

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

	Three Months Ended March 31,	
	2004	2003
REVENUES	\$ 1,348,405	\$ 1,206,241
Costs and Expenses		
Operating expenses	1,138,504	1,013,671
Selling, general and administrative expenses	125,074	118,290
Depreciation	32,085	33,232
	<u>1,295,663</u>	<u>1,165,193</u>
OPERATING INCOME	52,742	41,048 [b]
Other expense, net	<u>(9,416)</u>	<u>(11,613)</u>
Income before Taxes	43,326	29,435
Income Tax Provision	<u>16,897</u>	<u>11,480</u>
Net Income	26,429	17,955
Preferred Stock Dividends	<u>2,022</u>	<u>2,026</u>
NET INCOME AVAILABLE TO COMMON SHAREHOLDERS	<u>\$ 24,407</u>	<u>\$ 15,929</u>
Weighted-Average Common Shares Outstanding		
Basic	49,835,663	49,396,071
Diluted [a]	57,125,185	53,652,665
Earnings Per Common Share		
Basic	<u>\$ 0.49</u>	<u>\$ 0.32</u>
Diluted	<u>\$ 0.45</u>	<u>\$ 0.30</u>

**OPERATING SEGMENTS**

REVENUES		
Con-Way Transportation Services	\$ 593,844	\$ 519,108
Menlo Worldwide		
Forwarding	501,517	445,622
Logistics	252,790	241,502
	<u>754,307</u>	<u>687,124</u>
CNF Other	254	9
	<u>\$ 1,348,405</u>	<u>\$ 1,206,241</u>
OPERATING INCOME (LOSS)		
Con-Way Transportation Services	\$ 51,105	\$ 37,192
Menlo Worldwide		
Forwarding	(6,409)	(5,431) [b]
Logistics	6,506	6,036
Other	2,392	2,976
	<u>2,489</u>	<u>3,581</u>
CNF Other	<u>(852)</u>	<u>275</u>
	<u>\$ 52,742</u>	<u>\$ 41,048</u>

[a] 2004 includes the dilutive effect of stock options, Series B ("TASP") preferred stock, and convertible debentures. 2003 includes the dilutive effect of stock options and Series B ("TASP") preferred stock.

[b] Includes a \$7.2 million net gain (\$0.08 per diluted share) from a payment under the Air Transportation Safety and System Stabilization Act.