

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2004	2003	2004	2003
REVENUES	\$ 973,619	\$ 837,361	\$ 2,744,921	\$ 2,396,520
Costs and Expenses				
Operating expenses	779,984	657,379	2,196,724	1,909,648
Selling, general and administrative expenses	88,751	86,113	266,084	250,979
Depreciation	26,449	25,558	76,951	76,240
	<u>895,184</u>	<u>769,050</u>	<u>2,539,759</u>	<u>2,236,867</u>
OPERATING INCOME	78,435	68,311	205,162	159,653
Other expense, net	<u>(9,723)</u>	<u>(7,432)</u>	<u>(29,460)</u>	<u>(22,184)</u>
Income before Taxes	68,712	60,879	175,702	137,469
Income Tax Provision	<u>26,798</u>	<u>23,743</u>	<u>68,524</u>	<u>53,613</u>
Income from Continuing Operations	41,914	37,136	107,178	83,856
Loss from Discontinuance, net of tax	(260,490)	-	(260,490)	-
Income (Loss) from Discontinued Operations, net of tax	4,444	(10,315)	3,114	(20,711)
	<u>(256,046)</u>	<u>(10,315)</u>	<u>(257,376)</u>	<u>(20,711)</u>
Net Income (Loss)	(214,132)	26,821	(150,198)	63,145
Preferred Stock Dividends	<u>2,075</u>	<u>2,030</u>	<u>6,119</u>	<u>6,125</u>
NET INCOME (LOSS) APPLICABLE TO COMMON SHAREHOLDERS	<u>\$ (216,207)</u>	<u>\$ 24,791</u>	<u>\$ (156,317)</u>	<u>\$ 57,020</u>
Weighted-Average Common Shares Outstanding				
Basic	50,670,398	49,549,338	50,150,987	49,480,305
Diluted [a]	55,408,636	56,641,421	56,527,092	56,634,040
Earnings Per Common Share				
Basic				
Net income from continuing operations	\$ 0.79	\$ 0.71	\$ 2.02	\$ 1.57
Loss from discontinuance, net of tax	(5.15)	-	(5.20)	-
Income (Loss) from Discontinued Operations	0.09	(0.21)	0.06	(0.42)
	<u>\$ (4.27)</u>	<u>\$ 0.50</u>	<u>\$ (3.12)</u>	<u>\$ 1.15</u>
Diluted [a]				
Net income from continuing operations	\$ 0.72	\$ 0.64	\$ 1.83	\$ 1.44
Loss from discontinuance, net of tax	(4.70)	-	(4.61)	-
Income (Loss) from Discontinued Operations	0.08	(0.18)	0.06	(0.36)
	<u>\$ (3.90)</u>	<u>\$ 0.46</u>	<u>\$ (2.72)</u>	<u>\$ 1.08</u>

OPERATING SEGMENTS

REVENUES				
Con-Way Transportation Services	\$ 684,775	\$ 574,608	\$ 1,936,224	\$ 1,635,183
Menlo Worldwide Logistics	286,847	262,663	805,494	761,212
CNF Other	1,997	90	3,203	125
	<u>\$ 973,619</u>	<u>\$ 837,361</u>	<u>\$ 2,744,921</u>	<u>\$ 2,396,520</u>
OPERATING INCOME (LOSS)				
Con-Way Transportation Services	\$ 70,607	\$ 53,909	\$ 181,702	\$ 129,213
Menlo Worldwide				
Logistics	5,764	6,477	17,794	18,004
Other	2,699	8,810	8,079	15,358
	<u>8,463</u>	<u>15,287</u>	<u>25,873</u>	<u>33,362</u>
CNF Other	<u>(635)</u>	<u>(885)</u>	<u>(2,413)</u>	<u>(2,922)</u>
	<u>\$ 78,435</u>	<u>\$ 68,311</u>	<u>\$ 205,162</u>	<u>\$ 159,653</u>

[a] The three months ended September 30, 2004 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