

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

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2004	2003	2004	2003
REVENUES	\$ 967,458	\$ 830,446	\$ 3,712,379	\$ 3,226,966
Costs and Expenses				
Operating expenses	767,947	649,145	2,953,665	2,549,467
Selling, general and administrative expenses	95,032	91,202	372,122	351,507
Depreciation	25,474	24,804	102,425	101,044
	<u>888,453</u>	<u>765,151</u>	<u>3,428,212</u>	<u>3,002,018</u>
OPERATING INCOME	79,005	65,295	284,167	224,948
Other Expense, net	<u>(7,884)</u>	<u>(5,247)</u>	<u>(37,344)</u>	<u>(27,431)</u>
Income Before Taxes	71,121	60,048	246,823	197,517
Income Tax Provision	<u>27,854</u>	<u>23,419</u>	<u>96,378</u>	<u>77,032</u>
Income from Continuing Operations	<u>43,267</u>	<u>36,629</u>	<u>150,445</u>	<u>120,485</u>
Discontinued Operations, net of tax				
Loss from Disposal	(18,259)	-	(278,749)	-
Income (Loss) from Discontinued Operations	<u>9,301</u>	<u>(7,750)</u>	<u>12,415</u>	<u>(28,461)</u>
	<u>(8,958)</u>	<u>(7,750)</u>	<u>(266,334)</u>	<u>(28,461)</u>
Net Income (Loss)	34,309	28,879	(115,889)	92,024
Preferred Stock Dividends	<u>2,120</u>	<u>2,114</u>	<u>8,239</u>	<u>8,239</u>
NET INCOME (LOSS) APPLICABLE TO COMMON SHAREHOLDERS	<u>\$ 32,189</u>	<u>\$ 26,765</u>	<u>\$ (124,128)</u>	<u>\$ 83,785</u>
Weighted-Average Common Shares Outstanding				
Basic	51,363,137	49,709,146	50,455,006	49,537,945
Diluted [a]	56,208,868	57,109,665	56,452,629	56,725,667
Earnings (Loss) Per Common Share				
Basic				
Net income from Continuing Operations	\$ 0.80	\$ 0.69	\$ 2.82	\$ 2.27
Loss from Disposal, net of tax	(0.35)	-	(5.53)	-
Income (Loss) from Discontinued Operations, net of tax	0.18	(0.15)	0.25	(0.58)
	<u>\$ 0.63</u>	<u>\$ 0.54</u>	<u>\$ (2.46)</u>	<u>\$ 1.69</u>
Diluted [a]				
Net income from Continuing Operations	\$ 0.74	\$ 0.63	\$ 2.57	\$ 2.07
Loss from Disposal, net of tax	(0.33)	-	(4.94)	-
Income (Loss) from Discontinued Operations, net of tax	0.17	(0.14)	0.22	(0.50)
	<u>\$ 0.58</u>	<u>\$ 0.49</u>	<u>\$ (2.15)</u>	<u>\$ 1.57</u>

OPERATING SEGMENTS

REVENUES				
Con-Way Transportation Services	\$ 667,780	\$ 577,509	\$ 2,604,004	\$ 2,212,692
Menlo Worldwide Logistics				
Logistics	297,534	252,775	1,103,028	1,013,987
CNF Other	2,144	162	5,347	287
	<u>\$ 967,458</u>	<u>\$ 830,446</u>	<u>\$ 3,712,379</u>	<u>\$ 3,226,966</u>
OPERATING INCOME (LOSS)				
Con-Way Transportation Services	\$ 63,786	\$ 53,882	\$ 245,488	\$ 183,095
Menlo Worldwide				
Logistics	6,605	5,488	24,399	23,492
Other	10,174	5,360	18,253	20,718
	<u>16,779</u>	<u>10,848</u>	<u>42,652</u>	<u>44,210</u>
CNF Other	<u>(1,560)</u>	<u>565</u>	<u>(3,973)</u>	<u>(2,357)</u>
	<u>\$ 79,005</u>	<u>\$ 65,295</u>	<u>\$ 284,167</u>	<u>\$ 224,948</u>

[a] The three months ended December 31, 2004 include the dilutive effect of restricted stock, stock options and Series B preferred stock. All other periods presented also include the dilutive effect of convertible subordinated debentures, which were redeemed on June 1, 2004.

