

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

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2005	2004	2005	2004
REVENUES	\$ 1,088,881	\$ 967,458	\$ 4,169,590	\$ 3,712,379
Costs and Expenses				
Operating expenses	878,417	782,223	3,349,972	3,014,143
Selling, general and administrative expenses	89,476	80,756	335,671	311,644
Depreciation	30,095	25,474	113,205	102,425
	<u>997,988</u>	<u>888,453</u>	<u>3,798,848</u>	<u>3,428,212</u>
OPERATING INCOME	90,893	79,005	370,742	284,167
Other Expense, net	(2,523)	(7,884)	(19,621)	(37,344)
Income Before Taxes	88,370	71,121	351,121	246,823
Income Tax Provision	32,602	27,854	121,873 [b]	96,378
Income from Continuing Operations	<u>55,768</u>	<u>43,267</u>	<u>229,248</u>	<u>150,445</u>
Discontinued Operations, net of tax				
Loss from Disposal	(2,729)	(18,259)	(6,219)	(278,749)
Income from Discontinued Operations	-	9,301	-	12,415
	<u>(2,729)</u>	<u>(8,958)</u>	<u>(6,219)</u>	<u>(266,334)</u>
Net Income (Loss)	53,039	34,309	223,029	(115,889)
Preferred Stock Dividends	1,887	2,120	7,728	8,239
NET INCOME (LOSS) APPLICABLE TO COMMON SHAREHOLDERS	<u>\$ 51,152</u>	<u>\$ 32,189</u>	<u>\$ 215,301</u>	<u>\$ (124,128)</u>
Weighted-Average Common Shares Outstanding				
Basic	52,175,586	51,363,137	52,192,539	50,455,006
Diluted [a]	55,879,482	56,208,868	56,213,049	56,452,629
Earnings (Loss) Per Common Share				
Basic				
Net income from Continuing Operations	\$ 1.03	\$ 0.80	\$ 4.24	\$ 2.82
Loss from Disposal, net of tax	(0.05)	(0.35)	(0.11)	(5.53)
Income from Discontinued Operations, net of tax	-	0.18	-	0.25
	<u>\$ 0.98</u>	<u>\$ 0.63</u>	<u>\$ 4.13</u>	<u>\$ (2.46)</u>
Diluted [a]				
Net income from Continuing Operations	\$ 0.97	\$ 0.74	\$ 3.96	\$ 2.57
Loss from Disposal, net of tax	(0.05)	(0.33)	(0.11)	(4.94)
Income from Discontinued Operations, net of tax	-	0.17	-	0.22
	<u>\$ 0.92</u>	<u>\$ 0.58</u>	<u>\$ 3.85</u>	<u>\$ (2.15)</u>
OPERATING SEGMENTS				
REVENUES				
Con-Way Transportation Services	\$ 721,017	\$ 646,717	\$ 2,816,647	\$ 2,532,201
Menlo Worldwide Logistics	365,892	318,597	1,339,674	1,174,831
CNF Other	1,972	2,144	13,269	5,347
	<u>\$ 1,088,881</u>	<u>\$ 967,458</u>	<u>\$ 4,169,590</u>	<u>\$ 3,712,379</u>
OPERATING INCOME (LOSS)				
Con-Way Transportation Services	\$ 77,816	\$ 63,718	\$ 331,104	\$ 247,169
Menlo Worldwide				
Logistics	8,119	6,673	26,672	22,718
Vector	7,061	10,174	20,257	18,253
	<u>15,180</u>	<u>16,847</u>	<u>46,929</u>	<u>40,971</u>
CNF Other	(270)	(1,560)	(3,095)	(3,973)
	<u>92,726</u>	<u>79,005</u>	<u>374,938</u>	<u>284,167</u>
Reconciliation of segments to consolidated amount:				
Income tax related to Vector, an equity-method investment	(1,833)	-	(4,196)	-
	<u>\$ 90,893</u>	<u>\$ 79,005</u>	<u>\$ 370,742</u>	<u>\$ 284,167</u>

[a] The periods ended December 31, 2005 include the dilutive effect of restricted stock, stock options and Series B preferred stock. The twelve-month period ended December 31, 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 from the reversal of accrued taxes related to the settlement with the IRS of previous tax filings.