

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2005	2004	2005	2004
REVENUES	\$ 1,099,151	\$ 973,619	\$ 3,080,709	\$ 2,744,921
Costs and Expenses				
Operating expenses	884,255	792,075	2,471,555	2,231,920
Selling, general and administrative expenses	82,471	76,660	246,195	230,888
Depreciation	29,392	26,449	83,110	76,951
	<u>996,118</u>	<u>895,184</u>	<u>2,800,860</u>	<u>2,539,759</u>
OPERATING INCOME	103,033	78,435	279,849	205,162
Other Expense, net	(3,490)	(9,723)	(17,098)	(29,460)
Income Before Taxes	99,543	68,712	262,751	175,702
Income Tax Provision	35,070	26,798	89,271 [b]	68,524
Income from Continuing Operations	<u>64,473</u>	<u>41,914</u>	<u>173,480</u>	<u>107,178</u>
Discontinued Operations, net of tax				
Gain (Loss) from Disposal	3,335	(260,490)	(3,490)	(260,490)
Income from Discontinued Operations	-	4,444	-	3,114
	<u>3,335</u>	<u>(256,046)</u>	<u>(3,490)</u>	<u>(257,376)</u>
Net Income (Loss)	67,808	(214,132)	169,990	(150,198)
Preferred Stock Dividends	1,816	2,075	5,841	6,119
NET INCOME (LOSS) APPLICABLE TO COMMON SHAREHOLDERS	<u>\$ 65,992</u>	<u>\$ (216,207)</u>	<u>\$ 164,149</u>	<u>\$ (156,317)</u>
Weighted-Average Common Shares Outstanding				
Basic	52,081,891	50,670,398	52,198,251	50,150,987
Diluted [a]	55,966,289	55,408,636	56,259,541	56,527,092
Earnings (Loss) Per Common Share				
Basic				
Net income from Continuing Operations	\$ 1.20	\$ 0.79	\$ 3.21	\$ 2.02
Gain (Loss) from Disposal, net of tax	0.07	(5.15)	(0.07)	(5.20)
Income from Discontinued Operations, net of tax	-	0.09	-	0.06
	<u>\$ 1.27</u>	<u>\$ (4.27)</u>	<u>\$ 3.14</u>	<u>\$ (3.12)</u>
Diluted [a]				
Net income from Continuing Operations	\$ 1.12	\$ 0.72	\$ 2.99	\$ 1.83
Gain (Loss) from Disposal, net of tax	0.06	(4.70)	(0.06)	(4.61)
Income from Discontinued Operations, net of tax	-	0.08	-	0.06
	<u>\$ 1.18</u>	<u>\$ (3.90)</u>	<u>\$ 2.93</u>	<u>\$ (2.72)</u>
OPERATING SEGMENTS				
REVENUES				
Con-Way Transportation Services	\$ 741,366	\$ 666,143	\$ 2,095,630	\$ 1,885,484
Menlo Worldwide Logistics	354,797	305,479	973,782	856,234
CNF Other	2,988	1,997	11,297	3,203
	<u>\$ 1,099,151</u>	<u>\$ 973,619</u>	<u>\$ 3,080,709</u>	<u>\$ 2,744,921</u>
OPERATING INCOME (LOSS)				
Con-Way Transportation Services	\$ 94,403	\$ 70,661	\$ 253,288	\$ 183,451
Menlo Worldwide				
Logistics	7,889	5,710	18,553	16,045
Vector	4,220	2,699	13,196	8,079
	<u>12,109</u>	<u>8,409</u>	<u>31,749</u>	<u>24,124</u>
CNF Other	(2,638)	(635)	(2,825)	(2,413)
	<u>103,874</u>	<u>78,435</u>	<u>282,212</u>	<u>205,162</u>
Reconciliation of segments to consolidated amount:				
Income tax related to Vector, an equity-method investment	(841)	-	(2,363)	-
	<u>\$ 103,033</u>	<u>\$ 78,435</u>	<u>\$ 279,849</u>	<u>\$ 205,162</u>

[a] All periods include the dilutive effect of restricted stock, stock options and Series B preferred stock. The nine-month period ended September 30, 2004 also includes the dilutive effect of convertible subordinated debentures, which were redeemed on June 1, 2004.

[b] Includes a \$7.0 million second-quarter tax benefit (\$0.12 per diluted share) from the reversal of accrued taxes related to the settlement with the IRS of previous tax filings.