

CNF INC.
STATEMENTS OF CONSOLIDATED INCOME
(Dollars in thousands except per share amounts)

	Three Months Ended	
	March 31,	
	2005	2004
REVENUES	\$ 947,683	\$ 846,920
Costs and Expenses		
Operating expenses	768,733	691,817
Selling, general and administrative expenses	79,226	74,445
Depreciation	26,468	25,210
	<u>874,427</u>	<u>791,472</u>
OPERATING INCOME	73,256	55,448
Other Expense, net	(7,443)	(7,177)
Income Before Taxes	65,813	48,271
Income Tax Provision	24,962	18,826
Income from Continuing Operations	<u>40,851</u>	<u>29,445</u>
Discontinued Operations, net of tax		
Loss from Disposal	(9,776)	-
Loss from Discontinued Operations	-	(3,016)
	<u>(9,776)</u>	<u>(3,016)</u>
Net Income	31,075	26,429
Preferred Stock Dividends	1,989	2,022
NET INCOME AVAILABLE TO COMMON SHAREHOLDERS	<u>\$ 29,086</u>	<u>\$ 24,407</u>
Weighted-Average Common Shares Outstanding		
Basic	52,348,984	49,835,663
Diluted [a]	56,610,719	57,125,185
Earnings (Loss) Per Common Share		
Basic		
Net income from Continuing Operations	\$ 0.74	\$ 0.55
Loss from Disposal, net of tax	(0.18)	-
Loss from Discontinued Operations, net of tax	-	(0.06)
	<u>\$ 0.56</u>	<u>\$ 0.49</u>
Diluted [a]		
Net income from Continuing Operations	\$ 0.69	\$ 0.50
Loss from Disposal, net of tax	(0.17)	-
Loss from Discontinued Operations, net of tax	-	(0.05)
	<u>\$ 0.52</u>	<u>\$ 0.45</u>

OPERATING SEGMENTS

REVENUES		
Con-Way Transportation Services	\$ 659,373	\$ 593,876
Menlo Worldwide Logistics	282,901	252,790
CNF Other	5,409	254
	<u>\$ 947,683</u>	<u>\$ 846,920</u>
OPERATING INCOME (LOSS)		
Con-Way Transportation Services	\$ 62,933	\$ 47,866
Menlo Worldwide		
Logistics	5,653	6,042
Vector	4,035	2,392
	<u>9,688</u>	<u>8,434</u>
CNF Other	635	(852)
	<u>\$ 73,256</u>	<u>\$ 55,448</u>

[a] The three months ended March 31, 2005 include the dilutive effect of restricted stock, stock options and Series B preferred stock. The prior year also includes the dilutive effect of convertible subordinated debentures, which were redeemed on June 1, 2004.