

Con-way Inc.
CONSOLIDATED FINANCIAL SUMMARIES
STATEMENTS OF OPERATING RESULTS
(Dollars in Thousands Except per Share Data)
Quarter Ended
(UNAUDITED)

	2004		2005				2006				2007			
	Dec 31	March 31	June 30	Sep 30	Dec 31	March 31	June 30	Sep 30	Dec 31	March 31	June 30	Sep 30	Dec 31	
REVENUES														
Freight	\$ 631,786	\$ 627,950	\$ 701,637	\$ 726,610	\$ 705,823	\$ 694,965	\$ 749,424	\$ 730,960	\$ 677,560	\$ 679,690	\$ 744,922	\$ 740,769	\$ 739,162	
Logistics	318,597	301,949	317,036	354,797	365,892	349,862	345,699	340,869	318,871	320,481	323,909	312,572	340,094	
Truckload	-	279	-	62	271	500	2,152	2,622	1,871	948	1,289	51,991	118,446	
Other	2,144	5,417	2,892	2,988	1,972	665	2,777	2,356	325	1,072	3,597	5,961	2,460	
	<u>952,527</u>	<u>935,595</u>	<u>1,021,565</u>	<u>1,084,457</u>	<u>1,073,958</u>	<u>1,045,992</u>	<u>1,100,052</u>	<u>1,076,807</u>	<u>998,627</u>	<u>1,002,191</u>	<u>1,073,717</u>	<u>1,111,293</u>	<u>1,200,162</u>	
OPERATING INCOME (LOSS)														
Freight [A] [B]	59,993	64,367	95,322	93,648	74,497	66,169	99,932	93,740	61,363	47,678	72,152	60,029	55,201	
Logistics	6,673	5,030	5,634	7,889	8,119	6,185	6,093	5,462	6,536	6,935	6,188	6,188	5,940	
Truckload	-	(217)	559	1,478	1,654	378	1,928	1,398	(1,437)	(663)	(2,306)	2,975	8,797	
Vector [C]	10,174	4,035	3,419	3,379	5,228	4,194	4,665	1,999	41,741	(2,699)	-	-	-	
Other	(1,560)	635	(822)	(2,638)	(270)	982	(785)	(284)	196	(1,732)	840	(1,510)	92	
	<u>75,280</u>	<u>73,850</u>	<u>104,112</u>	<u>103,756</u>	<u>89,228</u>	<u>77,908</u>	<u>111,833</u>	<u>102,315</u>	<u>109,772</u>	<u>49,120</u>	<u>77,621</u>	<u>67,682</u>	<u>70,030</u>	
OTHER INCOME (EXPENSE)														
Investment Income	3,238	4,627	5,535	5,668	6,900	6,942	6,680	5,399	5,760	5,448	5,854	5,118	2,587	
Interest Expense	(11,389)	(10,466)	(9,688)	(8,426)	(8,921)	(8,148)	(8,317)	(8,761)	(8,980)	(8,551)	(8,773)	(10,603)	(14,878)	
Miscellaneous, Net	744	(1,092)	(1,493)	(732)	(502)	482	174	(511)	(239)	(225)	418	(271)	2,069	
	<u>(7,407)</u>	<u>(6,931)</u>	<u>(5,646)</u>	<u>(3,490)</u>	<u>(2,523)</u>	<u>(724)</u>	<u>(1,463)</u>	<u>(3,873)</u>	<u>(3,459)</u>	<u>(3,328)</u>	<u>(2,501)</u>	<u>(5,756)</u>	<u>(10,222)</u>	
Income from Continuing Operations before Taxes	67,873	66,919	98,466	100,266	86,705	77,184	110,370	98,442	106,313	45,792	75,120	61,926	59,808	
Income Tax Provision [C]	26,610	25,456	29,622	35,244	31,659	29,191	34,418	33,664	22,705	19,156	25,670	22,961	21,084	
Income from Continuing Operations	<u>41,263</u>	<u>41,463</u>	<u>68,844</u>	<u>65,022</u>	<u>55,046</u>	<u>47,993</u>	<u>75,952</u>	<u>64,778</u>	<u>83,608</u>	<u>26,636</u>	<u>49,450</u>	<u>38,965</u>	<u>38,724</u>	
Discontinued Operations, net of tax														
Income (Loss) from Discontinued operations	9,339	(612)	(688)	(549)	(545)	(753)	(1,176)	-	-	-	-	-	-	
Gain (Loss) from Disposal	(18,259)	(9,776)	2,951	3,335	(2,729)	(806)	(4,044)	-	580	2,919	(1,310)	-	(2,472)	
	<u>(8,920)</u>	<u>(10,388)</u>	<u>2,263</u>	<u>2,786</u>	<u>(3,274)</u>	<u>(1,559)</u>	<u>(5,220)</u>	<u>-</u>	<u>580</u>	<u>2,919</u>	<u>(1,310)</u>	<u>-</u>	<u>(2,472)</u>	
Preferred Stock Dividends	2,120	1,989	2,036	1,816	1,887	1,763	1,808	1,748	1,835	1,714	1,765	1,693	1,788	
Net Income Applicable to Common Shareholders	<u>\$ 30,223</u>	<u>\$ 29,086</u>	<u>\$ 69,071</u>	<u>\$ 65,992</u>	<u>\$ 49,885</u>	<u>\$ 44,671</u>	<u>\$ 68,924</u>	<u>\$ 63,030</u>	<u>\$ 82,353</u>	<u>\$ 27,841</u>	<u>\$ 46,375</u>	<u>\$ 37,272</u>	<u>\$ 34,464</u>	
Earnings (Loss) Per Share														
Basic														
Net Income Applicable to Common Shareholders	<u>\$0.59</u>	<u>\$0.56</u>	<u>\$1.32</u>	<u>\$1.27</u>	<u>\$0.96</u>	<u>\$0.86</u>	<u>\$1.39</u>	<u>\$1.32</u>	<u>\$1.76</u>	<u>\$0.61</u>	<u>\$1.02</u>	<u>\$0.83</u>	<u>\$0.77</u>	
Diluted														
Net Income from Continuing Operations	<u>\$0.70</u>	<u>\$0.70</u>	<u>\$1.20</u>	<u>\$1.13</u>	<u>\$0.96</u>	<u>\$0.84</u>	<u>\$1.40</u>	<u>\$1.24</u>	<u>\$1.65</u>	<u>\$0.51</u>	<u>\$0.99</u>	<u>\$0.78</u>	<u>\$0.78</u>	
Income (Loss) from Discontinued Operations	0.17	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.02)	-	-	-	-	-	-	
Gain (Loss) from Disposal	(0.33)	(0.17)	0.05	0.06	(0.05)	(0.02)	(0.08)	-	0.01	0.06	(0.03)	-	(0.05)	
Net Income Applicable to Common Shareholders	<u>\$0.54</u>	<u>\$0.52</u>	<u>\$1.24</u>	<u>\$1.18</u>	<u>\$0.90</u>	<u>\$0.81</u>	<u>\$1.30</u>	<u>\$1.24</u>	<u>\$1.66</u>	<u>\$0.57</u>	<u>\$0.96</u>	<u>\$0.78</u>	<u>\$0.73</u>	
Effective Income Tax Provision Rate	39.21%	38.04%	30.08%	35.15%	36.51%	37.82%	31.18%	34.20%	21.36%	41.83%	34.17%	37.08%	35.25%	
Average Shares - Basic	51,363,137	52,348,984	52,166,814	52,081,891	52,175,586	51,921,645	49,676,912	47,601,175	46,721,894	45,990,811	45,286,315	44,976,482	45,035,610	
Diluted	56,208,868	56,610,719	56,016,513	55,966,289	55,879,482	55,381,912	53,104,005	50,857,496	49,904,367	49,145,454	48,415,928	48,007,691	47,956,613	
OPERATING MARGIN														
Freight	9.5%	10.3%	13.6%	12.9%	10.6%	9.5%	13.3%	12.8%	9.1%	7.0%	9.7%	8.1%	7.5%	
Logistics	2.1%	1.7%	1.8%	2.2%	2.2%	1.8%	1.8%	1.6%	2.5%	2.0%	2.1%	2.0%	1.7%	
Truckload	NM	-77.8%	NM	NM	NM	75.6%	89.6%	53.3%	-76.8%	-69.9%	NM	5.7%	7.4%	
Other	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	
Total	7.9%	7.9%	10.2%	9.6%	8.3%	7.4%	10.2%	9.5%	11.0%	4.9%	7.2%	6.1%	5.8%	

NM = Not Meaningful

Con-way adopted 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.

Con-way acquired Contract Freighters, Inc. and affiliated companies (collectively, "CFI"), Cougar Express Logistics and affiliated companies (collectively, "Cougar"), and Chic Holdings, Ltd. and its wholly owned subsidiaries ("Chic") on August 23, 2007, September 5, 2007, and October 18, 2007, respectively. Under purchase-method accounting, the operating results of CFI, Cougar and Chic are included in Con-way's statements of operating results only for periods subsequent to the acquisition.

[A] Results in 2006 include a \$6.2 million gain from the sale of Con-way Expedite in July.

Results in 2007 include losses related to the reorganization initiative at Con-way Freight of \$5.5 million and \$7.7 million in the third quarter and fourth quarter, respectively.

[B] Results in the first quarter of 2007 were revised to reflect adjustments identified during the fourth quarter of 2007. The \$6.6 million reduction in first-quarter operating income (\$0.09 per diluted share) was due to increased expenses related to amendments to employee benefit plans for compensated absences.

[C] Results in 2006 reflect the effect of a \$41.0 million gain in December from the sale of MW's equity investment in Vector. The tax on the sale-related gain was offset by the utilization of a capital-loss carryforward.