

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2003	2002	2003	2002
REVENUES	\$ 1,236,905	\$ 1,186,273	\$ 2,443,146	\$ 2,253,347
Costs and Expenses				
Operating expenses	1,042,036	993,667	2,055,707	1,873,372
General and administrative expenses	124,053	113,060	242,343	224,221
Depreciation	33,496	35,637	66,728	71,481
	<u>1,199,585</u>	<u>1,142,364</u>	<u>2,364,778</u>	<u>2,169,074</u>
OPERATING INCOME	37,320	43,909	78,368	84,273
Other expense, net	(7,207)	(8,025)	(18,820)	(15,167)
Income before Taxes	30,113	35,884	59,548	69,106
Income Tax Provision	(11,744)	(13,995)	(23,224)	(26,951)
Net Income	18,369	21,889	36,324	42,155
Preferred Stock Dividends	2,069	2,043	4,095	4,048
NET INCOME AVAILABLE TO COMMON SHAREHOLDERS	<u>\$ 16,300</u>	<u>\$ 19,846</u>	<u>\$ 32,229</u>	<u>\$ 38,107</u>
Weighted-Average Common Shares Outstanding				
Basic	49,494,145	49,074,627	49,445,348	49,001,489
Diluted [a]	57,127,187	56,713,022	54,004,772	56,610,935
Earnings per Common Share				
Basic	<u>\$ 0.33</u>	<u>\$ 0.40</u>	<u>\$ 0.65</u>	<u>\$ 0.78</u>
Diluted [a]	<u>\$ 0.31</u>	<u>\$ 0.37</u>	<u>\$ 0.61</u>	<u>\$ 0.72</u>

[a] The three months ended June 30, 2003 and the three and six months ended June 30, 2002 included the dilutive effect of stock options, Series B (TASP) preferred stock, and Series A "TECONs" convertible preferred stock of subsidiary trust. The six months ended June 30, 2003 included the dilutive effect of stock options and Series B preferred stock.

OPERATING SEGMENTS

REVENUES				
Con-Way Transportation Services	\$ 541,446	\$ 503,968	\$ 1,060,554	\$ 958,699
Menlo Worldwide				
Forwarding	442,421	439,787	888,043	834,548
Logistics	253,012	241,611	494,514	458,120
	<u>695,433</u>	<u>681,398</u>	<u>1,382,557</u>	<u>1,292,668</u>
CNF Other	26	907	35	1,980
	<u>\$ 1,236,905</u>	<u>\$ 1,186,273</u>	<u>\$ 2,443,146</u>	<u>\$ 2,253,347</u>
OPERATING INCOME (LOSS)				
Con-Way Transportation Services	\$ 43,575	\$ 35,115	\$ 80,767	\$ 68,836
Menlo Worldwide				
Forwarding	(13,818)	(5,908)	(19,249)	(11,621)
Logistics	6,303	7,059	12,339	14,812
Other	3,572	9,320	6,548	10,629
	<u>(3,943)</u>	<u>10,471</u>	<u>(362)</u>	<u>13,820</u>
CNF Other	(2,312)	(1,677)	(2,037)	1,617
	<u>\$ 37,320</u>	<u>\$ 43,909</u>	<u>\$ 78,368</u>	<u>\$ 84,273</u>

UNUSUAL AND/OR NON-RECURRING ITEMS INCLUDED IN OPERATING INCOME (LOSS) FOR THE PERIODS PRESENTED:

Con-Way Transportation Services -				
Net gain from the sale of property	\$ -	\$ -	\$ -	\$ 8,675
Menlo Worldwide -				
Forwarding -				
Net gains from payments under the Air Transportation Safety and System Stabilization Act	-	-	7,230	9,895
Logistics -				
Net gain from a contract termination	-	-	-	1,850
CNF Other -				
Net gain from the sale of property	-	-	-	2,367