

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D. C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

April 20, 2005

Date of Report (Date of earliest event reported)

CNF Inc.

(Exact name of registrant as specified in its charter)

Delaware	1-5046	94-1444798
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(State or other jurisdiction of incorporation or organization)	(Commission File Number)	(IRS Employer Identification Number)

3240 Hillview Avenue, Palo Alto, California 94304

(Address of principal executive offices)
(zip code)

Registrant's telephone number, including area code:
(650) 494-2900

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligations of the registrant under any of the following provisions (see General Instruction A.2 below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

ITEM 2.02 RESULTS OF OPERATIONS AND FINANCIAL CONDITION

On April 20, 2005, CNF Inc. issued a press release announcing results of operations for the quarter ended March 31, 2005, which is being furnished to the U.S. Securities and Exchange Commission. A copy of the press release is attached hereto as Exhibit 99 and is incorporated herein by reference. The foregoing description of the press release is qualified in its entirety by reference to such exhibit.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS

(c) Exhibits

Exhibit No. -----	Description -----
99	Earnings release issued on April 20, 2005.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

	CNF Inc. ----- (Registrant)
April 20, 2005	/s/Kevin Schick ----- Kevin Schick Chief Financial Officer



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NEWS RELEASE

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CNF INC. INCOME FROM CONTINUING OPERATIONS CLIMBS 42 PERCENT IN FIRST QUARTER 2005

PALO ALTO, California – April 20, 2005 – CNF Inc. (NYSE:CNF) today reported first-quarter 2005 after-tax income from continuing operations of \$38.9 million (after preferred stock dividends), or 69 cents per diluted share, up 42 percent. This compares with first-quarter 2004 after-tax income from continuing operations of \$27.4 million, or 50 cents per diluted share.

Operating income in the first quarter was \$73.3 million, up 32 percent from \$55.4 million in the same quarter a year ago. Revenue for the first quarter of 2005 was \$947.7 million, up 12 percent from \$846.9 million in first-quarter 2004.

Net income in the first quarter for common shareholders was \$29.1 million, or 52 cents per diluted share, up 19 percent. This compares with net income for common stock shareholders of \$24.4 million, or 45 cents per diluted share in the first quarter a year ago. Net income for common shareholders included a \$9.8 million loss (17 cents per diluted share) from the discontinued operations of Menlo Worldwide Forwarding, which was sold in December 2004. The sale is recognized as discontinued operations and prior periods have been restated. Charges from the disposition of Forwarding to date total \$286 million, which includes the \$9.8 million in the first quarter of 2005.

Commenting on the quarterly results and operations, W. Keith Kennedy, chairman and interim chief executive officer, said, “Con-Way increased earnings by more than 30 percent, primarily from less-than-truckload (LTL) growth across all regions of North America. Productivity, cost controls and customer service all excelled in the quarter for Con-Way. Our logistics services provider, Menlo Worldwide, also had a good quarter with earnings up almost 15 percent.”

The company said it had repurchased \$32 million in company stock in the first quarter as part of a previously announced \$300 million stock repurchase program to occur over the next two years. The company said it expects to repurchase approximately \$40 million in shares in the second quarter of 2005.

CON-WAY TRANSPORTATION SERVICES

For the first quarter of 2005, Con-Way Transportation Services reported:

- Operating income of \$62.9 million, up 31 percent from \$47.9 million in the year- ago period.
- Revenue of \$659.4 million, an increase of 11 percent from last year's first-quarter revenue of \$593.9 million.
- Regional carrier yield increased 5 percent from the prior-year quarter.
- The regional carrier group achieved an improved operating ratio of 89.5 percent compared to 91 percent in the first quarter of 2004.

MENLO WORLDWIDE

CNF's Menlo Worldwide operations include the results for Menlo Logistics and Vector SCM. For the first quarter of 2005, Menlo Worldwide reported:

- Total segment operating income of \$9.7 million, up 15 percent, compared with \$8.4 million in the first quarter of 2004.
- Menlo Logistics' revenue of \$282.9 million, up 12 percent from the prior-year quarter of \$252.8 million.
- Operating income for Menlo Logistics was \$5.7 million in the first quarter, down 6 percent from \$6.0 million in the first quarter of 2004.
- Operating income at Vector SCM was \$4.0 million in the first quarter, up 69 percent from \$2.4 million in the prior-year quarter.

OTHER

CNF's "other" operations, which includes the results of Road Systems trailer manufacturing and corporate activities, reported an operating profit of \$635,000 compared to a loss \$852,000 in the first quarter of 2004.

The effective tax rate in the first quarter of 2005 was 38 percent, compared to 39 percent in the first quarter of 2004.

SECOND-QUARTER 2005 OUTLOOK

Second-quarter 2005 diluted earnings per share from continuing operations are expected to be between 92 cents and \$1.00. This compares with 61 cents per diluted share earned from continuing operations in the second quarter of 2004. CNF's tax rate is expected to be 39 percent in the second quarter.

CONFERENCE CALL

CNF will host a conference call for shareholders and the investment community to discuss first quarter results at 11 a.m. Eastern Daylight Time (8 a.m. PDT) on Thursday, April 21. The call can be accessed by dialing (866) 264-3634 or (706) 643-3632 (for international callers) and is expected to last approximately one hour. Callers are requested to dial in at least five minutes before the start of the call. Related financial and operating statistics to be discussed on the conference call are available on the company's website at www.cnf.com/investor_relations/fin_highlight.asp. The call will also be available through a live web cast at the investor relations section of the CNF web site www.cnf.com and at www.streetevents.com. An audio replay will be available for one week following the call at (800) 642-1687 or (706) 645-9291 (for international callers), using access code 4697886. The replay will also be available for one week on demand at the same web casting sites providing access to the live call.

CNF is a \$3.7 billion management company of supply chain service providers. It has businesses in less-than-truckload motor carriage, truckload carriage, air freight, logistics and supply chain management and trailer manufacturing.

Forward-Looking Statements

Certain statements in this press release constitute "forward-looking statements" and are subject to a number of risks and uncertainties and should not be relied upon as predictions of future events. All statements other than statements of historical fact are forward-looking statements, including any projections and objectives of management for future operations, any statements concerning proposed new products or services, any statements regarding CNF's estimated future contributions to pension plans, any statements as to the adequacy of reserves, any statements regarding the outcome of any claims that may be brought against CNF, any statements regarding future economic conditions or performance, any statements of estimates or belief and any statements or assumptions underlying the foregoing. Specific factors that could cause actual results and other matters to differ materially from those discussed in such forward-looking statements include: changes in general business and economic conditions, the creditworthiness of CNF's customers and their ability to pay for services rendered, increasing competition and pricing pressure, changes in fuel prices, the effects of the cessation of the air carrier operations of Emery Worldwide Airlines, the possibility that CNF may, from time to time, be required to record impairment charges for long-lived assets, the possibility of defaults under CNF's \$400

million credit agreement and other debt instruments (including defaults resulting from additional unusual charges), and the possibility that CNF may be required to repay certain indebtedness in the event that the ratings assigned to its long-term senior debt by credit rating agencies are reduced, labor matters, enforcement of and changes in governmental regulations, environmental and tax matters, matters relating to CNF's 1996 spin-off of Consolidated Freightways Corporation (CFC), including the possibility that CFC's multi-employer pension plans may assert claims against CNF, matters relating to the sale of Menlo Worldwide Forwarding, Inc., including CNF's obligation to indemnify the buyer for certain losses in connection the sale, and matters relating to CNF's defined benefit pension plans. The factors included herein and in Item 7 of CNF's 2004 Annual Report on Form 10-K as well as other filings with the Securities and Exchange Commission could cause actual results and other matters to differ materially from those in such forward-looking statements. As a result, no assurance can be given as to future financial condition, cash flows, or results of operations.

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

	Three Months Ended	
	March 31,	
	2005	2004
REVENUES	\$ 947,683	\$ 846,920
Costs and Expenses		
Operating expenses	768,733	691,817
Selling, general and administrative expenses	79,226	74,445
Depreciation	26,468	25,210
	<u>874,427</u>	<u>791,472</u>
OPERATING INCOME	73,256	55,448
Other Expense, net	<u>(7,443)</u>	<u>(7,177)</u>
Income Before Taxes	65,813	48,271
Income Tax Provision	<u>24,962</u>	<u>18,826</u>
Income from Continuing Operations	<u>40,851</u>	<u>29,445</u>
Discontinued Operations, net of tax		
Loss from Disposal	(9,776)	-
Loss from Discontinued Operations	<u>-</u>	<u>(3,016)</u>
	<u>(9,776)</u>	<u>(3,016)</u>
Net Income	31,075	26,429
Preferred Stock Dividends	<u>1,989</u>	<u>2,022</u>
NET INCOME AVAILABLE TO COMMON SHAREHOLDERS	<u>\$ 29,086</u>	<u>\$ 24,407</u>
Weighted-Average Common Shares Outstanding		
Basic	52,348,984	49,835,663
Diluted [a]	56,610,719	57,125,185
Earnings (Loss) Per Common Share		
Basic		
Net income from Continuing Operations	\$ 0.74	\$ 0.55
Loss from Disposal, net of tax	(0.18)	-
Loss from Discontinued Operations, net of tax	<u>-</u>	<u>(0.06)</u>
	<u>\$ 0.56</u>	<u>\$ 0.49</u>
Diluted [a]		
Net income from Continuing Operations	\$ 0.69	\$ 0.50
Loss from Disposal, net of tax	(0.17)	-
Loss from Discontinued Operations, net of tax	<u>-</u>	<u>(0.05)</u>
	<u>\$ 0.52</u>	<u>\$ 0.45</u>

OPERATING SEGMENTS

REVENUES		
Con-Way Transportation Services	\$ 659,373	\$ 593,876
Menlo Worldwide Logistics	282,901	\$ 252,790
CNF Other	5,409	254
	<u>\$ 947,683</u>	<u>\$ 846,920</u>
OPERATING INCOME (LOSS)		
Con-Way Transportation Services	\$ 62,933	\$ 47,866
Menlo Worldwide		
Logistics	5,653	6,042
Vector	4,035	2,392
	<u>9,688</u>	<u>8,434</u>
CNF Other	635	(852)
	<u>\$ 73,256</u>	<u>\$ 55,448</u>

[a] The three months ended March 31, 2005 include the dilutive effect of restricted stock, stock options and Series B preferred stock.
The prior year also includes the dilutive effect of convertible subordinated debentures, which were redeemed on June 1, 2004.

CNF INC.
CONDENSED BALANCE SHEETS

(Dollars in thousands)

	March 31, 2005	December 31, 2004
ASSETS		
Current assets	\$ 1,486,668	\$ 1,509,767
Current assets of discontinued operations	5,128	5,128
Property, plant and equipment, net	859,718	859,321
Other assets	89,242	106,965
Non-current assets of discontinued operations	14,777	15,220
Total Assets	\$ 2,455,533	\$ 2,496,401
 LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities	\$ 643,397	\$ 678,126
Current liabilities of discontinued operations	23,446	34,705
Long-term debt and guarantees	585,148	601,344
Other long-term liabilities and deferred credits	403,515	397,997
Long-term liabilities of discontinued operations	2,666	6,862
Shareholders' equity	797,361	777,367
Total Liabilities and Shareholders' Equity	\$ 2,455,533	\$ 2,496,401