

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2005	2004	2005	2004
REVENUES	\$ 1,033,875	\$ 924,382	\$ 1,981,558	\$ 1,771,302
Costs and Expenses				
Operating expenses	818,567	748,028	1,587,300	1,439,845
Selling, general and administrative expenses	84,498	79,783	163,724	154,228
Depreciation	27,250	25,292	53,718	50,502
	<u>930,315</u>	<u>853,103</u>	<u>1,804,742</u>	<u>1,644,575</u>
OPERATING INCOME	103,560	71,279	176,816	126,727
Other Expense, net	(6,165)	(12,560)	(13,608)	(19,737)
Income Before Taxes	97,395	58,719	163,208	106,990
Income Tax Provision	29,239 [b]	22,900	54,201 [b]	41,726
Income from Continuing Operations	<u>68,156</u>	<u>35,819</u>	<u>109,007</u>	<u>65,264</u>
Discontinued Operations, net of tax				
Gain (Loss) from Disposal	2,951	-	(6,825)	-
Income (Loss) from Discontinued Operations	-	1,686	-	(1,330)
	<u>2,951</u>	<u>1,686</u>	<u>(6,825)</u>	<u>(1,330)</u>
Net Income	71,107	37,505	102,182	63,934
Preferred Stock Dividends	2,036	2,022	4,025	4,044
NET INCOME AVAILABLE TO COMMON SHAREHOLDERS	<u>\$ 69,071</u>	<u>\$ 35,483</u>	<u>\$ 98,157</u>	<u>\$ 59,890</u>
Weighted-Average Common Shares Outstanding				
Basic	52,166,814	50,319,659	52,257,396	50,075,246
Diluted [a]	56,016,513	56,883,738	56,333,732	56,981,429
Earnings (Loss) Per Common Share				
Basic				
Net income from Continuing Operations	\$ 1.27	\$ 0.67	\$ 2.01	\$ 1.22
Gain (Loss) from Disposal, net of tax	0.05	-	(0.13)	-
Income (Loss) from Discontinued Operations, net of tax	-	0.04	-	(0.02)
	<u>\$ 1.32</u>	<u>\$ 0.71</u>	<u>\$ 1.88</u>	<u>\$ 1.20</u>
Diluted [a]				
Net income from Continuing Operations	\$ 1.19	\$ 0.61	\$ 1.87	\$ 1.11
Gain (Loss) from Disposal, net of tax	0.05	-	(0.12)	-
Income (Loss) from Discontinued Operations, net of tax	-	0.03	-	(0.02)
	<u>\$ 1.24</u>	<u>\$ 0.64</u>	<u>\$ 1.75</u>	<u>\$ 1.09</u>

OPERATING SEGMENTS

REVENUES				
Con-Way Transportation Services	\$ 713,939	\$ 640,861	\$ 1,354,264	\$ 1,219,341
Menlo Worldwide Logistics	317,036	282,569	618,985	550,755
CNF Other	2,900	952	8,309	1,206
	<u>\$ 1,033,875</u>	<u>\$ 924,382</u>	<u>\$ 1,981,558</u>	<u>\$ 1,771,302</u>
OPERATING INCOME (LOSS)				
Con-Way Transportation Services	\$ 95,329	\$ 63,859	\$ 158,885	\$ 112,790
Menlo Worldwide				
Logistics	5,634	5,358	10,664	10,335
Vector	4,941	2,988	8,976	5,380
	<u>10,575</u>	<u>8,346</u>	<u>19,640</u>	<u>15,715</u>
CNF Other	(822)	(926)	(187)	(1,778)
	<u>105,082</u>	<u>71,279</u>	<u>178,338</u>	<u>126,727</u>
Reconciliation of segments to consolidated amount:				
Income tax related to Vector, an equity-method investment	(1,522)	-	(1,522)	-
	<u>\$ 103,560</u>	<u>\$ 71,279</u>	<u>\$ 176,816</u>	<u>\$ 126,727</u>

[a] The periods ended June 30, 2005 include the dilutive effect of restricted stock, stock options and Series B preferred stock. The periods ended June 30, 2004 also include the dilutive effect of convertible subordinated debentures, which were redeemed on June 1, 2004.

[b] Includes a \$7.0 million second-quarter tax benefit (\$0.12 per diluted share) from the reversal of accrued taxes related to the settlement with the IRS of previous tax filings.