

Con-way Inc.
Statements of Operating Results
(Dollars in thousands except per share amounts)

	Three Months Ended		Twelve Months Ended	
	December 31,		December 31,	
	2008	2007	2008	2007
REVENUES				
Freight	\$ 640,305	\$ 739,162	\$ 3,015,959	\$ 2,904,543
Logistics [b]	373,117	340,094	1,511,611	1,297,056
Truckload [c]	110,937	118,446	505,201	172,674
Other	1,023	2,460	4,046	13,090
	<u>\$ 1,125,382</u>	<u>\$ 1,200,162</u>	<u>\$ 5,036,817</u>	<u>\$ 4,387,363</u>
OPERATING INCOME (LOSS)				
Freight	\$ (9,390)	\$ 55,201	\$ 165,169	\$ 235,060
Logistics	(38,578)	5,940	(23,683)	25,599
Truckload [c]	14,488	8,797	52,395	8,803
Vector	-	-	-	(2,699)
Other	(1,683)	92	(1,259)	(2,310)
	<u>(35,163)</u>	<u>70,030</u>	<u>192,622</u>	<u>264,453</u>
Other Expense, net	14,458	10,222	57,705	21,807
Income (Loss) before Income Tax Provision (Benefit)	(49,621)	59,808	134,917	242,646
Income Tax Provision (Benefit)	(1,642)	21,084	69,494	88,871
Income (Loss) from Continuing Operations	<u>(47,979)</u>	<u>38,724</u>	<u>65,423</u>	<u>153,775</u>
Discontinued Operations, net of tax				
Gain (Loss) from Disposal	6,717	(2,472)	8,326	(863)
	<u>6,717</u>	<u>(2,472)</u>	<u>8,326</u>	<u>(863)</u>
Net Income (Loss)	(41,262)	36,252	73,749	152,912
Preferred Stock Dividends	1,760	1,788	6,788	6,960
NET INCOME (LOSS) APPLICABLE TO COMMON SHAREHOLDERS	<u>\$ (43,022)</u>	<u>\$ 34,464</u>	<u>\$ 66,961</u>	<u>\$ 145,952</u>
NET INCOME (LOSS) FROM CONTINUING OPERATIONS APPLICABLE TO COMMON SHAREHOLDERS	<u>\$ (49,739)</u>	<u>\$ 36,936</u>	<u>\$ 58,635</u>	<u>\$ 146,815</u>
Weighted-Average Common Shares Outstanding				
Basic	45,605,592	45,035,610	45,427,317	45,318,740
Diluted	45,605,592	47,956,613	48,619,292	48,327,784
Earnings (Loss) Per Common Share				
Basic				
Net Income (Loss) from Continuing Operations	\$ (1.09)	\$ 0.82	\$ 1.29	\$ 3.24
Gain (Loss) from Disposal	0.15	(0.05)	0.18	(0.02)
	<u>\$ (0.94)</u>	<u>\$ 0.77</u>	<u>\$ 1.47</u>	<u>\$ 3.22</u>
Diluted [a]				
Net Income (Loss) from Continuing Operations	\$ (1.09)	\$ 0.78	\$ 1.23	\$ 3.06
Gain (Loss) from Disposal	0.15	(0.05)	0.17	(0.02)
	<u>\$ (0.94)</u>	<u>\$ 0.73</u>	<u>\$ 1.40</u>	<u>\$ 3.04</u>
[a] Diluted earnings per share excluding special charges				
Net income (loss) from continuing operations, as reported	\$ (1.09)	\$ 0.78	\$ 1.23	\$ 3.06
Con-way Freight business-transformation initiatives	0.28	0.10	0.33	0.17
Menlo Worldwide Logistics impairment charges	0.80	-	0.75	-
Menlo Worldwide Logistics write-down of an acquisition-related receivable	0.11	-	0.10	-
	<u>\$ 0.10</u>	<u>\$ 0.88</u>	<u>\$ 2.41</u>	<u>\$ 3.23</u>

Diluted earnings per share excluding special charges is a non-GAAP measure. Con-way includes this measure because it believes that investors are interested in the consolidated comparative results excluding significant special charges. Non-GAAP measures should be viewed in addition to, and not as an alternative for, Con-way's reported results. Con-way's updated annual earnings guidance of \$2.20 to \$2.35 provided in December 2008 included \$5.2 million (\$0.07 per diluted share) of first-quarter expense associated with restructuring charges and other business-transformation initiatives at Con-way Freight.

[b] Menlo Logistics' net revenues				
Revenues	\$ 373,117	\$ 340,094	\$ 1,511,611	\$ 1,297,056
Purchased transportation expense	(243,852)	(213,995)	(1,001,775)	(851,366)
Net revenues	<u>\$ 129,265</u>	<u>\$ 126,099</u>	<u>\$ 509,836</u>	<u>\$ 445,690</u>

[c] Effective August 23, 2007, Con-way acquired Contract Freighters, Inc. and affiliated companies (collectively, "CFI"). Under purchase-method accounting, CFI's operating results are included in Con-way's statements of operating income only for periods subsequent to the acquisition.

Con-way Inc.
Condensed Balance Sheets
(Dollars in thousands)

	December 31, 2008	December 31, 2007
ASSETS		
Current assets	\$ 951,082	\$ 847,106
Property, plant and equipment, net	1,471,956	1,458,788
Other assets	648,669	703,414
Total Assets	\$ 3,071,707	\$ 3,009,308
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities	\$ 658,077	\$ 673,120
Long-term debt and guarantees	926,224	955,722
Other long-term liabilities and deferred credits [d]	861,814	471,370
Shareholders' equity [d]	625,592	909,096
Total Liabilities and Shareholders' Equity	\$ 3,071,707	\$ 3,009,308

[d] In December 2008, Con-way recorded a \$363.2 million reduction in shareholders' equity to recognize the underfunded status of defined benefit pension plans. The adjustment to equity reflects a \$595.4 million increase in employee benefits liabilities, net of \$232.2 million of deferred tax benefits.