

**Con-way Inc.**  
**Statements of Consolidated Income**  
(Dollars in thousands except per share amounts)

|   | Three Months Ended<br>September 30, |                     | Nine Months Ended<br>September 30, |                     |
|---|-------------------------------------|---------------------|------------------------------------|---------------------|
|   | 2006                                | 2005                | 2006                               | 2005                |
| REVENUES  | \$ 1,076,807                        | \$ 1,084,457        | \$ 3,222,851                       | \$ 3,041,617        |
| Costs and Expenses  |                                     |                     |                                    |                     |
| Operating expenses  | 848,024                             | 871,019             | 2,561,516                          | 2,436,055           |
| Selling, general and administrative expenses [a]                  | 93,868                              | 80,363              | 272,855                            | 240,949             |
| Depreciation  | 32,600                              | 29,319              | 96,424                             | 82,895              |
|   | <u>974,492</u>                      | <u>980,701</u>      | <u>2,930,795</u>                   | <u>2,759,899</u>    |
| OPERATING INCOME  | <u>102,315</u>                      | <u>103,756</u>      | <u>292,056</u>                     | <u>281,718</u>      |
| Other Expense, net  | <u>3,873</u>                        | <u>3,490</u>        | <u>6,060</u>                       | <u>16,067</u>       |
| Income Before Taxes   | <u>98,442</u>                       | <u>100,266</u>      | <u>285,996</u>                     | <u>265,651</u>      |
| Income Tax Provision [b]  | <u>33,664</u>                       | <u>35,244</u>       | <u>97,273</u>                      | <u>90,322</u>       |
| Income from Continuing Operations                                 | <u>64,778</u>                       | <u>65,022</u>       | <u>188,723</u>                     | <u>175,329</u>      |
| Discontinued Operations, net of tax [d]                           |                                     |                     |                                    |                     |
| Loss from Discontinued Operations                                 | -                                   | (549)               | (1,929)                            | (1,849)             |
| Gain (Loss) from Disposal   | -                                   | 3,335               | (4,850)                            | (3,490)             |
|   | <u>-</u>                            | <u>2,786</u>        | <u>(6,779)</u>                     | <u>(5,339)</u>      |
| Net Income  | <u>64,778</u>                       | <u>67,808</u>       | <u>181,944</u>                     | <u>169,990</u>      |
| Preferred Stock Dividends   | <u>1,748</u>                        | <u>1,816</u>        | <u>5,319</u>                       | <u>5,841</u>        |
| NET INCOME AVAILABLE TO COMMON SHAREHOLDERS                       | <u>\$ 63,030</u>                    | <u>\$ 65,992</u>    | <u>\$ 176,625</u>                  | <u>\$ 164,149</u>   |
| NET INCOME FROM CONTINUING OPERATIONS (after preferred dividends) | <u>\$ 63,030</u>                    | <u>\$ 63,206</u>    | <u>\$ 183,404</u>                  | <u>\$ 169,488</u>   |
| Weighted-Average Common Shares Outstanding                        |                                     |                     |                                    |                     |
| Basic   | 47,601,175                          | 52,081,891          | 49,717,418                         | 52,198,251          |
| Diluted   | 50,857,496                          | 55,966,289          | 53,092,636                         | 56,259,541          |
| Earnings (Loss) Per Common Share                                  |                                     |                     |                                    |                     |
| Basic   |                                     |                     |                                    |                     |
| Net income from Continuing Operations                             | \$ 1.32                             | \$ 1.21             | \$ 3.69                            | \$ 3.25             |
| Loss from Discontinued Operations                                 | -                                   | (0.01)              | (0.04)                             | (0.04)              |
| Gain (Loss) from Disposal   | -                                   | 0.07                | (0.10)                             | (0.07)              |
|   | <u>\$ 1.32</u>                      | <u>\$ 1.27</u>      | <u>\$ 3.55</u>                     | <u>\$ 3.14</u>      |
| Diluted   |                                     |                     |                                    |                     |
| Net income from Continuing Operations                             | \$ 1.24                             | \$ 1.13             | \$ 3.47                            | \$ 3.03             |
| Loss from Discontinued Operations                                 | -                                   | (0.01)              | (0.04)                             | (0.04)              |
| Gain (Loss) from Disposal   | -                                   | 0.06                | (0.09)                             | (0.06)              |
|   | <u>\$ 1.24</u>                      | <u>\$ 1.18</u>      | <u>\$ 3.34</u>                     | <u>\$ 2.93</u>      |
| <b>Operating Segments [c]</b>                                     |                                     |                     |                                    |                     |
| REVENUES  |                                     |                     |                                    |                     |
| Con-way Freight and Transportation                                | \$ 735,938                          | \$ 729,660          | \$ 2,186,421                       | \$ 2,067,835        |
| Menlo Worldwide Logistics   | 340,869                             | 354,797             | 1,036,430                          | 973,782             |
|   | <u>\$ 1,076,807</u>                 | <u>\$ 1,084,457</u> | <u>\$ 3,222,851</u>                | <u>\$ 3,041,617</u> |
| OPERATING INCOME (LOSS)   |                                     |                     |                                    |                     |
| Con-way Freight and Transportation                                | \$ 95,524 [e]                       | \$ 95,340           | \$ 264,603 [e]                     | \$ 255,508          |
| Menlo Worldwide   |                                     |                     |                                    |                     |
| Logistics   | 5,462                               | 7,889               | 17,740                             | 18,553              |
| Vector  | 1,019                               | 4,220               | 13,068                             | 13,196              |
|   | <u>6,481</u>                        | <u>12,109</u>       | <u>30,808</u>                      | <u>31,749</u>       |
| Con-way Other   | <u>(670)</u>                        | <u>(2,852)</u>      | <u>(1,145)</u>                     | <u>(3,176)</u>      |
|   | <u>101,335</u>                      | <u>104,597</u>      | <u>294,266</u>                     | <u>284,081</u>      |
| Reconciliation of segments to consolidated amount:                |                                     |                     |                                    |                     |
| Income tax related to Vector, an equity-method investment         | 980                                 | (841)               | (2,210)                            | (2,363)             |
|   | <u>\$ 102,315</u>                   | <u>\$ 103,756</u>   | <u>\$ 292,056</u>                  | <u>\$ 281,718</u>   |

[a] Periods in 2006 reflect adoption of SFAS 123R, "Share-Based Payment," effective January 1, 2006. Con-way adopted SFAS 123R under the modified prospective method, and accordingly, prior-period financial statements have not been adjusted.

[b] Includes the effect of net tax credits that were primarily related to the settlement with the IRS of previous tax filings. Excluding these items, the effective tax rate in the third quarter and first nine months of 2006 was 37.5% and 37.7%, respectively, and in 2005, was 35.8% and 37.0%, respectively.

[c] Effective January 1, 2006, the results of Road Systems, a trailer manufacturer, are reported in the Con-way Freight and Transportation operating segment rather than the Con-way Other segment. The prior-period segment results have been reclassified.

[d] Discontinued operations in the periods presented relate to the closure of Con-way Forwarding in June 2006, the sale of MWF in 2004, and the shut-down of EWA in 2001. The gain (loss) from disposal in 2006 primarily reflects a \$5.1 million second-quarter loss from the closure of Con-way Forwarding while the prior year primarily reflects disposal-related gains and losses related to MWF and EWA. The loss from discontinued operations in all periods presented consists of the pre-closure operating results of Con-way Forwarding.

[e] Includes a \$6.2 million third-quarter gain (\$0.08 per diluted share) from the sale of assets related to Con-way Expedite.