

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

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2004	2003	2004	2003
REVENUES	\$ 1,441,726	\$ 1,236,905	\$ 2,790,131	\$ 2,443,146
Costs and Expenses				
Operating expenses	1,207,450	1,042,036	2,345,954	2,055,707
Selling, general and administrative expenses	128,853	124,053	253,927	242,343
Depreciation	32,031	33,496	64,116	66,728
	<u>1,368,334</u>	<u>1,199,585</u>	<u>2,663,997</u>	<u>2,364,778</u>
OPERATING INCOME	73,392	37,320	126,134	78,368 [b]
Other expense, net	(11,908)	(7,207)	(21,324)	(18,820)
Income before Taxes	61,484	30,113	104,810	59,548
Income Tax Provision	23,979	11,744	40,876	23,224
Net Income	37,505	18,369	63,934	36,324
Preferred Stock Dividends	2,022	2,069	4,044	4,095
NET INCOME AVAILABLE TO COMMON SHAREHOLDERS	<u>\$ 35,483</u>	<u>\$ 16,300</u>	<u>\$ 59,890</u>	<u>\$ 32,229</u>
Weighted-Average Common Shares Outstanding				
Basic	50,319,659	49,494,145	50,075,246	49,445,348
Diluted [a]	56,883,738	57,127,187	56,981,429	54,004,772
Earnings Per Common Share				
Basic	<u>\$ 0.71</u>	<u>\$ 0.33</u>	<u>\$ 1.20</u>	<u>\$ 0.65</u>
Diluted [a]	<u>\$ 0.64</u>	<u>\$ 0.31</u>	<u>\$ 1.09</u>	<u>\$ 0.61</u>
OPERATING SEGMENTS				
REVENUES				
Con-Way Transportation Services	\$ 657,541	\$ 541,446	\$ 1,251,385	\$ 1,060,554
Menlo Worldwide				
Forwarding	517,376	442,421	1,018,893	888,043
Logistics	265,857	253,012	518,647	494,514
	<u>783,233</u>	<u>695,433</u>	<u>1,537,540</u>	<u>1,382,557</u>
CNF Other	952	26	1,206	35
	<u>\$ 1,441,726</u>	<u>\$ 1,236,905</u>	<u>\$ 2,790,131</u>	<u>\$ 2,443,146</u>
OPERATING INCOME (LOSS)				
Con-Way Transportation Services	\$ 67,136	\$ 43,575	\$ 118,241	\$ 80,767
Menlo Worldwide				
Forwarding	(2,355)	(13,818)	(8,764)	(19,249) [b]
Logistics	6,549	6,303	13,055	12,339
Other	2,988	3,572	5,380	6,548
	<u>7,182</u>	<u>(3,943)</u>	<u>9,671</u>	<u>(362)</u>
CNF Other	(926)	(2,312)	(1,778)	(2,037)
	<u>\$ 73,392</u>	<u>\$ 37,320</u>	<u>\$ 126,134</u>	<u>\$ 78,368</u>

[a] The six months ended June 30, 2003 include the dilutive effect of stock options and Series B preferred stock. All other periods presented include the dilutive effect of stock options, Series B preferred stock, and convertible subordinated debentures, which were redeemed on June 1, 2004.

[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.