

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

July 19, 2005

Date of Report (Date of earliest event reported)

CNF Inc.

(Exact name of registrant as specified in its charter)

Del aware	1-5046	94-1444798
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(State of other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

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 July 19, 2005, CNF Inc. issued a press release announcing results of operations for the quarter ended June 30, 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 July 19, 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)
July 19, 2005	/s/ Kevin Schick ----- Kevin Schick Chief Financial Officer

Exhibit 99

CNF
3240 HILLVIEW AVENUE
PALO ALTO, CA 94304-1297
(650) 494-2900

NEWS RELEASE

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CNF INC. NET INCOME FROM CONTINUING OPERATIONS
CLIMBS 96 PERCENT IN SECOND-QUARTER 2005

PALO ALTO, California - July 19, 2005 - CNF Inc. (NYSE:CNF) today reported second-quarter 2005 after-tax income from continuing operations of \$66.1 million (after preferred stock dividends), or \$1.19 per diluted share, up 96 percent from second-quarter 2004. This compares with second-quarter 2004 after-tax income from continuing operations of \$33.8 million, or 61 cents per diluted share.

Income from continuing operations includes a 12-cent-per-diluted-share tax benefit consisting of a \$7.0 million tax adjustment from settlement with the IRS of previous tax filings. Excluding the tax adjustment, the effective tax rate for the second quarter was 38 percent compared with 39 percent in the same quarter of 2004.

Operating income in the second quarter was a record \$103.6 million, up 45 percent from \$71.3 million in the same quarter a year ago. Revenue for the second quarter of 2005 was \$1.03 billion, up 12 percent from \$924.4 million in second-quarter 2004.

Net income for common shareholders in the second quarter was \$69.1 million, or \$1.24 per diluted share, up 95 percent from second-quarter 2004. This compares with net income for common shareholders of \$35.5 million, or 64 cents per diluted share in the second quarter a year ago. Net income

for common shareholders included a \$3.0 million gain (5 cents per diluted share) from discontinued operations consisting mostly of tax adjustments for Emery Worldwide Airlines.

Commenting on the quarterly results and operations, Douglas Stotlar, CNF president and chief executive officer, said, "The company is realizing the benefits of operating as a single enterprise. Our growth in the second quarter was the result of our ability to leverage the resources of all of our companies while managing our businesses for the future. We did an excellent job in the second quarter of balancing revenues and profit growth by maintaining cost controls and winning new business. We are pleased with our growth in the second quarter and continue to experience strong support from our customers. We remain optimistic about the third quarter and the remainder of the year."

The company said it had repurchased \$42.3 million in company stock in the second quarter as part of a previously announced \$300 million stock repurchase program to occur over two years. To date, CNF has repurchased \$74.6 million in company stock under the program. The company expects to repurchase approximately \$37.5 million in shares in the third quarter of 2005.

CON-WAY TRANSPORTATION SERVICES

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

- Operating income of \$95.3 million, up 49 percent from \$63.9 million in the year-ago period.
- Revenue of \$713.9 million, an increase of 11 percent from last year's second-quarter revenue of \$640.9 million.
- Regional-carrier yield increased 6 percent from the prior-year quarter.
- The regional-carrier group achieved an improved operating ratio of 86.3 percent compared to 89.6 percent in the second quarter of 2004.

MENLO WORLDWIDE

CNF's Menlo Worldwide operations include the combined results for Menlo Logistics and the former Con-Way Logistics, which were integrated in the second quarter, and Vector SCM. For the second quarter of 2005, Menlo Worldwide reported:

- Total segment operating income of \$10.6 million, up 27 percent, compared with \$8.3 million in the second quarter of 2004.
- Menlo Logistics' revenue of \$317 million, up 12 percent from the prior-year quarter of \$282.6 million.
- Operating income for Menlo Logistics was \$5.6 million in the second quarter, up 5 percent from \$5.4 million in the second quarter of 2004.
- Operating income at Vector SCM was \$4.9 million in the second quarter, up 65 percent from \$3.0 million in the prior-year quarter due to higher income from European operations for General Motors.

OTHER

CNF's "other" operations, which includes the results of Road Systems trailer manufacturing and corporate activities, reported an operating loss of \$0.8 million compared to a loss of \$0.9 million in the second quarter of 2004.

THIRD-QUARTER 2005 OUTLOOK

Third-quarter 2005 diluted earnings per share from continuing operations are expected to be between \$1.00 and \$1.08 cents. This compares with 72 cents per diluted share earned from continuing operations in the third quarter of 2004. CNF's tax rate is expected to be 38 percent in the third quarter.

CONFERENCE CALL

CNF will host a conference call for shareholders and the investment community to discuss second-quarter results at 11:00 a.m. Eastern Daylight Time (8:00 a.m. PDT) on Wednesday, July 20. 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/investorrelations/finhighlight.asp. The call will also be available through a live web cast at the investor relations section of the CNF website 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 7127850. The replay will also be available for two weeks on demand at the same web casting sites providing access to the live call.

CNF is a \$4.0 billion transportation and logistics company with businesses in less-than-truckload motor carriage, truckload carriage, air freight, logistics, warehousing, 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 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 with 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 OPERATIONS
(Dollars in thousands except per share amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2005	2004	2005	2004
REVENUES	\$1,033,875	\$ 924,382	\$1,981,558	\$1,771,302
Costs and Expenses				
Operating expenses	818,567	748,028	1,587,300	1,439,845
Selling, general and administrative expenses	84,498	79,783	163,724	154,228
Depreciation	27,250	25,292	53,718	50,502
	930,315	853,103	1,804,742	1,644,575
OPERATING INCOME	103,560	71,279	176,816	126,727
Other Expense, net	(6,165)	(12,560)	(13,608)	(19,737)
Income Before Taxes	97,395	58,719	163,208	106,990
Income Tax Provision	29,239[b]	22,900	54,201[b]	41,726

Income from Continuing Operations	68,156	35,819	109,007	65,264
Discontinued Operations, net of tax				
Gain (Loss) from Disposal	2,951	-	(6,825)	-
Income (Loss) from Discontinued Operations	-	1,686	-	(1,330)
	2,951	1,686	(6,825)	(1,330)
Net Income	71,107	37,505	102,182	63,934
Preferred Stock Dividends	2,036	2,022	4,025	4,044
NET INCOME AVAILABLE TO COMMON SHAREHOLDERS	\$ 69,071	\$ 35,483	\$ 98,157	\$ 59,890
Weighted-Average Common Shares Outstanding				
Basic	52,166,814	50,319,659	52,257,396	50,075,246
Diluted [a]	56,016,513	56,883,738	56,333,732	56,981,429
Earnings (Loss) Per Common Share				
Basic				
Net income from Continuing Operations	\$ 1.27	\$ 0.67	\$ 2.01	\$ 1.22
Gain (Loss) from Disposal, net of tax	0.05	-	(0.13)	-
Income (Loss) from Discontinued Operations, net of tax	-	0.04	-	(0.02)
	\$ 1.32	\$ 0.71	\$ 1.88	\$ 1.20
Diluted [a]				
Net income from Continuing Operations	\$ 1.19	\$ 0.61	\$ 1.87	\$ 1.11
Gain (Loss) from Disposal, net of tax	0.05	-	(0.12)	-
Income (Loss) from Discontinued Operations, net of tax	-	0.03	-	(0.02)
	\$ 1.24	\$ 0.64	\$ 1.75	\$ 1.09

OPERATING SEGMENTS

REVENUES				
Con-Way Transportation Services	\$ 713,939	\$ 640,861	\$1,354,264	\$1,219,341
Menlo Worldwide Logistics	317,036	282,569	618,985	550,755
CNF Other	2,900	952	8,309	1,206
	<u>\$1,033,875</u>	<u>\$ 924,382</u>	<u>\$1,981,558</u>	<u>\$1,771,302</u>
OPERATING INCOME (LOSS)				
Con-Way Transportation Services	\$ 95,329	\$ 63,859	\$ 158,885	\$ 112,790
Menlo Worldwide Logistics	5,634	5,358	10,664	10,335
Vector	4,941	2,988	8,976	5,380
	<u>10,575</u>	<u>8,346</u>	<u>19,640</u>	<u>15,715</u>
CNF Other	(822)	(926)	(187)	(1,778)
	<u>105,082</u>	<u>71,279</u>	<u>178,338</u>	<u>126,727</u>
Reconciliation of segments to consolidated amount:				
Income tax related to Vector, an equity-method investment	(1,522)	-	(1,522)	-
	<u>\$ 103,560</u>	<u>\$ 71,279</u>	<u>\$ 176,816</u>	<u>\$ 126,727</u>

[a] The periods ended June 30, 2005 include the dilutive effect of restricted stock, stock options and Series B preferred stock. The periods ended June 30, 2004 also include 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.

CNF INC.
CONDENSED BALANCE SHEETS
(Dollars in thousands)

	June 30, 2005	December 31, 2004
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ASSETS		
Current assets	\$1,344,501	\$1,509,767
Current assets of discontinued operations	6,411	5,128
Property, plant and equipment, net	894,830	859,321
Other assets	86,767	106,965
Non-current assets of discontinued operations	15,958	15,220
	<u>\$2,348,467</u>	<u>\$2,496,401</u>
	=====	=====
Total Assets		

LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities	\$ 562,095	\$ 678,126
Current liabilities of discontinued operations	25,644	34,705
Long-term debt and guarantees	583,939	601,344
Other long-term liabilities and deferred credits	353,572	397,997
Long-term liabilities of discontinued operations	729	6,862
Shareholders' equity	822,488	777,367
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Total Liabilities and Shareholders' Equity	\$2,348,467	\$2,496,401
	=====	=====