

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

	Three Months Ended March 31,	
	2003	2002
REVENUES	\$ 1,206,241	\$ 1,067,074
Costs and Expenses		
Operating expenses	1,013,671	881,090
General and administrative expenses	118,290	109,776
Depreciation	33,232	35,844
	<u>1,165,193</u>	<u>1,026,710</u>
OPERATING INCOME	41,048	40,364
Other expense, net	11,613	7,142
Income Before Taxes	29,435	33,222
Income tax provision	11,480	12,956
Net Income	17,955	20,266
Preferred stock dividends	2,026	2,005
NET INCOME AVAILABLE TO COMMON SHAREHOLDERS	<u>\$ 15,929</u>	<u>\$ 18,261</u>
Weighted-Average Common Shares Outstanding		
Basic	49,396,071	48,928,532
Diluted [a]	53,652,665	56,482,649
Earnings per Common Share		
Basic	<u>\$ 0.32</u>	<u>\$ 0.37</u>
Diluted [a]	<u>\$ 0.30</u>	<u>\$ 0.35</u>

[a] 2002 includes the dilutive effect of stock options, Series B (TASP) preferred stock, and Series A "TECONS," convertible preferred stock of subsidiary trust. 2003 includes the dilutive effect of stock options and Series B (TASP) preferred stock.

OPERATING SEGMENTS

REVENUES		
Con-Way Transportation Services	\$ 519,108	\$ 454,731
Menlo Worldwide		
Forwarding	445,622	394,761
Logistics	241,502	216,509
	<u>687,124</u>	<u>611,270</u>
CNF Other	9	1,073
	<u>\$ 1,206,241</u>	<u>\$ 1,067,074</u>
OPERATING INCOME (LOSS)		
Con-Way Transportation Services	\$ 37,192	\$ 33,721
Menlo Worldwide		
Forwarding	(5,431)	(5,713)
Logistics	6,036	7,753
Other	2,976	1,309
	<u>3,581</u>	<u>3,349</u>
CNF Other	275	3,294
	<u>\$ 41,048</u>	<u>\$ 40,364</u>

SPECIAL 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