (or charges) to retained earnings (net) | (6,286) | (6,574) | (7,934) |
| Retained earnings at end of quarter | 303,371 | 302,506 | 277,516 |

¹Retail Trade data are the quarterly results of companies within the Retail Trade sector with total assets of \$50 million and over at the time of sample selection.

²Complete Income Statement and Balance Sheet Financial Tables are available at the QFR website.

³Revised.

Table 2. U.S. Retail Trade Corporations, Assets \$50 Million and Over - Income Statement Ratios^{1,2}

| Item | 1Q 2010 | 4Q 2009 ³ | 1Q 2009 ³ |
|--|-----------------------------|-------------------------|-------------------------|
| | (cents per dollar of sales) | | |
| Net sales, receipts, and operating revenues | 100.00 | 100.00 | 100.00 |
| Less: Depreciation, depletion, and amortization | 1.98 | 1.93 | 2.09 |
| Less: All other operating costs and expenses | 93.10 | 92.75 | 93.87 |
| Income (or loss) from operations | 4.92 | 5.32 | 4.04 |
| Interest expense | 0.79 | 0.78 | 0.88 |
| Net nonoperating income (expense) | 0.48 | 0.00 | (0.30) |
| Income (or loss) before income taxes | 4.61 | 4.54 | 2.86 |
| Less: Provision for current and deferred domestic income taxes | 1.58 | 1.43 | 1.34 |
| Income (or loss) after income taxes | 3.03 | 3.11 | 1.52 |

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³Revised.

Table 3. U.S. Retail Trade Corporations, Assets \$50 Million and Over - Operating Ratios^{1,2}

| Item | 1Q 2010 | 4Q 2009 ³ | 1Q 2009 ³ |
|---|------------|-------------------------|-------------------------|
| | (percent) | | |
| Annual rate of profit on stockholders' equity at end of period: | | | |
| Before income taxes | 23.18 | 23.84 | 14.68 |
| After income taxes | 15.24 | 16.34 | 7.80 |
| Annual rate of profit on total assets: | | | |
| Before income taxes | 9.56 | 9.88 | 5.72 |
| After income taxes | 6.28 | 6.77 | 3.04 |

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³Revised.