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

January 31, 2007

Date of Report (Date of earliest event reported)

Con-way Inc.

(Exact name of registrant as specified in its charter)

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

2855 Campus Drive, Suite 300, San Mateo, California 94403

(Address of principal executive offices)
(zip code)

Registrant's telephone number, including area code:
(650) 378-5200

(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 January 29, 2007, Con-way Inc. issued a press release announcing results of operations for the quarter ended December 31, 2006, which is being furnished to the U.S. Securities and Exchange Commission. A copy of the press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference. On January 30, 2007, Con-way hosted a conference call to discuss fourth-quarter and full-year 2006 results. A copy of the Company's transcript of that call is attached hereto as Exhibit 99.2 and is incorporated herein by reference.

ITEM 5.02 DEPARTURE OF DIRECTORS OR CERTAIN OFFICERS; ELECTION OF DIRECTORS; APPOINTMENT OF CERTAIN OFFICERS; COMPENSATORY ARRANGEMENTS OF CERTAIN OFFICERS

On January 28 and January 29, 2007, the Company's Compensation Committee, together with (in the case of the compensation of the Company's Chief Executive Officer), the other independent members of the Board of Directors, approved the following:

Salary Increases:

Officer	Title	Current Salary	% Increase	New Salary
Douglas W. Stotlar	President and Chief Executive Officer	$675,012	2.96%	$695,032
John G. Labrie	Vice President	$341,276	2.00%	$348,140
David S. McClimon	Senior Vice President	$418,756	2.00%	$427,180
David L. Miller	President, Con-way Central Express	$362,232	2.00%	$369,512
Jennifer W. Pileggi	Senior Vice President, General Counsel & Secretary	$325,572	3.50%	$337,012
Kevin C. Schick	Senior Vice President and Chief Financial Officer	$350,012	2.00%	$357,032

2007 Short-Term Incentive Compensation Awards. The annual incentive compensation awards are based upon performance objectives approved by the Compensation Committee. The 2007 awards to Messrs. Stotlar, Schick and Labrie and Ms. Pileggi are based on the pre-tax, pre-incentive income of the Company, and the awards to Messrs. McClimon and Miller are based on the pre-incentive operating income, net revenue and claims paid of Con-Way Freight, Inc. The maximum incentive compensation for any officer is equal to twice his or her target award.

Officer	Title	Target Award, as Percentage of Salary	Target Award ($)
Douglas W. Stotlar	President and Chief Executive Officer	100%	$695,032
John G. Labrie	Vice President	75%	$261,105
David S. McClimon	Senior Vice President	75%	$320,385

David L. Miller	President, Con-way Central Express	60%	$221,707
Jennifer W. Pileggi	Senior Vice President, General Counsel & Secretary	75%	$252,759
Kevin C. Schick	Senior Vice President and Chief Financial Officer	75%	$267,774

2007 Long-Term Incentive Compensation Awards

A. Awards of Performance Share Plan Units. Each performance share plan unit described in the table below is made pursuant to, and is governed by the terms of, the Company's 2006 Equity and Incentive Plan and a performance share plan unit grant agreement in the form attached as Exhibit 99.3 to this Report on Form 8-K. The performance share plan units will vest, if at all, at the end of the three-year period commencing on January 1, 2007 and ending December 31, 2009. The number of performance share plan units that vest is dependent upon the Company's level of revenue growth and profitability during the three-year period and can range from 0% to 200% of the target award. A pro rata portion (based on the number of months elapsed divided by 36) of the target award will vest upon the executive's death or disability or upon a change in control of the Company. Dividend equivalents are not paid on performance share plan units. The foregoing description of the performance share plan unit awards is qualified in its entirety by reference to the form of performance share plan unit grant agreement in the form attached as Exhibit 99.3 to this Report on Form 8-K.

Officer	Title	Number of Performance Share Plan Units at Target
Douglas W. Stotlar	President and Chief Executive Officer	29,798
John G. Labrie	Vice President	8,396
David S. McClimon	Senior Vice President	10,302
David L. Miller	President, Con-way Central Express	4,951
Jennifer W. Pileggi	Senior Vice President, General Counsel & Secretary	8,127
Kevin C. Schick	Senior Vice President and Chief Financial Officer	8,610

B. Stock Option Awards. Each stock option award described in the table below is made pursuant to, and is governed by the terms of, the Company's 2006 Equity and Incentive Plan and a stock option agreement, in the form attached as Exhibit 99.2 to the Company's Report on Form 8-K filed on September 29, 2006, entered into by the Company and the executive. These documents provide that the options have a term of ten years, will vest in equal annual installments over three years, commencing January 1, 2008, or earlier in certain circumstances (including in the event of death or disability or upon a Change in Control). Upon retirement at age 65 or pursuant to the "Rule of 85" (providing for an unreduced retirement benefit upon early retirement), the options vest and are exercisable for a period of one year thereafter. The foregoing description of the stock option awards is qualified in its entirety by reference to the form of stock option agreement attached as Exhibit 99.2 to the Company's Report on Form 8-K filed on September 29, 2006.

Officer	Title	Non-Qualified Option Shares	Incentive Stock Option Shares	Total Option Shares	Exercise Price
Douglas W. Stotlar	President and Chief Executive Officer	112,857	2,143	115,000	$46.65
John G. Labrie	Vice President	27,857	2,143	30,000	$46.65
David S. McClimon	Senior Vice President	31,857	2,143	34,000	$46.65
David L. Miller	President, Con-way Central Express	13,500	0	13,500	$46.65
Jennifer W. Pileggi	Senior Vice President, General Counsel & Secretary	25,857	2,143	28,000	$46.65
Kevin C. Schick	Senior Vice President and Chief Financial Officer	25,857	2,143	28,000	$46.65

C. Restricted Stock Awards. Each restricted stock award described in the table below is made pursuant to, and is governed by the terms of, the Company's 2006 Equity and Incentive Plan and a restricted stock award agreement, in the form attached hereto as Exhibit 99.11 to the Company's Report on Form 8-K filed on December 6, 2005, entered into by the Company and the executive. These documents provide that the restricted stock will vest in equal annual installments over three years, commencing January 29, 2008, or earlier in certain circumstances (including in the event of death or disability or upon a Change in Control). The foregoing description of the restricted stock awards is qualified in its entirety by reference to the form of restricted stock award agreement attached hereto as Exhibit 99.11 to the Company's Report on Form 8-K filed on December 6, 2005.

Officer	Title	Number of Shares of Restricted Stock	Grant Date Value of Shares of Restricted Stock ($)
John G. Labrie	Vice President	7,500	$349,875
David S. McClimon	Senior Vice President	7,500	$349,875
David L. Miller	President, Con-way Central Express	4,000	$186,600

Amendment to 1998 Restatement of Deferred Compensation Plan for Executives.

In December 2006, the Board of Directors approved Amendment No. 5 to the Con-way 2005 Deferred Compensation Plan for Executives to provide that the performance of one or more investments selected by the participant from a designated group of investments will determine the gains or losses attributable to deferrals made after 2006. Prior to the amendment, all deferrals made under Plan were credited with a fixed rate of return. Participants' pre-2007 deferred account balances under the Plan will continue to be credited with a fixed rate of return unless the participant makes an election to have all or part of that account balance treated in the same manner as post-2006 deferrals. For 2007, the designated group of investments includes most of the same funds offered to participants in the Company's qualified 401(k) plan.

On January 29, 2007, the Board of Directors approved the 2007 Amendment to the 1998 Restatement of the Con-way Deferred Compensation Plan for Executives. This plan governs deferrals made by participants prior to 2005, and provides that all deferrals are credited with a fixed rate of return. The 2007 amendment revises the plan to allow participants to make an election to have all or part of their account balances under the plan treated in the same manner as deferrals made under the Con-way 2005 Deferred Compensation Plan for Executives. If such an election is made, then the portion of the account balance to which the election applies will no longer be credited with a fixed rate of return; instead, the performance of one or more investments selected by the participant from a designated group of investments will determine the gains or losses attributable to that portion of the account balance.

A copy of the 2007 Amendment to the 1998 Restatement of the Con-way Deferred Compensation Plan for Executives is attached as Exhibit 99.4. The foregoing description of the 2007 Amendment is qualified in its entirety by reference to Exhibit 99.4.

ITEM 7.01 REGULATION FD DISCLOSURE

In December 2006, the Company's Board of Directors approved Amendment No. 1 to the Con-way 2005 Deferred Compensation Plan for Non-Employee Directors, which amends the Plan to provide for the same investment options for new deferrals as described above for executives, and to provide that participants' pre-2007 deferred account balances under the Plan will continue to be credited with a fixed rate of return unless the participant makes an election to have all or part of that account balance treated in the same manner as post-2006 deferrals.

On January 29, 2007, the Board of Directors approved the 2007 Amendment to the 1998 Restatement of the Con-way Deferred Compensation Plan for Non-Employee Directors. This plan governs deferrals made by participants prior to 2005 and provides that all deferrals are credited with a fixed rate of return. The 2007 amendment revises the plan to allow participants to make an election to have all or part of their account balances under the plan treated in the same manner as deferrals made under the 2005 Deferred Compensation Plan for Non-Employee Directors. If such an election is made, then the portion of the account balance to which the election applies will no longer be credited with a fixed rate of return; instead, the performance of one or more investments selected by the participant from a designated group of investments will determine the gains or losses attributable to that portion of the account balance. The amendment also allows participants to elect to convert all or any portion of their account balances into phantom stock units which track the performance of the Company's common stock.

A copy of the 2007 Amendment to the 1998 Restatement of the Con-way Deferred Compensation Plan for Non-Employee Directors is attached as Exhibit 99.5. The foregoing description of the 2007 Amendment is qualified in its entirety by reference to Exhibit 99.5.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS

(c) Exhibits

Exhibit No.	Description
99.1	Press release issued on January 29, 2007
99.2	Transcript
99.3	Form of Performance Share Plan Unit Grant Agreement
99.4	2007 Amendment to 1998 Deferred Compensation Plan for Executives
99.5	2007 Amendment to 1998 Deferred Compensation Plan for Non-Employee Directors

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.

Con-way Inc.
(Registrant)

January 31, 2007 /s/ Jennifer W. Pileggi

Jennifer W. Pileggi
General Counsel and Corporate Secretary

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EXHIBIT 99.1

NEWS RELEASE
Contacts:
Investor: Patrick Fossenier 1+650-378-5353
News Media: Gary Frantz 1+650-378-5335

CON-WAY INC. REPORTS FOURTH QUARTER AND FULL-YEAR RESULTS FOR 2006

SAN MATEO, Calif.-January 29, 2007-Con-way Inc. (NYSE:CNW) today reported net income from continuing operations for the fourth quarter of 2006 of $81.8 million (after preferred stock dividends), or $1.65 per diluted share. The results compare to fourth-quarter 2005 net income from continuing operations (after preferred stock dividends) of $53.2 million, or 96 cents per diluted share.

Earnings from continuing operations in the 2006 fourth quarter included a net gain of $41.0 million, or 82 cents per diluted share, from the sale of Vector SCM, LLC, the company's logistics joint venture with General Motors. Tax on the gain was offset by the application of a net capital loss carry forward from the 2004 sale of Menlo Forwarding.

Excluding Vector income from both fourth quarter 2006 and 2005, the company's earnings were 82 cents per diluted share, compared to 89 cents per diluted share, respectively.

Operating income in the 2006 fourth quarter was $109.8 million, an increase of 23.0 percent from $89.2 million earned in the fourth quarter a year ago. Revenues of $1.0 billion were down 7 percent compared with last year's fourth-quarter revenues of $1.07 billion.

Net income available to common shareholders in the 2006 fourth quarter was $82.4 million, or $1.66 per diluted share. This compares to previous-year fourth-quarter net income of $49.9 million, or 90 cents per diluted share. The 2006 and 2005 fourth-quarter net income to common shareholders included the results of discontinued operations and disposals, which were a net gain of 1 cent per diluted share and a net loss of 6 cents per diluted share, respectively.

As of January 1, 2006 the company adopted SFAS 123R, using the modified prospective method for calculating expense on share-based compensation. Adoption of SFAS 123R reduced net income in the fourth quarter by 2 cents per diluted share, and operating income by $1.4 million in the quarter. On an annual basis, the impact to earnings from SFAS 123R for 2006 was $5.8 million, or 7 cents per diluted share. Under this method, prior-period results are not restated.

For the full-year 2006, Con-way reported net income from continuing operations of $265.2 million (after preferred stock dividends), or $5.09 per diluted share. The 2006 full-year results included gains from the sale of Con-way Expedite in the third quarter, and the sale of Vector in the fourth quarter. This compares with 2005 net income from continuing operations of

$222.6 million, or $3.98 per diluted share.

Including the effect of discontinued operations, net income to common shareholders for the full-year 2006 was $259.0 million, or $4.98 per diluted share, compared to net income to common shareholders in 2005 of $214.0 million, or $3.83 per diluted share.

Revenues for the full-year 2006 rose to $4.22 billion, a 2.6 percent increase over 2005's revenues of $4.12 billion. Operating income was $401.8 million, an increase of 8.3 percent from $370.9 million in 2005.

"Our financial performance in 2006 was not up to the standards our shareholders and employees have come to expect for the Con-way enterprise," commented Douglas W. Stotlar, Con-way's president and CEO. "2006 was a year of adversity, but it also was the catalyst to take a hard look at our organization, assess our strengths and weaknesses, and identify areas for change, improvement and new approaches for how we sell into our markets."

"Despite our disappointing financial results, we closed out 2006 operationally stronger and we will build on that momentum," Stotlar added. "Con-way Freight has one of the best LTL networks in the business. Despite a slack economy, Con-way continued to demonstrate industry-leading service performance, labor productivity and produced a superior return on capital. Menlo Logistics made excellent strides with the transition to its industry vertical, multi-client warehouse model. Menlo also captured significant new business while eliminating low-margin accounts, and improved its finances across several key metrics, especially working capital management. Lastly, we made record investments in our plant and rolling stock, and we returned value to shareholders through major repurchases of our common stock."

"We took away a number of lessons from 2006. We have launched several initiatives to reinvigorate our growth, reduce our costs, and align our value proposition more tightly with our customers. In 2007, we will be a leaner and more vigorous competitor in pursuing our growth strategy. We are excited about the opportunities we see for the Con-way businesses," Stotlar noted.

The effective tax rate for the 2006 fourth quarter was 21.4 percent compared to 36.5 percent in the same period of 2005. The 2006 tax rate was affected by tax benefits of $14.8 million (30 cents per diluted share) associated with the utilization of a capital loss carryover on the gain from the sale of Vector, and other tax benefits and credits. The tax rate in 2005 also was affected by certain benefits and credits.

The company continued to make stock repurchases under its $400 million buyback program, authorized by Con-way's Board in April 2006. In the fourth quarter of 2006, the company acquired 949,000 shares representing $44.3 million, for a total value of $309.7 million repurchased to-date. The company is authorized to make share repurchases under the program through the second quarter of 2007.

CON-WAY FREIGHT AND TRANSPORTATION

For the fourth quarter of 2006, Con-way Freight, the company's regional less-than-truckload (LTL) operation, and Con-way Truckload Services, which consists of the company's full-truckload, truckload brokerage and trailer manufacturing divisions, reported the following results:

* Operating income of $60.1 million, down 21.4 percent from the $76.5 million earned in the year-ago period.

* Revenues of $679.8 million, down 4.0 percent compared to the prior-year fourth-quarter revenues of $708.1 million.

* Total tonnage per day handled by Con-way Freight decreased 8.0 percent from the previous-year fourth quarter due to yield enhancement initiatives launched during an economic slowdown.

* Total yield for Con-way Freight was up 2.9 percent from the previous-year fourth quarter. Excluding the fuel surcharge, yield was up 3.5 percent.

* Con-way Freight achieved an operating ratio of 90.8 in the 2006 fourth quarter compared to 89.6 in fourth-quarter 2005.

MENLO WORLDWIDE

For the fourth quarter of 2006, Menlo Worldwide reported:

* Total segment operating income of $49.9 million compared with $15.2 million in the fourth quarter of 2005. The 2006 fourth-quarter included the $41.0 million gain from the sale of Vector. The previous-year period included $7.1 million of Vector profits.

* Menlo Logistics revenue of $318.9 million, down 12.9 percent from the previous-year fourth-quarter revenue of $365.9 million, due in part to the elimination of low-margin accounts.

* Operating income from Menlo Logistics of $7.9 million, a decrease of 2.6 percent from the previous-year fourth quarter of $8.1 million. In the second half of 2005, Menlo Logistics also benefited from a large one-time transportation management assignment with a major retail account, which concluded at year-end.

* Segment income for Vector SCM, excluding the gain from the sale, was $941,000, from Vector business cases that were under way prior to June 30, compared to the $7.1 million earned in the fourth quarter of 2005.

2007 OUTLOOK

Beginning in 2007, Con-way has adopted a policy of providing earnings guidance for the full year only. Yearly guidance will be adjusted each quarter. For 2007, the company expects diluted earnings per share from continuing operations to be between $3.60 and $3.90, based on an assumed number of diluted shares outstanding of 48.2 million. Con-way's effective tax rate is expected to be 38 percent for the year.

INVESTOR CONFERENCE CALL

Con-way Inc. will host a conference call to discuss fourth-quarter and full-year 2006 results tomorrow, Tuesday, January 30, 2007 at 12:00 Noon Eastern Standard Time (9:00 a.m. Pacific).

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. The call will also be available through a live internet web cast at www.con-way.com at the investor relations page. Related financial and operating statistics to be discussed on the conference call are available on the company's web site at www.con-way.com in the Investor Relations section.

An audio replay will be available for two weeks following the call by dialing (800) 642-1687 or (706) 645-9291 (for international callers) and using access code 3904342. The replay will also be available at the same web-casting site providing access to the live call.

Con-way Inc. (NYSE:CNW) is a $ 4.2 billion freight transportation and logistics company with businesses in less-than-truckload and full-truckload freight services, brokerage, logistics, warehousing, supply chain management and trailer manufacturing. The company and its subsidiaries operate across North America and in 20 countries. Further information about Con-way Inc. and additional press releases are available via the Internet at www.con-way.com.

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EXHIBIT 99.2

CON-WAY INC.
EARNINGS RELEASE CONFERENCE CALL
TUESDAY, JANUARY 30, 2007
9:00 AM PST / 12:00 PM EST

CORPORATE PARTICIPANTS
PATRICK FOSSENIER
CON-WAY INC. - VICE PRESIDENT, INVESTOR RELATIONS
DOUGLAS STOTLAR
CON-WAY INC. - PRESIDENT AND CEO
KEVIN SCHICK
CON-WAY INC. - SENIOR VICE PRESIDENT AND CFO

CONFERENCE CALL PARTICIPANTS
JUSTIN YAGERMAN

WACHOVIA SECURITIES - ANALYST
JASON SEIDL
CREDIT SUISSE - ANALYST
JORDAN ALLIGER
DEUTSCHE BANK - ANALYST
SCOTT FLOWER
BANK OF AMERICA - ANALYST
KEN HOEXTER
MERRILL LYNCH - ANALYST
ARTHUR HATFIELD
MORGAN KEEGAN & CO., INC. - ANALYST
JON LANGENFELD
ROBERT W. BAIRD & COMPANY, INC. - ANALYST
EDWARD WOLFE
BEAR, STEARNS & CO. - ANALYST
DAVID ROSS
STIFEL NICOLAUS - ANALYST
DAVID CAMPBELL
THOMPSON DAVIS & COMPANY - ANALYST

PRESENTATION

OPERATOR

GOOD MORNING. MY NAME IS CASEY, AND I WILL BE YOUR CONFERENCE OPERATOR TODAY. AT THIS TIME, I WOULD LIKE TO WELCOME EVERYONE TO THE CON-WAY INC. FOURTH-QUARTER EARNINGS REVIEW CONFERENCE. ALL LINES HAVE BEEN PLACED ON MUTE TO PREVENT ANY BACKGROUND NOISE. AFTER THE SPEAKERS' REMARKS, THERE WILL BE A QUESTION AND ANSWER SESSION. THANK YOU. I WILL NOW TURN THE CONFERENCE OVER TO MR. PATRICK FOSSENIER, VICE PRESIDENT OF INVESTOR RELATIONS. SIR, YOU MAY BEGIN.

PATRICK FOSSENIER - CON-WAY INC. - INVESTOR RELATIONS

THANK YOU, CASEY, AND WELCOME TO THE CON-WAY FOURTH QUARTER AND YEAR END 2006 CONFERENCE CALL FOR SHAREHOLDERS AND THE INVESTMENT COMMUNITY. IN A COUPLE OF MINUTES, I WILL TURN IT OVER TO THE CON-WAY PRESIDENT AND CEO, DOUG STOTLAR. WE'RE ALSO JOINED ON THE CALL BY THE CHIEF FINANCIAL OFFICER OF CON-WAY, KEVIN SCHICK. BEFORE WE GET INTO THE CALL, I WOULD LIKE TO READ THE FOLLOWING SAFE HARBOR ANNOUNCEMENT. CERTAIN STATEMENTS IN CONFERENCE INCLUDING STATEMENTS REGARDED ANTICIPATED RESULTS OF OPERATIONS AND FINANCIAL CONDITIONS CONSTITUTE FORWARD-LOOKING STATEMENTS AND ARE SUBJECT TO A NUMBER OF RISKS AND UNCERTAINTIES AND SHOULD NOT NECESSARILY BE RELIED UPON AS PREDICTIONS OF FUTURE EVENTS. ACTUAL RESULTS OF OPERATIONS AND FINANCIAL CONDITION MIGHT DIFFER MATERIALLY FROM THOSE PROJECTED IN SUCH FORWARD-LOOKING STATEMENTS AND KNOW ASSURANCE CAN BE GIVEN AS TO THE FUTURE RESULTS OF FINANCIAL CONDITION. ADDITIONAL INFORMATION CONCERNING FACTORS THAT COULD CAUSE ACTUAL RESULTS OF OPERATIONS AND FINANCIAL CONDITION TO DIFFER FROM THOSE IN THE FORWARD-LOOKING STATEMENTS IS CONTAINED IN OUR FORMS 10-Q AND 10-K AND OTHER FILINGS WITH THE SEC. NOW WITHOUT FURTHER ADO I AM PLEASE TO TURN IT OVER TO DOUG STOTLAR.

DOUGLAS STOTLAR - CON-WAY INC. - PRESIDENT, CEO

GOOD MORNING. LOOKING BACK AT THE 2006 FOURTH QUARTER OUR FINANCIAL PERFORMANCE WAS INFLUENCED BY A FEW KEY TRENDS. ONE, AS THE ECONOMY SOFTENED, SO DID OUR CUSTOMERS SHIPPING ACTIVITY, ACROSS THE BOARD. EVERY REGION AND EVERY KEY INDUSTRY GROUP WE SERVICE WAS AFFECTED. SECOND, THERE WAS NO "PEAK" IN PEAK SEASON THIS YEAR. WE DID NOT SEE THE TYPICAL SURGE IN FREIGHT AS WE ENTERED THE FOURTH QUARTER. I BELIEVE THIS WAS THE RESULT OF SEVERAL FACTORS. IF YOU LOOK BACK TO LAST YEAR IN THE FOURTH QUARTER THE MACRO ECONOMIC INDUSTRY RESPONSE TO THE RAVAGES OF THE GULF COAST HURRICANES CREATED A SURGE IN FREIGHT. TRUCKLOAD CAPACITY WAS TIGHT, WHICH PUSHED MORE HEAVYWEIGHT SHIPMENTS INTO THE LTL SECTOR AND WE HAD STRONG DEMAND FROM RETAILERS FOR SHIPPING OF SEASONAL HOLIDAY GOODS. FAST FORWARD TO THIS PAST YEAR, RETAILERS KEPT INVENTORIES TIGHT AS THEY WERE CONCERNED WITH CONSUMER SPENDING DURING A SLOWING ECONOMY, A CONCERN WHICH BECAME A REALITY. BROAD DOWNTURNS IN RETAIL AND INDUSTRIAL MARKETS REDUCED FREIGHT VOLUMES. THE CAPACITY CRUNCH IN TRUCKLOAD EASED UP DRAMATICALLY AS HEAVYWEIGHT LTL SHIPMENTS WE HAD LAST YEAR

WENT BACK TO THE TRUCKLOAD MARKET.

AS WE NOTED PREVIOUSLY, OUR LTL BUSINESS VOLUMES WERE ALSO AFFECTED BY OUR YIELD INITIATIVES WHICH WERE COMPOUNDED BY THE OVERALL ECONOMIC CONDITIONS. TO PUT ALL OF THIS IN CONTEXT, WE WERE MEASURING AGAINST AN ESPECIALLY STRONG 2005 FOURTH QUARTER WHICH WAS OUR HIGHEST TONNAGE QUARTER EVER. DESPITE THE REDUCED VOLUMES, WE STILL CAME THROUGH THE QUARTER WITH A POSITIVE YIELD COMPARISON. LOOKING AT THE NUMBERS, OUR FOURTH QUARTER REVENUES AT $999 MILLION WERE DOWN 7% WHILE FULL YEAR REVENUES OF $4.2 BILLION WERE UP 2.6% OVER 2005. FOURTH QUARTER DILUTED EPS FROM CONTINUING OPERATIONS OF $1.65 INCLUDED A $41 MILLION GAIN ON THE SALE OF VECTOR. THE TAX ON THE GAIN WAS OFFSET BY CARRY FORWARD OF A CAPITAL LOSS. EXCLUDING VECTOR INCOME, WE CAME IN AT $0.82 FOR THE QUARTER, JUST ABOVE THE HIGH-END OF OUR REVISED GUIDANCE. HERE IS HOW WE GET FROM THE REPORTED $1.65 OF EPS TO $0.82. $0.82 FROM THE SALE OF VECTOR, ANOTHER CENT WAS FOR VECTOR EARNINGS FROM BUSINESS CASES UNDER WAY PRIOR TO JUNE 30TH WHEN GM EXERCISED THE CALL OPTION. THE QUARTER ALSO INCLUDED A $0.04 BENEFIT FOR A LOWER THAN ANTICIPATED TAX PROVISION. FOR THE FULL YEAR, DILUTED EPS FROM CONTINUING OPERATIONS WAS $5.09, INCLUDING THE VECTOR GAIN AND THE GAIN RELATED TO THE JULY SALE OF CON-WAY EXPEDITE. WITH THAT I WILL NOW REVIEW OUR KEY OPERATING SEGMENTS STARTING WITH CON-WAY FREIGHT.

REVENUE PER DAY AT CON-WAY FREIGHT WAS DOWN 5.3% IN THE QUARTER REFLECTING A COMBINATION OF YIELD IMPROVEMENT WHICH WAS OFFSET BY LOWER TONNAGE. TONNAGE PER DAY DECREASED 8% COMPARED TO THE FOURTH QUARTER OF 2005, WHICH AS I MENTIONED EARLIER WAS THE HIGHEST VOLUME QUARTER EVER FOR THE COMPANY. I AM SOMEWHAT ENCOURAGED BY THE FACT THAT THE DECEMBER YEAR TO YEAR COMPARISONS IMPROVED FROM OCTOBER AND NOVEMBER. THAT BEING SAID, THE GENERAL DEMAND IN JANUARY IS TRACKING WITH OUR PLANNED EXPECTATIONS. AS I MENTIONED LAST QUARTER, WE PUT IN PLACE TARGETED SALES PROGRAMS TO STIMULATE GROWTH AND WE'RE SEEING THE SIGNS THAT OUR PEOPLE ARE MAKING THEM WORK. WE SAW GROWTH IN REVENUE PER HUNDREDWEIGHT IN THE FOURTH QUARTER, WITH YIELD INCREASING BY 2.9%. FOR THE FIRST TIME IN RECENT HISTORY FUEL SURCHARGE DAMPENED YIELD. EXCLUDING THE FUEL SURCHARGE, REVENUE PER HUNDREDWEIGHT INCREASED 3.5%. DESPITE A WEAKENING ECONOMY, CON-WAY FREIGHT MAINTAINED GOOD COST CONTROL WHICH RESULTED IN OPERATING RATIO OF 90.8 VERSUS THE 89.6 POSTED IN LAST YEAR'S FOURTH QUARTER. CON-WAY FREIGHT'S PRE-TAX RETURN ON CAPITAL EMPLOYED FOR THE LAST TWELVE MONTHS CONTINUES TO BE VERY SOLID AT 31.5%. I WILL TURN NOW TO CON-WAY TRANSPORTATION SERVICES.

CON-WAY TRUCKLOAD CONTINUES TO GROW ITS INTERNAL BUSINESS WITH CON-WAY FREIGHT HANDLING AN EVER LARGER PORTION OF THE LTL COMPANY'S PURCHASED TRANSPORTATION IN TRANSCONTINENTAL LINEHAUL. GIVEN THE EXCESS CAPACITY IN THE TRUCKLOAD MARKET TODAY, WE ARE REDUCING OUR EMPHASIS ON REGIONAL NONAFFILIATE TRUCKLOAD BUSINESS AND FOCUSING OUR TRUCKLOAD OPERATION ON LINEHAUL SUPPORT FOR THE LTL BUSINESS.

TURNING TO OUR LOGISTICS BUSINESS, MENLO LOGISTICS' REVENUE AND PROFIT WERE BOTH AT LEVELS CLOSE TO OUR EXPECTATIONS ALTHOUGH BELOW THE FOURTH QUARTER OF LAST YEAR WHICH WAS A VERY STRONG QUARTER THAT PRESENTED A CHALLENGING BENCHMARK. MENLO LOGISTICS' REVENUE NET OF PURCHASED TRANSPORTATION WAS $101.5 MILLION, UP 8.9%. FOURTH QUARTER OPERATING INCOME WAS THE BEST OF THE YEAR AT $7.9 MILLION REPRESENTING A PROFIT MARGIN ON THE NET REVENUE OF 7.8% VERSUS 8.7% IN THE FOURTH QUARTER OF THE PRIOR YEAR WHICH BENEFITED FROM A HIGH MARGIN ONE-TIME PROJECT FOR A LARGE RETAIL ACCOUNT. AS WE MENTIONED IN LAST QUARTER'S CONFERENCE CALL, MENLO LOGISTICS SPENT 2006 CULLING OUT A SIGNIFICANT AMOUNT OF BUSINESS THAT DID NOT PROVIDE ADEQUATE MARGIN FOR THE SERVICES PROVIDED. THIS ACCOUNT RATIONALIZATION EFFORT OBSCURED THE FACT THAT MENLO HAD A RECORD YEAR FOR NEW CONTRACT WINS, WITH EUROPE LEADING THE WAY ON THE NEW BUSINESS FRONT. THE MENLO TEAM COMPLETED A SUCCESS OF THE TRANSITION OF THE VECTOR OPERATIONS TO GENERAL MOTORS. WE RECEIVED A VALUATION FOR THAT BUSINESS WHICH RETURNED NEARLY $85 MILLION FROM MENLO'S MEMBERSHIP INTEREST. MENLO ASSUMED THE NON-GM COMMERCIAL CONTRACTS OF VECTOR PROVIDING A GOOD FOUNDATION TO CONTINUE PROVIDING OUR EXPERTISE IN THE LEAD LOGISTICS SERVICE PROVIDER ARENA WHICH EMPHASIZES LARGE, COMPLEX, MULTINATIONAL SUPPLY CHAIN RE-ENGINEERING AND LOGISTICS MANAGEMENT PROJECTS.

NOW HERE IS KEVIN SCHICK FOR SOME ADDITIONAL FINANCIAL PERSPECTIVE.

KEVIN SCHICK - CON-WAY INC. - SENIOR VICE PRESIDENT AND CFO

THANKS, DOUG. AS NOTED EARLIER IN THE CALL, 2006 WAS THE LARGEST CAPITAL EXPENDITURES YEAR IN CON-WAY'S HISTORY AND YET WE STILL GENERATED POSITIVE CASH FLOW FROM OPERATIONS WELL IN EXCESS OF OUR CAPITAL REQUIREMENTS. THAT BODES EXTREMELY WELL FOR CASH FLOW IN FUTURE PERIODS AS CAPITAL NEEDS MODERATE. THE BALANCE SHEET REMAINS VERY STRONG, AND THE COMPANY IS VERY HEALTHY. THE BALANCE OF CASH AND MARKETABLE SECURITIES TOTALED $445 MILLION AT THE END OF THE QUARTER. $44 MILLION OF CASH WAS SPENT THIS QUARTER ON REPURCHASES OF NEARLY A MILLION SHARES. WE PLAN TO SPEND THE PROGRAM'S REMAINING $91 MILLION ON ADDITIONAL SHARE REPURCHASES BEFORE OR THROUGH THE END OF JUNE THIS YEAR. AVERAGE DILUTED SHARES OUTSTANDING FOR THE FOURTH QUARTER WERE 49.9 MILLION, REFLECTING OUR REPURCHASE ACTIVITY. LONG-TERM DEBT AND CURRENT MATURITIES TOTALED $576 MILLION. FOR 2006 CAPITAL EXPENDITURES TOTALED $308 MILLION, A BIT LOWER THAN WE PREVIOUSLY GUIDED, AS WE WILL CARRY OVER INTO 2007 SOME PLANNED INVESTMENTS FOR LAND AND BUILDING PROJECTS ALREADY UNDER DEVELOPMENT. DEPRECIATION AND AMORTIZATION WAS $139 MILLION. QUARTERLY INTEREST EXPENSE WAS $9 MILLION, AND INVESTMENT INCOME TOTALED 5.8 MILLION. AS DOUG NOTED, IN THE SALE OF VECTOR WE UTILIZED THE CAPITAL LOSS CARRY FORWARD WHICH ELIMINATED THE TAX ON THE GAIN. THUS, THE EFFECTIVE TAX RATE ON THE TOTAL INCOME FOR THE QUARTER WAS 21.4%. EXCLUDING THE VECTOR GAIN, THE EFFECTIVE TAX RATE IN THE FOURTH QUARTER WAS 34.8%, BELOW THE GUIDANCE LEVEL DUE TO THE VARIOUS ADJUSTMENTS THAT REDUCED THE TAX RATE FOR THE QUARTER. STOCK OPTION EXPENSE IN THE FOURTH QUARTER WAS $1.4 MILLION, AND REBRANDING EXPENSE WAS IMMATERIAL.

NOW TO GUIDANCE:

WE'LL PROVIDE EPS GUIDANCE FOR FULL YEAR 2007. AS I MENTIONED ON TWO PREVIOUS CONFERENCE CALLS, WE'RE NOW SWITCHING TO ANNUAL GUIDANCE ONLY, TO EMPHASIZE AND REMAIN CONSISTENT WITH CON-WAY'S FOCUS ON LONG-TERM SHAREHOLDER VALUE. FOR 2007 WE EXPECT DILUTED EPS OF BETWEEN $3.60 TO $3.90 PER SHARE FROM CONTINUING OPERATIONS. THIS ASSUMES A CONTINUED MODEST LEVEL OF GDP GROWTH. INCLUDED IN THE EARNINGS GUIDANCE IS OUR EXPECTATION OF APPROXIMATELY $12 MILLION IN 2007 FOR REBRANDING EXPENSE. WE WOULD GUIDE TO YOU USE AN AVERAGE OF 48 MILLION DILUTED SHARES OUTSTANDING IN THE YEAR REFLECTING COMPLETION OF THE SHARE REPURCHASE PROGRAM AT THE CONCLUSION OF THE SECOND QUARTER. IF WE HAVE ADDITIONAL NOTEWORTHY SHARE REPURCHASE AMOUNTS OR CHANGE OUR EXPECTATIONS FOR REPURCHASES, WE WILL UPDATE YOU AS NECESSARY. WHILE A PORTION OF THE 2006 APPROPRIATION FOR LAND AND BUILDING CAPITAL EXPENDITURES WILL CARRY OVER INTO THIS YEAR, OUR CURRENT PROJECTION FOR 2007 CAPITAL EXPENDITURES IS $185 MILLION. THAT'S A SIGNIFICANT REDUCTION FROM LAST YEAR WITH OBVIOUSLY POSITIVE IMPLICATIONS FOR OUR FREE CASH FLOW. FOR THE MODELING YOU SHOULD USE $143 MILLION FOR DEPRECIATION AND AMORTIZATION FOR 2007. YOU SHOULD MODEL A 38% TAX PROVISION.

NOW FOR OPERATING GUIDANCE, STARTING WITH CON-WAY FREIGHT:

FOR THE FULL YEAR, OUR EPS GUIDANCE IS BASED ON AN EXPECTATION THAT TONNAGE WILL INCREASE BY A LOW TO MID-SINGLE DIGIT PERCENTAGE OVER 2006. IN THE FIRST QUARTER WE EXPECT TONNAGE TO BE BEHIND THAT OF LAST YEAR. AS WE MOVE INTO THE SECOND QUARTER AND THE SECOND HALF OF 2007 WE EXPECT THE TONNAGE COMPARISON TO TURN POSITIVE AND REMAIN THAT WAY THROUGH THE BALANCE OF THE YEAR. WE EXPECT REVENUE PER HUNDREDWEIGHT TO STAY POSITIVE FOR 2007 VERSUS 2006, WITH COMPARISONS MODERATING AS THE YEAR PROGRESSES. THE OPERATING RATIO IS EXPECTED TO INCREASE YEAR TO YEAR DURING THE FIRST HALF AND THEN IMPROVE YEAR TO YEAR IN THE SECOND HALF OF THE YEAR. AS FOR MENLO LOGISTICS IN 2007 WE EXPECT MENLO LOGISTICS TO INCREASE BOTH ITS NET REVENUE AND ITS OPERATING PROFIT OVER LAST YEAR BY A LOW DOUBLE-DIGIT PERCENTAGE. NOW I WILL TURN IT BACK TO DOUG.

DOUGLAS STOTLAR - CON-WAY INC. - PRESIDENT AND CEO

THANKS, KEVIN. WHILE 2006 WAS A YEAR OF ADVERSITY, IT ALSO SERVED AS A CATALYST, A CATALYST WHICH CAUSED US TO LOOK AT OUR ENTERPRISE WITH A MORE CRITICAL EYE, TAKE STOCK OF THE ORGANIZATION AND EXAMINE OUR PLACE IN AND OF OUR APPROACH TO THE MARKET. SOMETIMES THE BETTER MEASURE OF AN ORGANIZATION IS HOW IT RESPONDS TO ADVERSITY AND TURNS THAT TO ADVANTAGE. WE SPENT THE LATTER PART OF 2006 UNDERSTANDING JUST HOW TO DO THAT. BY TALKING TO OUR CUSTOMERS IN EXTENSIVE FOCUS GROUPS, MEETING WITH OUR EMPLOYEES, AND GETTING INPUT FROM OTHER RESOURCES OUTSIDE OF OUR COMPANY, WHAT WE CAME AWAY WITH WAS INSIGHT INTO A NUMBER OF STRENGTHS AND A BETTER UNDERSTANDING OF WHERE AND HOW TO IMPROVE THE ORGANIZATION. IT ALSO REVEALED AREAS OF VALUE WHICH MAY

NOT BE FULLY APPRECIATED BY THE MARKET. HERE ARE SOME OF THE KEY TAKE-AWAYS. OUR CUSTOMERS TELL US WE HAVE A GREAT, DIFFERENTIATED SERVICE PRODUCT IN THE LTL AND LOGISTICS MARKETS. THEY RECOGNIZE THE VALUE. THEY WANT US TO WORK CREATIVELY WITH THEM TO BETTER POSITION THAT VALUE AND DEMONSTRATE THE BENEFITS WHICH CAN ACCRUE TO THEIR ORGANIZATIONS. CON-WAY FREIGHT HAS TRADITIONALLY BEEN INWARD FOCUSED ON OPERATIONS EFFICIENCY, PRODUCTIVITY AND SERVICE EXCELLENCE. THESE ARE ALL GOOD THINGS. HOWEVER, WE'RE GOING TO BUILD ON THOSE STRENGTHS BY ENCOURAGING THE ORGANIZATION TO BE MORE OUTWARD FOCUSED AND PROACTIVE IN MARKETING ITSELF AND COLLABORATING WITH CUSTOMERS. TO ACCOMPLISH THIS WE'VE DONE A MAJOR REVAMP OF OUR SALES TRAINING, CUSTOMER NEEDS EVALUATION AND SALES MANAGEMENT PROCESSES. WE'VE ALSO ADDED NEW MARKETING RESOURCES AND TALENT.

THESE CHANGES ALIGN WELL WITH WHAT WE BELIEVE IS AN INHERENT STRENGTH AND COMPETITIVE ADVANTAGE OF THE CON-WAY FREIGHT INFRASTRUCTURE, IN PARTICULAR: - WE HAVE A YOUNG, WELL MAINTAINED FLEET. OUR NETWORK DESIGN AND OPERATIONAL MODEL PROVIDES DENSITY OF COVERAGE OF SERVICE STANDARD THAT IS UNPARALLELED. AND WE HAVE THE ASSETS ALREADY IN PLACE STRATEGICALLY WHERE THEY'RE NEEDED.

TAKEN IN TOTAL, THIS INFRASTRUCTURE IN THE BUSINESS MODEL LET US RESPOND RAPIDLY AND EFFICIENTLY TO OUR CUSTOMERS. I CANNOT EMPHASIZE STRONGLY ENOUGH THE VALUE OF THIS NETWORK AND HOW IT OPERATES. IT'S AN ASSET VIRTUALLY IMPOSSIBLE TO REPLICATE IN TODAY'S MARKET ESPECIALLY IN AN INDUSTRY WITH LARGE BARRIERS TO ENTRY. OUR WELL ESTABLISHED FOOTPRINT UNDERPINS THE TREMENDOUS VALUE AND COMPETITIVE ADVANTAGE WE HAVE TO DELIVER TO OUR CUSTOMERS.

IN THE LOGISTICS MARKET THE OPERATING LEVERAGE INHERENT IN MENLO LOGISTICS' UPDATED BUSINESS MODEL IS PROVING ITS METTLE. WE'VE ENTERED 2007 WITH A GOOD STRATEGY IN PLACE, FOCUSING ON SHARED RESOURCES, LEAN METHODOLOGIES, KEY INDUSTRY GROUPS, MULTI-CLIENT FACILITIES AND STRATEGIC TRANSPORTATION MANAGEMENT. WE FOUND THIS MODEL ALLOWS MENLO TO CONTINUE SERVING THE MARKET FOR LARGE, COMPLEX INTEGRATED LOGISTICS OUTSOURCING ASSIGNMENTS WHILE ALSO PRESENTING AN EXCELLENT CAPABILITY SET AND VALUE PROPOSITION IN THE MID-MARKET, FOR BROAD-BASED AS WELL AS TARGETED LOGISTICS PROJECTS. MENLO SUCCESSFULLY IMPLEMENTED THE CON-WAY ENTERPRISE CULTURE INITIATIVE IN 2006 WHICH HAS BEEN EMBRACED BY THEIR EMPLOYEES. THE COMPANY SHARPENED ITS APPROACH TO NEW BUSINESS AND IMPROVED ITS SALES PROCESS MANAGEMENT, START-UP AND CONTRACTING PROCESSES, AND WE EXPECT THESE CUMULATIVE CHANGES TO SUPPORT RENEWED GROWTH THIS YEAR. OUR MARKETS, COMPETITORS AND CUSTOMERS ARE EVOLVING, SO WE MUST CONTINUALLY IMPROVE. WE'VE MADE INVESTMENTS IN THE INFRASTRUCTURE, IN TALENT, IN TOOLS AND IN GIVING OUR PEOPLE THE BEST TRAINING AND RESOURCES TO DELIVER EXEMPLARY SERVICE AND CUSTOMER SATISFACTION. WE HAVE CAPACITY TO GROW AND A MODEL THAT WAS PROVEN TIME AND TIME AGAIN IT CAN WEATHER ADVERSITY, ADJUST AND ADOPT AND GAIN TRACTION IN THE MARKET. THE MEASURE OF THE SUCCESS WILL BE THE TRUST PLACED IN US BY OUR VALUE-DRIVEN CUSTOMER BASE AND THE CONTINUED PERFORMANCE OF CON-WAY EMPLOYEES IN SERVING THOSE CUSTOMERS BETTER THAN ANYONE ELSE.

IN CLOSING 2006 WAS A YEAR OF LEARNING FOR THE CON-WAY ENTERPRISE. WE'RE NOW APPLYING WHAT WE LEARNED TO MAKE CON-WAY A STRONGER, MORE NIMBLE ENTERPRISE, GEARED FOR GROWTH AS WE MOVE THROUGH 2007 AND BEYOND. WITH THAT, OPERATOR, WE'RE READY TO TAKE SOME QUESTIONS

QUESTION AND ANSWER

OPERATOR

YOUR FIRST QUESTION IS FROM JUSTIN YAGERMAN WITH WACHOVIA.

JUSTIN YAGERMAN - WACHOVIA SECURITIES - ANALYST

GOOD MORNING, GENTLEMEN, HOW ARE YOU?

DOUGLAS STOTLAR - CON-WAY INC. - PRESIDENT AND CEO

HEY JUSTIN.

JUSTIN YAGERMAN - WACHOVIA SECURITIES - ANALYST

I WAS WONDERING IF YOU CAN DISCUSS A LITTLE MORE IN DEPTH WHAT THE PRICING SITUATION LOOKED LIKE IN THE FOURTH QUARTER AND MAYBE WHAT WE'RE LOOKING AT IN THE FIRST HALF OF THIS YEAR, SO IF YOU COULD GO INTO THE PERCENT OF CONTRACTS FOR CON-WAY THAT RENEWED IN THE FOURTH QUARTER AND WHAT KIND OF PRICE INCREASES YOU WERE SEEING ON THOSE AND THEN WHAT WE SHOULD BE EXPECTING FOR THE FIRST HALF OF THIS YEAR IN TERMS OF THE PERCENT OF CONTRACTS THAT ROLL OVER THERE.

DOUGLAS STOTLAR - CON-WAY INC. - PRESIDENT AND CEO

JUSTIN, ABOUT A QUARTER OF OUR CONTRACTS COME DUE IN THE FOURTH QUARTER TO COINCIDE WITH YEAR END, AND WE SAW PRICE INCREASES ON OUR CONTRACTS SIMILAR TO WHAT WE SAW IN THE THIRD QUARTER IN THE SECOND HALF OF 2006, SO I CAN'T SAY THE PRICING ENVIRONMENT CHANGED MATERIALLY DURING THE FOURTH QUARTER. ONE THING ABOUT LTL PRICING IS IT IS ALWAYS A COMPETITIVE MARKET, AND I DIDN'T SEE IT BECOMING MUCH MORE COMPETITIVE IN THE FOURTH QUARTER OR GOING INTO THE FIRST QUARTER OF THIS YEAR.

JUSTIN YAGERMAN - WACHOVIA SECURITIES - ANALYST

I GOT YOU. OKAY. AND THEN FOR THE FIRST HALF OF THIS YEAR, DOUG, HOW MANY OF THE CONTRACTS ACTUALLY COME UP FOR RE-BID.

DOUGLAS STOTLAR - CON-WAY INC. - PRESIDENT AND CEO

OUR CONTRACTS ARE PRETTY WELL SPREAD ACROSS THE BALANCE OF THE YEAR.

JUSTIN YAGERMAN - WACHOVIA SECURITIES - ANALYST

QUARTER AND QUARTER AND HALF OF THEM THROUGHOUT THE FIRST HALF?

DOUGLAS STOTLAR - CON-WAY INC. - PRESIDENT AND CEO

THERE ISN'T A DISPROPORTIONATE NUMBER THAT COME DUE IN THE FIRST HALF OF THE YEAR.

JUSTIN YAGERMAN - WACHOVIA SECURITIES - ANALYST

OKAY, THAT'S GOOD COLOR. THANKS. I GUESS ON MENLO, IT WOULD BE INTERESTING TO HEAR A LITTLE BIT MORE ON WHAT'S GOING ON THERE AND WHY YOU HAVE THE INCREASED CONVICTION IN THAT DIVISION AT THIS POINT? I KNOW YOU'VE TALKED ABOUT NEW BUSINESS WINS AND WHAT HAVE YOU IN 2006, AND THOSE SHOULD KIND OF COME OVER TO 2007, BUT MAYBE YOU COULD DESCRIBE A LITTLE BIT MORE IN DETAIL WHAT IS ACTUALLY GOING ON AT MENLO AND WHAT THESE NEW OFFERINGS ARE AND WHAT THEY'RE DOING FOR THESE NEW CUSTOMERS.

DOUGLAS STOTLAR - CON-WAY INC. - PRESIDENT AND CEO

THESE AREN'T SO MUCH NEW OFFERINGS, BUT WE'VE CERTAINLY BEEN ABLE TO FINE TUNE THE MODEL WE CONVERTED TO. AS YOU RECALL BACK WHEN, REALLY HOW, MENLO WAS FOUNDED, IT REALLY HAD A MODEL DESIGNED AROUND SERVING LARGE SINGLE-CLIENT PROJECTS, WHERE THE IT, THE SOLUTIONS WERE ENGINEERED SPECIFICALLY FOR A CUSTOMER, AND EVERYTHING WAS TAILOR-MADE FOR THAT CUSTOMER. AS WE CONVERTED AND MADE THIS MIGRATION TO GO FROM THE SINGLE CUSTOMER CLIENTS TO MARKET VERTICALS, WHERE WE'RE ABLE TO LEVERAGE IT SYSTEMS ACROSS CUSTOMERS WITHIN A MARKET VERTICAL, DO RAPID IMPLEMENTATION OF NEW PROJECTS FOR CUSTOMERS, AND BE ABLE TO PROVIDE THE BEST PRACTICES OVER A WIDER RANGE OF CUSTOMERS WITHIN A MARKET VERTICAL, WE'VE NOW PROVEN THAT MODEL CAN PROVIDE EFFICIENCY, WE'RE LEVERAGING THE OPERATION ACROSS THE WHOLE ENTERPRISE, WE'VE CONVERTED FROM 2000 UNTIL TODAY, WE WERE ALMOST 100% SINGLE CLIENT WAREHOUSING FACILITIES IN 2000, AND NOW WE'RE 60% MULTI-CLIENT WAREHOUSING. YOU CAN SEE THE MIGRATION OF THE MODEL WHERE WE'RE GOING TO MULTI-CLIENT WAREHOUSING AND LEVERAGING THIS SHARED INFRASTRUCTURE WITHIN THE LOGISTICS NETWORK, AND WE'RE JUST REALLY GETTING TRACTION WITH IT, AND I CAN'T TELL YOU HOW WELL THE LEAN INITIATIVES WE'VE IMPLEMENTED ARE DOING TO DRIVE COSTS OUT OF OUR ORGANIZATION AND ALSO PROVIDE TREMENDOUS CONSISTENCY OF SERVICE TO OUR CUSTOMERS.

JUSTIN YAGERMAN - WACHOVIA SECURITIES - ANALYST

THAT'S GREAT. WHEN YOU LOOK AT, I GUESS, JUST SWITCHING BACK TO CON-WAY QUICKLY, WHEN YOU LOOK AT TONNAGE THROUGHOUT THE FOURTH QUARTER, YOU KNOW, THE ATA TRUCK TONNAGE INDEX HAS SHOWN, WHAT WOULD POTENTIALLY BEEN A BOTTOMING OF YEAR-OVER-YEAR TONNAGE DECLINES IN NOVEMBER, I WAS WONDERING IF YOU GUYS SAW SIMILAR TYPE TRENDS IN TERMS OF YOUR QUARTERLY TONNAGE PERFORMANCE AND THEN I WOULD BE INTERESTED TO HEAR WHAT THINGS ARE LOOKING LIKE NOW THAT WE'RE BASICALLY AT THE END OF JANUARY?

DOUGLAS STOTLAR - CON-WAY INC. - PRESIDENT AND CEO

OUR QUARTERLY TONNAGE FOR THE FOURTH QUARTER TRACKED ALMOST IDENTICALLY TO WHAT THE ATA TRUCK TONNAGE INDICATOR INDICATED, DECEMBER WAS AN UPTICK FROM NOVEMBER, AND IT ACTUALLY HELPED US FINISH DECEMBER STRONGER WHICH CREATED ADDITIONAL OPERATING LEVERAGE WHICH PUSHED OUR GUIDANCE UP ABOVE THE RANGE THAT WE GAVE. SO OUR TONNAGE EXACTLY FOLLOWED THE FOURTH QUARTER ATA TONNAGE INDICATOR, AND FOR THE FIRST QUARTER WE'RE MEETING OUR PLANNED EXPECTATIONS. I CAN'T TELL YOU IT IS THE MOST ROBUST ENVIRONMENT BUT WE'RE NOT DISAPPOINTED AT THIS POINT.

JUSTIN YAGERMAN - WACHOVIA SECURITIES - ANALYST

IS IT ABOVE OR BELOW DECEMBER IN TERMS OF YEAR-OVER-YEAR CHANGE? WHAT I AM ASKING IS HAVE WE REVERTED BACK TO NOVEMBER AND JANUARY OR ARE WE STILL ON AN UPWARD TO FLAT PROJECTION FROM THAT WHAT COULD HAVE BEEN A BOTTOM?

DOUGLAS STOTLAR - CON-WAY INC. - PRESIDENT AND CEO

I WOULD SAY WE'RE ON A FLAT PROJECTION.

JUSTIN YAGERMAN - WACHOVIA SECURITIES - ANALYST

SO JANUARY IS FLATTISH ON A YEAR-OVER-YEAR BASIS WITH DECEMBER?

DOUGLAS STOTLAR - CON-WAY INC. - PRESIDENT AND CEO

YES, AND THE BIG THING IS IN JANUARY A YEAR AGO OUR TONNAGE LEVELS WERE UP 12.6% OVER THE PRIOR YEAR, SO IT IS A REALLY, REALLY DIFFICULT COMPARISON FOR US. IN FACT, IT IS PROBABLY GOING TO BE THE MOST DIFFICULT COMPARISON FOR THIS YEAR.

JUSTIN YAGERMAN - WACHOVIA SECURITIES - ANALYST

YOU'RE FLAT TO YOUR MOST DIFFICULT COMPARISONS THROUGH THE YEAR. WHAT ARE CUSTOMERS TELLING YOU IN TERMS OF YOUR THOUGHTS AND PLANNING FOR CAPACITY AS YOU LOOK OUT? WOULD YOU EXPECT THOSE COMPARISONS TO GET BETTER AS WE GO THROUGH THE YEAR? OBVIOUSLY THAT'S INHERENT IN YOUR TONNAGE GUIDANCE, BUT I AM CURIOUS WHAT YOUR CUSTOMERS ARE SAYING?

DOUGLAS STOTLAR - CON-WAY INC. - PRESIDENT AND CEO

AT THIS POINT OUR CUSTOMERS AREN'T GIVING US ANY PROJECTIONS FOR THE SECOND HALF OF THE YEAR OR EVEN FIRST QUARTER. WE'RE NOT GETTING A LOT OF FEEDBACK FROM OUR CUSTOMERS AS TO WHERE THEIR BUSINESS IS GOING IN THE SHORT RUN, BUT OUR COMPARISONS GET BETTER YEAR-OVER-YEAR BECAUSE WE HAD DECLINING COMPARISONS DURING 2006, SO AS KEVIN INDICATED IN OUR GUIDANCE, FIRST QUARTER WE WILL NOT SHOW A TONNAGE IMPROVEMENT YEAR-OVER-YEAR. SECOND QUARTER WE EXPECT TO GO POSITIVE, AND SECOND HALF OF THE YEAR WE EXPECT TO CONTINUE TO BUILD.

JUSTIN YAGERMAN - WACHOVIA SECURITIES - ANALYST

GREAT, AND I GUESS ONE LAST QUESTION FOR KEVIN. JUST A REITERATION. YOU GAVE A SHARE COUNT FOR THE FULL YEAR, AND I DIDN'T CATCH IT WHEN YOU GAVE IT. CAN YOU REPEAT THAT?

KEVIN SCHICK - CON-WAY INC. - SENIOR VICE PRESIDENT AND CFO

THIS IS FOR '07?

JUSTIN YAGERMAN - WACHOVIA SECURITIES - ANALYST

WITH YOUR '07 GUIDANCE YOU GAVE A SHARE COUNT.

KEVIN SCHICK - CON-WAY INC. - SENIOR VICE PRESIDENT AND CFO

I THINK IT WAS 48 MILLION. LET ME FLIP BACK THROUGH MY NOTES. YES, 48 MILLION.

JUSTIN YAGERMAN - WACHOVIA SECURITIES - ANALYST

48 MILLION.

KEVIN SCHICK - CON-WAY INC. - SENIOR VICE PRESIDENT AND CFO

FOR THE YEAR.

JUSTIN YAGERMAN - WACHOVIA SECURITIES - ANALYST

FOR THE YEAR. THANKS, GUYS, I APPRECIATE THE TEAM.

DOUGLAS STOTLAR - CON-WAY INC. - PRESIDENT AND CEO

THANKS, JUSTIN.

OPERATOR

YOUR NEXT QUESTION IS FROM JASON SEIDL WITH CREDIT SUISSE.

JASON SEIDL - CREDIT SUISSE - ANALYST

GOOD AFTERNOON, EVERYBODY.

DOUGLAS STOTLAR - CON-WAY INC. - PRESIDENT AND CEO

HEY, JASON.

JASON SEIDL - CREDIT SUISSE - ANALYST

QUICK QUESTION HERE. YOU GUYS REALLY TOOK CAPEX DOWN IN TERMS OF MY EXPECTATIONS. I KNOW IT WAS GOING TO BE LOWER BUT MAYBE NOT THAT MUCH. YOU SORT OF HINTED AT, YOU'RE NOT GOING TO REALLY GROW CON-WAY TRUCKLOAD ANYMORE IN TERMS OF ANY SMALL ACQUISITIONS IN THE RETAIL MARKETS, AT LEAST THAT'S WHAT I'VE HEARD FROM YOUR COMMENTS, AFTER JUNE WHAT'S THE PLAN FOR USE OF CASH NOW BECAUSE YOU'RE GOING TO HAVE A DECENT AMOUNT?

DOUGLAS STOTLAR - CON-WAY INC. - PRESIDENT AND CEO

WELL JASON, WE'RE DOING A FOLLOW-THROUGH ON THE CURRENT SHARE REPURCHASE PROGRAM, AND AT THAT POINT IN TIME WE'LL HAVE FURTHER DISCUSSIONS WITH OUR BOARD TO DETERMINE THE BEST USE OF CASH.

JASON SEIDL - CREDIT SUISSE - ANALYST

ARE WE GOING TO DEPEND ON WHERE THE STOCK IS AT IN THE MARKETPLACE OR ARE THERE ANY OTHER USES OF CASH AND WOULD YOU FAVOR DIVIDENDS OVER ANY SMALL ACQUISITIONS?

DOUGLAS STOTLAR - CON-WAY INC. - PRESIDENT AND CEO

I'VE BEEN TALKING ABOUT THE OPPORTUNITIES FOR SOME M&A ACTIVITY THIS YEAR. WE ARE CONTINUING TO LOOK FOR SOME OPPORTUNITIES FOR LOGISTICS IN EUROPE AND ASIA, AND SO THAT SEARCH CONTINUES. AGAIN, WE'RE NOT TALKING HUGE PLAYS HERE BUT WE WANT TO INCREASE CAPABILITY SETS IN THOSE MARKETS SO WE CAN CONTINUE TO LEVERAGE THE RELATIONSHIP WE HAVE WITH CURRENT CUSTOMERS WHO ARE ASKING US FOR GREATER CAPABILITIES IN THOSE MARKET. AND WE CONTINUE TO BE INTERESTED IN THE TRUCKLOAD SPACE. CERTAINLY THE DYNAMICS OF THE TRUCKLOAD SPACE RIGHT NOW HAVE CHILLED THAT A LITTLE BIT, BUT THAT'S GOING TO CHANGE. I BELIEVE THIS IS JUST A TEMPORARY CAPACITY ISSUE.

JASON SEIDL - CREDIT SUISSE - ANALYST

OKAY. I AGREE WITH THAT. WHAT I AM LOOKING AT THE COMPETITIVE LANDSCAPE, UPS SEEMS LIKE IT IS FINALLY GETTING A LITTLE BIT MORE COMPETITIVE NOW THAT THEY LINKED UP SOME OF THEIR TECHNOLOGY WITH PACKAGE DIVISION AND FREIGHT DIVISION AND TRACKING AND TRACING. ARE YOUR PEOPLE STARTING TO SEE THEM INCREASE AS A COMPETITOR COMPARED TO THE OLD OVERNIGHT?

DOUGLAS STOTLAR - CON-WAY INC. - PRESIDENT AND CEO

I THINK IT IS TOO EARLY FOR US TO BE ABLE TO TELL THAT. THE MARKETPLACE, DEPENDING ON THE LANE, YOU HAVE A WHOLE DIFFERENT SET OF COMPETITORS, SO AT THIS POINT I HAVEN'T RECEIVED ANY FEEDBACK FROM OUR FIELD SALES ORGANIZATION THAT WE'RE NOTICING THAT KIND OF IMPACT.

JASON SEIDL - CREDIT SUISSE - ANALYST

OKAY. YOU MENTIONED YOUR DECEMBER; OR EXCUSE ME, YOUR JANUARY COMPS AT TONNAGE OR COMPS ARE UP 12%. WHAT WERE YOU COMPING IN YOUR DECEMBER MONTH IN TERMS OF 2005 TO 2006?

DOUGLAS STOTLAR - CON-WAY INC. - PRESIDENT AND CEO

KEVIN, DO YOU HAVE THAT?

KEVIN SCHICK - CON-WAY INC. - SENIOR VICE PRESIDENT AND CFO

WHAT WAS THE QUESTION NOW?

DOUGLAS STOTLAR - CON-WAY INC. - PRESIDENT AND CEO

THE DECEMBER COMPARISONS.

JUSTIN YAGERMAN - WACHOVIA SECURITIES - ANALYST

YES, DECEMBER COMPARISONS, YOU SAID YOUR JANUARY COMPARISONS ARE TOUGH, YOU'RE COMP IS UP 12%. I WAS WONDERING WHAT YOU COMPED IN DECEMBER.

KEVIN SCHICK - CON-WAY INC. - SENIOR VICE PRESIDENT AND CFO

DECEMBER OF LAST YEAR WAS DOWN ABOUT 7%.

JASON SEIDL - CREDIT SUISSE - ANALYST

WHAT DID THAT COMP AGAINST TO '05.

KEVIN SCHICK - CON-WAY INC. - SENIOR VICE PRESIDENT AND CFO

8.7%.

JASON SEIDL - CREDIT SUISSE - ANALYST

8.7%. OKAY, THANK YOU SO MUCH, GENTLEMEN.

OPERATOR

YOUR NEXT QUESTION IS FROM JORDAN ALLIGER WITH DEUTSCHE BANK.

JORDAN ALLIGER - DEUTSCHE BANK - ANALYST

HI, MORNING OR AFTERNOON. JUST A COUPLE QUESTIONS. WHEN YOUR THINK ABOUT YOUR EXPECTATIONS AND THE NUMBERS YOU GAVE FOR 2007, IS THERE A WAY TO GET A SENSE OF HOW MUCH THAT 3.60 AND 3.90 RANGE AND THE IMPROVEMENT OF THE BACK HALF OF THE YEAR IS DUE IT SOME SORT OF ECONOMIC REACCELERATION VERSUS THINGS YOU NEED TO DO AND EXECUTE ON YOUR OWN WHETHER IT BE THE VOLUME PRICE ANGLE OR WHAT HAVE YOU?

DOUGLAS STOTLAR - CON-WAY INC. - PRESIDENT AND CEO

CERTAINLY WHEN WE MODELED THIS YEAR WE'RE LOOKING FOR JUST MODERATE ECONOMIC EXPANSION. I THINK WE MODELED OUR PLAN AT A GDP AROUND 2%, AND SO WE'RE NOT EXPECTING A HUGE AMOUNT OF OUR GROWTH THIS YEAR TO COME FROM REAL

ACCELERATION OF THE ECONOMY. NOW WE DO EXPECT THE SECOND HALF TO BE A LITTLE BIT STRONGER THAN THE FIRST HALF, AND THAT'S HISTORICALLY HOW TONNAGE LEVELS DO FOLLOW, BUT WE'RE CERTAINLY EXPECTING TO SEE TRACTION FROM THE REINVIGORATED SALES AND MARKETING EFFORT THAT WE'RE UNDERTAKING.

JORDAN ALLIGER - DEUTSCHE BANK - ANALYST

AND IN TERMS OF THINKING ABOUT THE VOLUME PRICE ANGLE OF THINGS, WHICH YOU WERE SORT OF SORTING THROUGH LAST YEAR, ARE YOU AT A LEVEL NOW WHERE YOU FEEL SORT OF PRETTY COMFORTABLE WITH THE BLEND AND THE SALES AND MARKETING GUYS KNOW WHAT THEY NEED TO DO?

DOUGLAS STOTLAR - CON-WAY INC. - PRESIDENT AND CEO

I THINK CERTAINLY WE'RE TRYING TO MAKE SURE THE VALUE OF OUR PRODUCT AND THE SERVICE THAT WE'RE PROVIDING IS ALIGNED PROPERLY WITH THE PRICE, COMMENSURATE WITH THE PRICE, BUT I CAN TELL YOU VIRTUALLY ALL OF THE MAJORITY OF THE SALES STRATEGIES THAT WE HAVE DESIGNED AND ARE PUTTING IN PLACE, VERY FEW OF THEM RELY ON PRICE TO GET THE JOB DONE. WE'RE HAVING SALES STRATEGY THAT TACKED THE MARKETPLACE ON SEVERAL DIFFERENT FRONTS, AND SO WE'RE PRETTY EXCITED ABOUT THE PLAN THAT WE PUT TOGETHER TO GO OUT THERE AND CAPTURE SOME MARKET SHARE THIS YEAR.

JORDAN ALLIGER - DEUTSCHE BANK - ANALYST

JUST A FINAL SIDE QUESTION, WHAT IS IT THAT SHIPPERS/LOGISTICS CUSTOMERS ARE SEEKING THE MOST OF THESE DAYS FROM WHAT YOU DO AT MENLO? WHAT IS THE -- WHERE IS THE PRODUCT DEMAND RIGHT NOW?

DOUGLAS STOTLAR - CON-WAY INC. - PRESIDENT AND CEO

THE MAJORITY OF DEMAND WE'VE BEEN FOCUSING ON AND GETTING THE MOST TRACTION IS WITH OUR MULTI-CLIENT WAREHOUSING, AND THEN DOING THE TRANSPORTATION MANAGEMENT FOR THEM OUT OF THE WAREHOUSE AND PROVIDING VALUE-ADDED SERVICES WITHIN THE WAREHOUSE ENVIRONMENT.

JORDAN ALLIGER - DEUTSCHE BANK - ANALYST

GREAT. THANK YOU.

DOUGLAS STOTLAR - CON-WAY INC. - PRESIDENT AND CEO

THANK YOU.

OPERATOR

YOUR NEXT QUESTION COMES FROM SCOTT FLOWER WITH BANK OF AMERICA.

SCOTT FLOWER - BANK OF AMERICA - ANALYST

GOOD AFTERNOON, ALL.

DOUGLAS STOTLAR - CON-WAY INC. - PRESIDENT AND CEO

HI, SCOTT.

SCOTT FLOWER - BANK OF AMERICA - ANALYST

JUST WONDERING, AND I KNOW PART OF- OBVIOUSLY YIELDS SEEM LIKE THEY'VE HELD BUT, BUT HOW DID YIELDS BEHAVE IF YOU TRY TO MIX ADJUST FOR THE SPOT BOOK PROGRAM? OBVIOUSLY THAT IS NOT AN AREA YOU'VE EMPHASIZED AS MUCH. I'M JUST WONDERING ON PERHAPS A [INAUDIBLE] STORE SALES BASIS OR A SIMILAR CONTRACT BASIS ADJUSTING OUT SOME OF THE SPOT QUOTE WHICH OBVIOUSLY WAS MUCH LESS EMPHASIZED FROM BASICALLY MID-YEAR GOING FORWARD HOW PRICING BEHAVES?

DOUGLAS STOTLAR - CON-WAY INC. - PRESIDENT AND CEO

SCOTT, I DIDN'T BREAK THAT OUT FOR THIS CALL SPECIFICALLY BECAUSE SPOT BOOK CONTINUED TO TAIL OFF AS WE WENT THROUGH 2006; CERTAINLY THE YIELD IMPROVED A LITTLE BIT BECAUSE OF THE SHIPMENT WEIGHT DECLINED A LITTLE BIT YEAR-OVER-YEAR. THAT'S PROBABLY HAD A BIGGER IMPACT ON IT, AND THAT'S CERTAINLY SPOT

WOULD HAVE SOMETHING TO DO WITH THAT.

PATRICK FOSSENIER - CON-WAY INC. - INVESTOR RELATIONS

YES, SCOTT, WE'RE DOWN ABOUT 30 POUNDS IN AVERAGE WEIGHT PER SHIPMENT. WE WERE 11.94 A YEAR AGO, AND THIS FOURTH QUARTER WE WERE 11.62 SO OBVIOUSLY SPOT QUOTE IMPACTS OR THEIR LACK THEREOF HAS HAD AN IMPACT ON DRIVING DOWN THAT WEIGHT PER SHIPMENT.

SCOTT FLOWER - BANK OF AMERICA - ANALYST

AND THEN I GUESS A COUPLE OTHER THINGS. I KNOW THAT IT WAS EARLY, BUT MAYBE MORE BROADLY, AGAIN THE ANSWER MAY BE TOO EARLY TO TELL BUT OBVIOUSLY BETWEEN FED EX RATE WHICH YOU'VE SEEN FOR A LONG TIME AND I KNOW WATKINS REALLY ISN'T YOUR STICK AND UPS. ARE YOU SEEING ANY DIFFERENT APPROACHES FROM A BUNDLING STANDPOINT IN THE MARKETPLACE. IN OTHER WORDS, ARE THE PARCEL CARRIERS TRYING TO LINK IN HOW THE CUSTOMERS USE [INAUDIBLE] PARCEL PLUS LTL AND A BUNDLED CONTRACTUAL RELATIONSHIP AS OPPOSED TO PERHAPS JUST SELLING IT AS A LTL PROPOSITION?

DOUGLAS STOTLAR - CON-WAY INC. - PRESIDENT AND CEO

WE'VE SEEN A LITTLE BIT OF EVIDENCE THAT THERE'S DISCUSSIONS IN THE MARKETPLACE ABOUT IT, WE HAVEN'T NECESSARILY SEEN MUCH OF IT IN SUBTRACTION. THE FOCUS GROUPS WE DID WITH CUSTOMERS INDICATE THAT LTL IS NOT A COMMODITY BUSINESS. AND SO IT WASN'T HIGH ON THEIR PRIORITY LIST OF THINGS THEY WERE LOOKING FOR.

SCOTT FLOWER - BANK OF AMERICA - ANALYST

OKAY. AND THEN TWO LAST QUESTIONS. I DON'T THINK IT HAS BEEN ANNOUNCED. I JUST WANT TO KNOW WHERE IT IS IN THE PROCESS. YOU ALL TALKED ABOUT A MAJOR BID AT MENLO AND OBVIOUSLY THAT WE'RE GETTING KICKED OUT BASED ON THE AWARD. WHERE ARE WE JUST IN THE PROCESS OF FINDING OUT, HAVE WE FOUND OUT IN TERMS OF THE ONE MAJOR BID WHERE YOU INVESTED A SIGNIFICANT AMOUNT OF MAN POWER AND COSTS AND ET CETERA.

DOUGLAS STOTLAR - CON-WAY INC. - PRESIDENT AND CEO

THERE WERE LEGAL CHALLENGES ASSOCIATED WITH THAT BID, AND THOSE WERE RESOLVED SO THERE WAS A REQUEST FOR ADDITIONAL INFORMATION, SO IT IS BEING REKINDLED AND WE EXPECT TO- WE HOPE TO HEAR SOMETHING IN THE FOURTH QUARTER.

SCOTT FLOWER - BANK OF AMERICA - ANALYST

THE LAST QUESTION, I KNOW YOU'VE GIVEN US A DIRECTIONAL SENSE, BUT MAYBE A LITTLE MORE COLOR, OBVIOUSLY GIVEN THE LTL YOU'RE TRYING TO BE CAREFUL IN TERMS OF THE EXPANSION IN THAT UNIT AND THE INTERNAL LINEHAUL FOCUS DOES THAT EFFECTIVELY MEAN NO EXPANSION THIS YEAR, LIMITED EXPANSION? IS THERE ANY WAY YOU CAN GIVE US BRACKETING ON WHAT WE SHOULD THINK ABOUT THE TRUCKLOAD UNIT IN TERMS OF NO EXPANSION, SOME EXPANSION, OR WHERE IT FITS IN THAT UNIVERSE?

DOUGLAS STOTLAR - CON-WAY INC. - PRESIDENT AND CEO

RIGHT NOW SCOTT WE'RE LOOKING AT LIMITED EXPANSION IN THE TRUCKLOAD SPACE. JUST WITH THE CAPACITY SUPPLY AND DEMAND DYNAMICS RIGHT NOW IN THE TRUCKLOAD MARKET PLACE, IT DIDN'T MAKE A LOT OF SENSE TO US TO TRY TO BE ADDING ADDITIONAL CAPACITY IN THE REGIONAL MARKET WHILE THERE IS PLENTY AVAILABLE, AND SO WE JUST ARE REFOCUSING OUR INTERNAL EFFORTS RIGHT NOW.

SCOTT FLOWER - BANK OF AMERICA - ANALYST

OKAY, THANK YOU VERY MUCH ALL.

DOUGLAS STOTLAR - CON-WAY INC. - PRESIDENT AND CEO

THANK YOU.

OPERATOR

YOUR NEXT CO-COMES FROM KEN HOEXTER WITH MERRILL LYNCH.

KEN HOEXTER - MERRILL LYNCH - ANALYST

GOOD MORNING. YOU TALKED A BIT ABOUT THE TRUCKLOAD SIDE WITHIN CON-WAY. WHAT PERCENTAGE NOW DOES THE TRUCKLOAD DIVISION MOVE FOR THE COMPANY?

DOUGLAS STOTLAR - CON-WAY INC. - PRESIDENT AND CEO

ABOUT A QUARTER. ABOUT 25%.

KEN HOEXTER - MERRILL LYNCH - ANALYST

OKAY. YOU WERE SAYING THAT YOU'RE GOING TO TAKE THE REST OF THAT CAPACITY AND START TO FOCUS MORE ON OTHER MOVES THAT CON-WAY MAKES OR I DIDN'T QUITE UNDERSTAND WHAT YOU WERE THROWING OUT THERE.

DOUGLAS STOTLAR - CON-WAY INC. - PRESIDENT AND CEO

WE HAVE SOME REGIONAL TRUCKLOAD BUSINESS WE'RE GOING TO BE PUTTING SOME EMPHASIS ON TO DO INTERNALLY, AND SO WE'LL BE TAKING SOME OF THE THAT CAPACITY AND DOING THAT, AND THERE IS SOME ADDITIONAL LANES IN THE TRANSCONTINENTAL WHICH WE'LL ALSO BE MOVING OVER, BUT FOR THE YEAR WE'RE EXPECTING ABOUT 20% OF THE REVENUES THAT ARE GENERATED BY OUR TRUCKLOAD UNIT WILL BE EXTERNAL, EXTERNAL BUSINESS.

KEN HOEXTER - MERRILL LYNCH - ANALYST

OKAY. ON THE RATES, YOU KNOW, OBVIOUSLY A VERY STRONG CORE RATE PURE PRICING INCREASE, I THINK RELATIVE TO EXPECTATIONS DESPITE THE VOLUME ENVIRONMENT, DOES THAT GO BACK TO SIX MONTHS AGO AT YOUR CONFERENCE WHEN YOU WERE TALKING ABOUT FOCUSING NOW ON IMPROVING RATES AT THE EXPENSE OF VOLUMES? IS THAT KIND OF ALONG WITH THAT PROGRAM OR IS THIS -- IS THE MARKET JUST REMAINED TIGHTER OR I GUESS IT HASN'T BEEN WITH THE VOLUMES DOWN BUT SOMETHING ELSE OUT THERE THAT'S DRIVING THAT PURE RATE INCREASE?

DOUGLAS STOTLAR - CON-WAY INC. - PRESIDENT AND CEO

CERTAINLY THE YIELD IMPROVEMENT WE SAW WAS A RESULT OF THE YIELD ENHANCEMENT INITIATIVES WE TOOK LAST YEAR. WHILE WE DID LOSE SOME BUSINESS VOLUME AS A RESULT OF THAT, YOU KNOW, IT LOOKS AT THIS POINT THAT IT SERVED US FAIRLY WELL AS WE FINISHED THE YEAR BECAUSE THE YIELD IMPROVEMENT HELPED OFFSET SOME OF THE TONNAGE DECLINES WE EXPERIENCED FROM THE BROADER ECONOMIC ISSUES THAT WERE OCCURRING. CERTAINLY IT WAS SOMETHING THAT HELPED US. NOW, AS WE GO FORWARD INTO THIS YEAR, THAT REALIGNING OUR SALES STRATEGIES, YOU KNOW, CERTAINLY WE HAVE THE ABILITY TO PRICE A SPECIFIC SEGMENT OF BUSINESS BASED ON THE NEEDS WE HAVE BECAUSE OF THE EITHER SUPPLY AND DEMAND IN OUR NETWORK OR I SHOULD SAY CAPACITY NEEDS IN OUR NETWORK OR LANE DENSITY THAT WE WANT TO BUILD, SO WE'RE GOING TO USE PRICE VERY STRATEGICALLY. WE HAVE NO DESIGNS ON GOING OUT THERE AND BEING BROAD-BASED PRICERS.

KEN HOEXTER - MERRILL LYNCH - ANALYST

OKAY, QUICK NUMBER QUESTION: I THINK YOU HAD THROWN OUT WHAT YOUR BRANDING COSTS IN '07 WERE GOING TO BE. I DIDN'T QUITE CATCH THAT.

KEVIN SCHICK - CON-WAY INC. - SENIOR VICE PRESIDENT AND CFO

$12 MILLION.

DOUGLAS STOTLAR - CON-WAY INC. - PRESIDENT AND CEO

$12 MILLION.

KEN HOEXTER - MERRILL LYNCH - ANALYST

THAT IS AFTER WHAT YOU SPENT IN '06?

KEVIN SCHICK - CON-WAY INC. - SENIOR VICE PRESIDENT AND CFO

IT WAS A COUPLE MILLION DOLLARS, ABOUT $2 MILLION IN TOTAL.

DOUGLAS STOTLAR - CON-WAY INC. - PRESIDENT AND CEO

KEN AS THE ECONOMY SLOWED DURING THE SECOND HALF OF 2006 WE SLOWED DOWN OUR REBRANDING INITIATIVE JUST FOR COST CONTROL PURPOSES.

KEN HOEXTER - MERRILL LYNCH - ANALYST

OKAY. AND THEN I JUST WANT TO FOLLOW UP ON JUSTIN'S QUESTION EARLIER WHERE HE ASKED ABOUT THE MENLO, YOU KIND OF THREW OUT A DOUBLE-DIGIT GROWTH TARGET FOR MENLO, AND WE KIND OF HAVEN'T SEEN THAT, AND I THINK YOU PRETTY MUCH HAVE BEEN TARGETING THAT FOR AWHILE. I JUST WANT TO RE-UNDERSTAND WHAT YOU HAVE IN THE PIPELINE NOW THAT GIVES YOU THAT CONFIDENCE YOU'RE GOING TO HIT THAT DOUBLE-DIGIT AFTER NOT REALLY HITTING THAT SINCE THE FIRST QUARTER OF LAST YEAR?

DOUGLAS STOTLAR - CON-WAY INC. - PRESIDENT AND CEO

KEEP IN MIND THE BEGINNING OF LAST YEAR WE SPECIFICALLY LOOKED AT OUR ACCOUNT BASE AND LOOKED AT THOSE ACCOUNTS THAT WEREN'T PRODUCING MARGINS THAT WE FELT WERE COMMENSURATE WITH THE SERVICES THAT WERE BEING PROVIDED, AND WE ELECTED TO TRY TO RENEGOTIATED SOME OF THOSE CONTRACTS, AND SOME OF THE BUSINESS WENT AWAY, SO WE HAD A SIGNIFICANT AMOUNT OF BUSINESS THAT MENLO LOST THIS PAST YEAR DUE TO SOME RATE NEGOTIATIONS. THAT BEING SAID, THEY GAINED A TREMENDOUS AMOUNT OF TRACTION. AS THIS MODEL IS BEGINNING TO BEAR FRUIT AND WE'RE SEEING THE BENEFITS OF THE LEVERAGE ON THE OPERATING MARGIN SIDE BUT CUSTOMERS ARE REALLY STARTING TO SEE THE BENEFIT OF HOW THIS MODEL CAN GIVE THEM SOME IMMEDIATE IMPROVEMENT IN SOME OF THE ASPECTS OF THEIR SUPPLY CHAIN, WE'RE GETTING GREAT OPPORTUNITIES, AND THE SOLUTIONS WE'RE BEING ABLE TO PROVIDE WHEN CUSTOMERS ARE BIDDING THEIR TRAFFIC WE'RE GETTING A GOOD PORTION OF THESE OPPORTUNITIES WE'RE CONVERTING INTO WINS, AND SO WE'RE VERY, VERY EXCITED AND OPTIMISTIC ABOUT THE FACT THAT THIS MODEL IS PROVING OUT TO BE WHAT WE EXPECTED IT TO BE.

KEN HOEXTER - MERRILL LYNCH - ANALYST

GREAT. THANK YOU, GUYS.

DOUGLAS STOTLAR - CON-WAY INC. - PRESIDENT AND CEO

THANK YOU.

OPERATOR

YOUR NEXT QUESTION IS FROM ART HATFIELD WITH MORGAN KEEGAN.

ARTHUR HATFIELD - MORGAN KEEGAN & CO., INC. - ANALYST

GOOD MORNING, GUYS. PRETTY MUCH ALL OF MY QUESTIONS HAVE BEEN ANSWERED, BUT GOING BACK TO PRICING A LITTLE BIT, IS THERE A SECTOR EITHER GEOGRAPHIC OR KIND OF AN INDUSTRY VERTICAL THAT YOU'VE KIND OF BEEN SURPRISED THINGS ARE WEAKER THAN YOU THOUGHT THEY WOULD BE AT THIS POINT IN TIME?

DOUGLAS STOTLAR - CON-WAY INC. - PRESIDENT AND CEO

ART, I WAS KIND OF SURPRISED AT HOW BROAD-BASED THE INDUSTRIAL SECTOR SLOWED DOWN THIS PAST- THE END OF LAST YEAR. IT HAPPENED RELATIVELY QUICKLY, AND I DON'T HAVE AT THIS POINT- OUR TOOLS AREN'T SOPHISTICATED TO TELL US HOW MUCH MIGHT BE RELATED SPECIFICALLY TO THE AUTO SEGMENT AND THE ANCILLARY BUSINESS THAT TIE TO THE AUTO SEGMENT, BUT THAT WAS THE PART THAT SURPRISED ME. THE WEST COAST WAS THE STRONGEST -- THE WESTERN STATES WERE OUR STRONGEST MARKETS FOR REALLY THE FIRST HALF AND THREE QUARTERS OF LAST YEAR, AND IN THE FOURTH QUARTER WE STARTED TO LOSE TRACTION ON THE WEST COAST, AND STARTED TO ACTUALLY GET A LITTLE MORE GAIN IN THE MIDWEST AND THE SOUTHEAST, AND THAT CONTINUES INTO THE FIRST QUARTER WHERE THE WESTERN PART OF THE COUNTRY SEEMS TO BE LAGGING A BIT BEHIND THE MIDWEST AND THE EAST.

ARTHUR HATFIELD - MORGAN KEEGAN & CO., INC. - ANALYST

GREAT. THAT'S ALL I HAD.

DOUGLAS STOTLAR - CON-WAY INC. - PRESIDENT AND CEO

THANKS, ART.

OPERATOR

YOUR NEXT QUESTION IS FROM JON LANGENFELD WITH ROBERT W. BAIRD AND COMPANY

JON LANGENFELD - ROBERT W. BAIRD & COMPANY, INC. - ANALYST

DOUG, KEVIN, PAT, GOOD AFTERNOON.

DOUGLAS STOTLAR - CON-WAY INC. - PRESIDENT AND CEO

HI, JOHN.

JON LANGENFELD - ROBERT W. BAIRD & COMPANY, INC. - ANALYST

KEVIN OR DOUG, CAN YOU TALK A LITTLE BIT ABOUT THE SALES INITIATIVES, HOW FAR INTO THAT ARE YOU? ARE WE STILL IN THE EARLY INNINGS OF GETTING THE PROGRAMS ROLLED OUT AND TESTED WITH HOW THE MESSAGE IS BEING RECEIVED WITH CUSTOMERS?

DOUGLAS STOTLAR - CON-WAY INC. - PRESIDENT AND CEO

I WOULD SAY WE'RE DEFINITELY IN THE EARLY INNINGS, BUT SO FAR I AM QUITE PLEASED WITH SOME OF THE EARLY TRACTION THAT WE'RE GETTING WITH SOME OF THESE INITIATIVES, AND I AM NOT GOING TO TALK ABOUT SPECIFIC STRATEGIES WE'RE UNDERGOING FOR COMPETITIVE REASONS, BUT WE'RE JUST TAKING A DIFFERENT PERSPECTIVE TO THE SALES APPROACH AND THE SALES PROCESS, AND WE'RE REALLY SEGMENTING THE MARKET DIFFERENTLY THAN WE HAVE IN THE PAST.

JON LANGENFELD - ROBERT W. BAIRD & COMPANY, INC. - ANALYST

SUFFICE TO SAY YOU HAVE A PRETTY STRUCTURED TRACKING MECHANISM TO SEE HOW THE INITIATIVES ARE PAYING OFF WITH THE CUSTOMER REQUEST?

DOUGLAS STOTLAR - CON-WAY INC. - PRESIDENT AND CEO

WE'RE TRACKING -- I'D SAY WE BUILT SOME NEW TOOLS. TIME WILL TELL WHETHER THESE TOOLS ARE GOING TO GIVE US THE VISIBILITY WE WANT AND WE'LL CONTINUE TO WORK ON IMPROVING THAT AS OUR NEEDS DICTATE.

JON LANGENFELD - ROBERT W. BAIRD & COMPANY, INC. - ANALYST

HAVE YOU BEEN SURPRISED AT ALL IN TERMS OF HOW WELL THE PRICES ENVIRONMENT HAS HELD UP GIVEN THE WEAKNESS ON THE TRUCKLOAD SIDE AND GIVEN KIND OF JUST THE DAMPENED EXPECTATIONS OF THE DOMESTIC FREIGHT MARKET.

DOUGLAS STOTLAR - CON-WAY INC. - PRESIDENT AND CEO

I CAN'T SAY I AM SURPRISED. I AM PLEASED TO SEE IT. I THINK THE FACT THAT WE HAVE IS REALLY BECAUSE LTL IS MUCH MORE CONCENTRATED IN THE HANDFUL OF SOME VERY LARGE COMPANIES THAT ARE MORE DISCIPLINED THAN WHEN WE HAD A LOT OF SMALLER COMPETITORS, I THINK THAT'S PLAYING A MAJOR ROLE IN KEEPING PRICING FAIRLY STEADY.

JON LANGENFELD - ROBERT W. BAIRD & COMPANY, INC. - ANALYST

AND THEN FINALLY ON THE MENLO SIDE, THE MULTI-CLIENT WAREHOUSE APPROACH, ONE CONCERN I HAVE ON THAT IS LOOKING DOWN THE ROAD WHEN THE ECONOMY DOES TURN DOWN, ISN'T THERE MORE INHERENT RISK IN THAT TYPE OF MODEL THAN A SINGLE CLIENT WAREHOUSE?

DOUGLAS STOTLAR - CON-WAY INC. - PRESIDENT AND CEO

NO, BECAUSE NUMBER ONE WE'RE ABLE TO LEVERAGE THE COST- THE INFRASTRUCTURE COSTS ACROSS A MUCH BROADER BASE OF ACCOUNTS. AND THE MODEL ITSELF BECAUSE WE ARE ATTRACTING MORE OF A MID-MARKET CUSTOMER THERE IS LESS VOLATILITY. WHEN YOU HAVE SINGLE CLIENT CUSTOMERS AND THEIR VOLUME DROPS OFF DRAMATICALLY, FREQUENTLY YOU CAN'T SHED COSTS, YOU DON'T HAVE THE VARIABLE COST BASIS TO SHED IT. IF YOU LOSE A CUSTOMER IN THE MID-MARKET IT'S NOT THAT BIG OF A SEGMENT OF YOUR BUSINESS SINCE YOU'RE ABLE TO RESPOND FASTER.

JON LANGENFELD - ROBERT W. BAIRD & COMPANY, INC. - ANALYST

COULD YOU SHARE WITH US WHAT YOUR CUSTOMER CONCENTRATION IS ON MENLO NOW? I THINK YOU HAD FOUR OR FIVE THAT ACCOUNTED FOR 50% OF YOUR REVENUE A YEAR OR TWO AGO?

KEVIN SCHICK - CON-WAY INC. - SENIOR VICE PRESIDENT AND CFO

THAT'S DIMINISHED. I THINK IT IS DOWN TO THE TOP FIVE OR SOMETHING IN THE ORDER OF 35%, SOMEWHERE IN THAT AREA, 35 TO 40%.

JON LANGENFELD - ROBERT W. BAIRD & COMPANY, INC. - ANALYST

OKAY. GOOD ENOUGH.

KEVIN SCHICK - CON-WAY INC. - SENIOR VICE PRESIDENT AND CFO

THAT CLUSTER OF CONCENTRATION HAS BEEN DIMINISHING.

JON LANGENFELD - ROBERT W. BAIRD & COMPANY, INC. - ANALYST

GREAT. THANK YOU.

DOUGLAS STOTLAR - CON-WAY INC. - PRESIDENT AND CEO

THANK YOU, JOHN.

OPERATOR

YOUR NEXT QUESTION COMES FROM ASHLEY WOLFE WITH BEAR STEARNS.

EDWARD WOLFE - BEAR, STEARNS & CO. - ANALYST

HI. I THINK IT IS ED WOLFE.

DOUGLAS STOTLAR - CON-WAY INC. - PRESIDENT AND CEO

HI, ED.

EDWARD WOLFE - BEAR, STEARNS & CO. - ANALYST

HI, HOW ARE YOU? CAN YOU JUST WALK US THROUGH IN TERMS OF WEIGHT PER SHIPMENT HOW THAT'S BEEN FROM OCTOBER THROUGH JANUARY?

DOUGLAS STOTLAR - CON-WAY INC. - PRESIDENT AND CEO

DO YOU HAVE THAT MONTH BY MONTH?

KEVIN SCHICK - CON-WAY INC. - SENIOR VICE PRESIDENT AND CFO

LET ME SEE. WE'RE TRYING TO DIG IT OUT HERE AND SEE IF WE HAVE IT.

EDWARD WOLFE - BEAR, STEARNS & CO. - ANALYST

IF I HEARD YOU RIGHT, YOU SAID TONNAGE WAS WORSE IN NOVEMBER YEAR-OVER-YEAR, IMPROVED A LITTLE BIT IN DECEMBER AND JANUARY, BUT I AM INTERESTED JUST TO UNDERSTAND USUALLY WEIGHT OF SHIPMENT IS A PRETTY GOOD INDICATOR OF THE ECONOMY OVERALL, INDUSTRIAL ECONOMY ANYWAY. WHILE YOU'RE LOOKING FOR THAT MAYBE, DOUG, HOW MUCH DO YOU THINK OF THE MINUS 8% TONNAGE IS THE ECONOMY AND HOW MUCH OF IT HAD TO DO WITH THE TIMING OF YOUR RATE INCREASE? I REALIZE THIS IS DIRECTIONAL, BUT JUST ROUGH.

DOUGLAS STOTLAR - CON-WAY INC. - PRESIDENT AND CEO

YOU KNOW, ED, I HAVE TRIED TO RECONCILE THAT, AND I AM NOT SURE I CAN EXACTLY. YOU KNOW, THE FACT THAT OUR TONNAGE LEVEL ALMOST TRACKED IDENTITY TO WHAT THE ATA'S TONNAGE INDICATORS ARE, GIVES ME A REASON TO BELIEVE THAT A BROAD PORTION OF OUR TONNAGE DECLINE ACTUALLY OCCURRED WITH THE ECONOMIC RETRACTION.

EDWARD WOLFE - BEAR, STEARNS & CO. - ANALYST

EXCEPT THAT WAS ONE MONTH FROM THE ATA. IT WASN'T THAT BADLY FOR THE QUARTER NEARLY, AND YOU GUYS HISTORICALLY GROW MUCH BETTER THAN A LONG HAUL GUYS WHO ARE RIGHT NOW SHRINKING LESSER IN LINE WITH YOU.

DOUGLAS STOTLAR - CON-WAY INC. - PRESIDENT AND CEO

HOWEVER, WHAT I WAS GOING TO SAY WAS THAT THE FACT THAT THE THIRD QUARTER WE DEFINITELY SAW TONNAGE DECLINE, AND EVEN AT THE END OF THE SECOND QUARTER BECAUSE OF OUR YIELD INITIATIVES, SO I AM GOING TO HAVE TO SAY IT IS PROBABLY IN THE AREA OF 30% OF IT WAS PROBABLY THE PRICING INITIATIVES, AND ABOUT 70% OF IT WAS ECONOMICALLY DRIVEN.

EDWARD WOLFE - BEAR, STEARNS & CO. - ANALYST

OKAY.

KEVIN SCHICK - CON-WAY INC. - SENIOR VICE PRESIDENT AND CFO

ED, BACK ON YOUR WEIGHT PER SHIPMENT, WERE YOU LOOKING AT SUCCESSIVE QUARTERS IN TERMS OF Q4 LAST YEAR AGO IN '05 AND THEN MOVING THROUGH '06?

EDWARD WOLFE - BEAR, STEARNS & CO. - ANALYST

I WAS JUST HOPING, YOU KNOW, OCTOBER YEAR-OVER-YEAR, NOVEMBER YEAR-OVER-YEAR, DECEMBER YEAR-OVER-YEAR, AND JANUARY YEAR-OVER-YEAR, HOW THAT LOOKED.

KEVIN SCHICK - CON-WAY INC. - SENIOR VICE PRESIDENT AND CFO

THEY WERE ALL DOWN. IF YOU LOOKED AT THE RESPECTIVE MONTHS FOR '05 VERSUS '06, THEY'RE ALL DOWN ABOUT 30 POUNDS, 35 POUNDS IN EACH RESPECTIVE MONTH OVER THE PREVIOUS YEAR.

EDWARD WOLFE - BEAR, STEARNS & CO. - ANALYST

AND ON A PERCENTAGE TERMS, WHAT IS THAT ROUGHLY? IT'S BEEN PRETTY INSTEAD AND I STAYING DOWN ABOUT 2.5% OR SO?

KEVIN SCHICK - CON-WAY INC. - SENIOR VICE PRESIDENT AND CFO

YES, ABOUT 2.5% DOWN.

EDWARD WOLFE - BEAR, STEARNS & CO. - ANALYST

OKAY. YOU KNOW, IF I JUST TAKE YOUR FOURTH QUARTER REPORT ON AN ONGOING BASIS AND RUN IT AT KIND OF WHAT FOURTH QUARTER HAS BEEN ON AVERAGE OVER THE LAST FIVE YEARS, 29% OR SO, I GET 2.63 AS A RUN RATED. OBVIOUSLY YOU'VE GIVEN GUIDANCE WELL ABOVE THAT AND ANOTHER $0.12 DRAG IT LOOKS LIKE FROM THE CON-WAY MARKETING OR BRANDING YOU TALKED ABOUT, SO YOU'VE GOT SOME PRETTY GOOD CONFIDENCE GOING FORWARD, AND I AM JUST TRYING TO UNDERSTAND I THINK YOU SAID YOU ASSUMED THE ECONOMY DOESN'T REALLY CHANGE MUCH IN YOUR ESTIMATES, BUT THAT THE TONNAGE COMES BACK AND I AM GUESSING SOME OF THE THAT IS EASIER COMPS. CAN YOU TALK A LITTLE BIT ABOUT HOW YOU EXPECT THAT TONNAGE TO COME BACK AND THEN YOU ASSUMED THE YIELDS REMAINED FAIRLY FLAT TO DOWN A LITTLE BIT. IS THAT WHAT YOUR ASSUMPTION IS GOING FORWARD?

DOUGLAS STOTLAR - CON-WAY INC. - PRESIDENT AND CEO

WE EXPECT THERE WILL BE A GENERAL RATE INCREASE SOMETIME IN THE SECOND QUARTER, AND WE ANTICIPATE THAT IF WE FOLLOW HISTORICAL PATTERNS THAT THAT WILL BE -- THAT WILL DISSIPATE AS THE YEAR GOES ON HOWEVER WE PLAN ON REMAINING POSITIVE FOR THE YIELD FOR THE FULL YEAR, AND WE ALSO ANTICIPATE THAT TONNAGE WILL ACCELERATE. THE ECONOMY SLOWED DOWN HERE A BIT, AND AS THE ECONOMY PICKS UP, WE'LL SEE A BROADER EXPANSION IN THE SECOND HALF OF THE YEAR THAN WE EXPECT TO SEE IN THE FIRST HALF, AND WE ALSO EXPECT TO CAPTURE MARKET SHARE THROUGH OUR NEW MARKETING INITIATIVES.

EDWARD WOLFE - BEAR, STEARNS & CO. - ANALYST

SO SOME ECONOMY PICKING UP, SOME MARKET SHARE, BUT ON THE PRICING SIDE THAT

STAYS FIRM, IS THAT THE GENERAL ASSUMPTION?

DOUGLAS STOTLAR - CON-WAY INC. - PRESIDENT AND CEO

YES. WE'RE NOT ANTICIPATING THE PRICING MARKET EVAPORATING ON US.

EDWARD WOLFE - BEAR, STEARNS & CO. - ANALYST

ONE OTHER THOUGHT FORTUNATELY THE MIX A YEAR AGO, EVERYBODY ALL THE LTL GUYS SAW A BUNCH OF TRUCK LOAD STUFF BECAUSE OF WHAT WAS GOING ON WITH THE HURRICANES. I AM GUESSING THAT MAKES THE TONNAGE COMPS TOUGHER RIGHT NOW.

DOUGLAS STOTLAR - CON-WAY INC. - PRESIDENT AND CEO

IT CERTAINLY DOES AND THAT CERTAINLY IS WHAT I THINK THE BIGGEST DRIVER IN THE YEAR-OVER-YEAR WEIGHT PER SHIPMENT DECLINE WAS.

EDWARD WOLFE - BEAR, STEARNS & CO. - ANALYST

I AM GUESSING IT ALSO MAKES THE MIX AN EASIER COMP ON YIELDS THAT ARE GOING TO GET MORE DIFFICULT AS THEY LOOK WHEN YOU GO OUT BECAUSE THERE IS LESS TRUCKLOAD IN THE MIX VERSUS A YEAR AGO AND MORE LTL IN THE MIX WHICH HAS A HIGHER REV PER POUND, IS THAT A FAIR ASSUMPTION?

DOUGLAS STOTLAR - CON-WAY INC. - PRESIDENT AND CEO

I THINK THAT'S FAIR.

EDWARD WOLFE - BEAR, STEARNS & CO. - ANALYST

THANKS, GUYS, APPRECIATE IT.

DOUGLAS STOTLAR - CON-WAY INC. - PRESIDENT AND CEO

THANKS, ED.

OPERATOR

YOUR NEXT QUESTION IS FROM DAVID ROSS WITH STIFEL NICOLAUS.

DAVID ROSS - STIFEL NICOLAUS - ANALYST

HELLO, EVERYONE.

DOUGLAS STOTLAR - CON-WAY INC. - PRESIDENT AND CEO

HI, DAVE.

DAVID ROSS - STIFEL NICOLAUS - ANALYST

QUESTION I HAD WAS IN THE MIX OF REGIONAL BUSINESS VERSUS LONG HAUL BUSINESS OR AS YOU SAY NEXT DAY AND SECOND-DAY VERSUS THREE-DAY PLUS BUSINESS, IF YOU CAN REMIND US WHAT THE BREAKDOWN IS IN THOSE AREA AND IS HOW THAT'S CHANGED IN THE FOURTH QUARTER OF '06 VERSUS '05?

DOUGLAS STOTLAR - CON-WAY INC. - PRESIDENT AND CEO

42% OF OUR BUSINESS, AND IT IS DOWN JUST A COUPLE OF TENTHS OF A PERCENT YEAR-OVER-YEAR. THE TWO-DAY BUSINESS IS AT 39%, AND THAT'S UP ACTUALLY JUST A LITTLE UNDER A PERCENT, AND THREE-DAY PLUS BUSINESS IS ABOUT 19%. THAT'S DOWN JUST A TAD.

DAVID ROSS - STIFEL NICOLAUS - ANALYST

OKAY. AND THEN ALSO YOUR '07 GUIDANCE, THERE WAS NO PEAK SEASON IN 2006 WHICH CAUGHT A LOT OF US BY SURPRISE. ARE YOU MODELING A PEAK AGAIN IN THE SECOND HALF?

DOUGLAS STOTLAR - CON-WAY INC. - PRESIDENT AND CEO

WE'RE MODELING JUST AS WE GO INTO Q2, Q3, Q4, WE'RE JUST MODELING

ACCELERATION.

DAVID ROSS - STIFEL NICOLAUS - ANALYST

OKAY. WHICH WOULD BE INLINE WITH HISTORICAL SEASONALITY VERSUS THE SEASONALITY WE SAW IN '06?

DOUGLAS STOTLAR - CON-WAY INC. - PRESIDENT AND CEO

WELL, WE'RE CERTAINLY MODELING HISTORICAL SEASONALITY WITH REGARD TO TONNAGE BUILDING THROUGHOUT THE YEAR. I DON'T BELIEVE WE'RE ANTICIPATING AS BIG A SURGE IN THE FOURTH QUARTER. WE'RE STILL TRYING TO FIGURE OUT WHETHER OR NOT THE LACK OF PEAK IS A CHANGE IN DISTRIBUTION PATTERNS THAT WE CAN EXPECT GOING FORWARD OR WHETHER OR NOT IT WAS AN ABERRATION THIS YEAR BECAUSE OF THE ECONOMIC DOWNTURN AND PERHAPS A PESSIMISTIC VIEW BY RETAILERS.

DAVID ROSS - STIFEL NICOLAUS - ANALYST

AND LAST QUESTION YOU'VE DONE A LOT OF INTROSPECTION RECENTLY WITH THE YIELD MANAGEMENT PROGRAM NOT WORKING OUT AS YOU THOUGHT, AND YOU'VE MIXED MENLO AND REORGANIZED THAT ORGANIZATION. HOW MUCH MORE DO YOU NEED TO FIX INTERNALLY BEFORE YOU START TO LOOK IT GROW EXTERNALLY? I KNOW YOU TALKED ABOUT POSSIBLE ACQUISITIONS LATER THIS YEAR IN EUROPE AND ASIA BUT HOW MUCH MORE IS TO BE DONE WITH THE CURRENT CON-WAY FIRST.

DOUGLAS STOTLAR - CON-WAY INC. - PRESIDENT AND CEO

WELL, WE JUST- BELIEVE ME, IT IS NOT GOING TO STOP US FROM TRYING TO GROW ALL BUSINESS SEGMENTS, AND WE ALSO EXPECT TO SEE IMPROVEMENT IN OUR MARKETING STRATEGIES, SO I DON'T WANT YOU TO COME AWAY WITH THE FACT WE FEEL LIKE WE'RE BROKEN. OUR UNDERLYING BUSINESS UNITS ARE EXTREMELY SOUND. WE JUST SEE THERE IS ADDITIONAL OPPORTUNITY TO MAKE I THEM BETTER.

DAVID ROSS - STIFEL NICOLAUS - ANALYST

OKAY. THANK YOU VERY MUCH.

OPERATOR

YOUR FINAL QUESTION COMES FROM DAVID CAMPBELL WITH THOMPSON DAVIS AND COMPANY.

DAVID CAMPBELL - THOMPSON DAVIS & COMPANY - ANALYST

YES, HI. THANKS. DOUG, YOUR OPERATING RATIO FOR CON-WAY IN THE SECOND QUARTER, DO YOU EXPECT THAT TO BE FLAT YEAR TO YEAR OR SOMEWHAT BETTER?

DOUGLAS STOTLAR - CON-WAY INC. - PRESIDENT AND CEO

DAVID, I DON'T HAVE THE PLAN RIGHT HERE IN FRONT OF ME. I HAVE KEVIN TAKING A LOOK TO SEE IF HE CAN MAKE A SPECULATIVE GUESS AT THAT RIGHT NOW.

KEVIN SCHICK - CON-WAY INC. - SENIOR VICE PRESIDENT AND CFO

I WOULD SAY, DAVID, IT IS PROBABLY GOING TO STILL BE A LITTLE HIGHER THAN Q2 '06. OBVIOUSLY IT'S ON A SCALE THAT'S GOING TO BE NARROWING AS WE GO FORWARD INTO THE YEAR, BUT I WOULD SAY FOR Q2 THAT THE OR THIS YEAR WILL BE A LITTLE BIT HIGHER THAN '06.

DAVID CAMPBELL - THOMPSON DAVIS & COMPANY - ANALYST

OKAY. THANKS. AND AS FAR AS MENLO IS CONCERNED, YOU SAID 12% GROWTH, AND I THINK BOTH NET REVENUES AND OPERATING INCOME IS YOUR TARGET FOR '07; IS THAT CORRECT?

DOUGLAS STOTLAR - CON-WAY INC. - PRESIDENT AND CEO

NO WE JUST SAID LOW DOUBLE-DIGIT GROWTH. WE DIDN'T TARGET A PERCENTAGE.

DAVID CAMPBELL - THOMPSON DAVIS & COMPANY - ANALYST

BUT BOTH NET REVENUE AND OPERATING INCOME, CORRECT?

DOUGLAS STOTLAR - CON-WAY INC. - PRESIDENT AND CEO

THAT'S CORRECT.

DAVID CAMPBELL - THOMPSON DAVIS & COMPANY - ANALYST

DO YOU THINK THERE WILL BE ANY SIGNIFICANT VARIATION FROM- IN EACH QUARTER OF THE YEAR OR ROUGHLY THE SAME EACH QUARTER?

DOUGLAS STOTLAR - CON-WAY INC. - PRESIDENT AND CEO

WE ALSO EXPECT MENLO IT BUILD AS THE YEAR PROGRESSES.

DAVID CAMPBELL - THOMPSON DAVIS & COMPANY - ANALYST

OKAY. OKAY. GREAT. THANKS FOR YOUR HELP. ALL MY OTHER QUESTIONS WERE ANSWERED.

DOUGLAS STOTLAR - CON-WAY INC. - PRESIDENT AND CEO

THANK YOU, DAVID.

PATRICK FOSSENIER - CON-WAY INC. - INVESTOR RELATIONS

OPERATOR, I BELIEVE THAT'S OUR LAST QUESTION.

OPERATOR

YES, SIR, NO MORE QUESTIONS.

PATRICK FOSSENIER - CON-WAY INC. - INVESTOR RELATIONS

IF YOU COULD GIVE THE REPLAY INFORMATION, I THINK WE'RE DONE. THANK YOU, EVERYBODY, FOR JOINING US.

OPERATOR

ABSOLUTELY. THANK YOU FOR PARTICIPATING IN TODAY'S CON-WAY INC. FOURTH-QUARTER EARNINGS REVIEW CONFERENCE CALL. THIS CALL WILL BE AVAILABLE FOR REPLAY BEGINNING AT 3:00 P.M. EASTERN TODAY THROUGH 11:59 P.M. EASTERN ON FEBRUARY 13, 2007. CONFERENCE ID NUMBER FOR THE REPLAY IS 3904342. AGAIN, THE CONFERENCE ID NUMBER FOR THE REPLAY IS 3904342. THE NUMBER TO DIAL FOR THE REPLAY IS 1-800-642-1687 OR 706-645-9291. THANK YOU AGAIN FOR YOUR PARTICIPATION. YOU MAY NOW DISCONNECT.

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FORWARD-LOOKING STATEMENTS

CERTAIN STATEMENTS IN THIS TRANSCRIPT 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 CON-WAY'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 CON-WAY, 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 CON-WAY'S CUSTOMERS AND THEIR ABILITY TO PAY FOR SERVICES RENDERED, INCREASING COMPETITION AND PRICING PRESSURE, CHANGES IN FUEL PRICES OR FUEL SURCHARGES, THE EFFECTS OF THE CESSATION OF THE AIR CARRIER OPERATIONS OF EMERY WORLDWIDE AIRLINES, THE POSSIBILITY THAT CON-WAY MAY, FROM TIME TO TIME, BE REQUIRED TO RECORD IMPAIRMENT CHARGES FOR LONG-LIVED ASSETS, THE POSSIBILITY OF DEFAULTS UNDER CON-WAY'S $400 MILLION CREDIT

AGREEMENT AND OTHER DEBT INSTRUMENTS (INCLUDING DEFAULTS RESULTING FROM UNUSUAL CHARGES), AND THE POSSIBILITY THAT CON-WAY 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 THE 1996 SPIN-OFF OF CONSOLIDATED FREIGHTWAYS CORPORATION (CFC), INCLUDING THE POSSIBILITY THAT CFC'S MULTI-EMPLOYER PENSION PLANS MAY ASSERT CLAIMS AGAINST CON-WAY, MATTERS RELATING TO THE SALE OF MENLO WORLDWIDE FORWARDING, INC., INCLUDING CON-WAY'S OBLIGATION TO INDEMNIFY THE BUYER FOR CERTAIN LOSSES IN CONNECTION WITH THE SALE, AND MATTERS RELATING TO CON-WAY'S DEFINED BENEFIT PENSION PLANS. THE FACTORS INCLUDED HEREIN AND IN ITEM 7 OF CON-WAY'S 2005 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.

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EXHIBIT 99.3

CON-WAY INC.

PERFORMANCE SHARE PLAN UNIT GRANT AGREEMENT

THIS AGREEMENT, granted on the 29th day of January, 2007 ("Grant Date"), by Con-way Inc., a Delaware corporation (hereinafter called "Company") to [Name of Executive] (hereinafter called "Recipient").

WITNESSETH:

WHEREAS, the Company has adopted the Con-way Inc. 2006 Equity and Incentive Plan (the "Plan"), which Plan is incorporated into this Agreement by reference;

WHEREAS, the Company encourages its executive officers to own securities of the Company and thereby align their interests more closely with the interests of the other stockholders of the Company, desires to motivate Recipient by providing Recipient with a direct interest in the Company's attainment of its financial goals, and desires to provide a financial incentive that will help attract and retain the most qualified executive officers; and

WHEREAS, the Company has determined that it would be to the advantage and interest of the Company and its stockholders to issue to Recipient the Performance Share Plan Units provided for in this Agreement as an incentive for increased efforts and successful achievements;

NOW, THEREFORE, the Company hereby grants to Recipient these Performance Share Plan Units upon the following terms and conditions:

1. Defined Terms. Except as otherwise indicated herein, all capitalized terms used in this Agreement without definition shall have the meanings given to such terms in the Plan.

2. Performance Share Plan Units. As of the date of this Agreement, the Company hereby grants Recipient ______ units pursuant to Section 13 of the Plan, each representing the right to receive one (1) share of the Company's Common Stock upon the Committee's certification of the achievement of the performance goals set forth in Section 3 (hereinafter called the "Performance Share Plan Units") or, if Recipient makes a deferral pursuant to Section 5, the end of the applicable deferral period. No cash payment is required for the Performance Share Plan Units, although Recipient is required to provide for applicable taxes as set forth in Section 6. The number of Performance Share Plan Units granted hereunder shall be adjusted from time to time for changes in capitalization, as provided in the Plan.

3. Vesting; Performance Goals.

(a) The Performance Share Plan Units shall vest upon the achievement of the performance goals described in this Section 3, which are measured at the end of the three-year period commencing January 1, 2007 and ending December 31, 2009 ("Performance Period"), provided that Recipient has been an active full-time employee of the Company, a Subsidiary, or an Affiliate at all times during the period from the date of this Agreement through the end of the Performance Period.

(b) The number of Performance Share Plan Units that shall vest shall be equal to fifty percent (50%) of the total number of Performance Share Plan Units granted to Recipient under this Agreement multiplied by (a) the percentage corresponding to the Company's actual level of achievement of Revenue Growth goals shown in Table 1 of Appendix A, which product shall be further multiplied by (b) the percentage corresponding to the Company's actual level of Profitability shown in Table 2 of Appendix A. The Committee shall have the authority to exercise "negative discretion" (as such term is used in Treasury Regulation section 1.162-27(e)(2)(iii)) in its sole discretion to reduce the level of achievement of such goals to take into account the effects of acquisitions or dispositions completed during the Performance Period. The definitions of "Revenue Growth" and "Profitability" are set forth on Appendix B attached hereto. The vesting percentages applicable to actual levels of achievement of Revenue Growth between the levels specified in Table 1 of Appendix A shall be determined by interpolation.

(c) The achievement of the Revenue Growth and Profitability goals will be certified by the Committee within 75 days after the end of the Performance Period.

(d) As soon as practicable after Committee certification, shares of Common Stock will be issued to Recipient, subject to satisfaction of tax withholding obligations and compliance with securities laws and other applicable laws. Any fractional Performance Share Unit that vests shall be settled in cash and shall not be converted into a fractional share of Common Stock. The determination of the Committee regarding the extent to which the Revenue Growth and Profitability goals have been achieved shall be based on the audited financial statements of the Company.

(e) Notwithstanding the foregoing provisions of this Section 3, in the case of Recipient's death, termination of Recipient's employment with the Company, a Subsidiary or an Affiliate as a result of a Disability, or upon a "Change in Control" (as defined in the Plan) applicable to Recipient (whether or not Recipient remains an employee of the Company, a Subsidiary or Affiliate following such Change in Control), a pro rata portion of the Performance Share Plan Units shall vest. Such pro rata portion shall equal the number of Performance Share Plan Units that would have vested at the target levels (i.e., 100%) of Revenue Growth and Profitability, multiplied by a fraction, the numerator of which is the number of full months elapsing in the Performance Period prior to Recipient's death, Disability or a Change of Control, and the denominator of which is 36.

As used herein, "Disability" means a substantial mental or physical disability, as determined by the Committee in its sole discretion.

(f) For avoidance of doubt, except for settlement in cash of fractional Performance Share Plan Units as provided in Section 3(d) above, only shares of Common Stock shall be issuable upon the vesting of Performance Share Plan Units, not cash.

4. Forfeiture. All Performance Share Plan Units (if any) which have not vested shall be automatically, immediately and irrevocably forfeited if Recipient ceases to be an active full-time employee of the Company, a

Subsidiary or an Affiliate for any reason other than as a result of an occurrence described in Section 3(e) above. For avoidance of doubt, all Performance Share Plan Units (if any) which have not vested shall be automatically, immediately and irrevocably forfeited if Recipient retires, whether prior to, at or after normal retirement age.

5. Election to Defer. Recipient may elect to defer receipt of Common Stock that otherwise would be issued upon vesting of the Performance Share Plan Units by submitting to the Committee or its designee such forms as the Committee shall prescribe for such purpose.

   (a) A deferral election must be made not later than a date specified by the Company, which shall not be later than the end of the second year of the Performance Period (i.e., December 31, 2008), and must specify the number of Performance Share Plan Units to which it relates.

   (b) Deferral elections shall be irrevocable, provided, however, that the Committee may allow Recipient, in its discretion, to further defer receipt of Common Stock beyond the date specified in the original deferral election, subject to such restrictions as the Committee shall determine.

   (c) If Recipient dies or incurs a Disability (provided that such Disability meets the requirements for a "disability' set forth in the regulations promulgated under Section 409A of the Internal Revenue Code) after vesting but prior to the payment of amounts deferred under this Section 5, then all such amounts shall be paid to Recipient or his or her designated beneficiary or estate as soon as practicable, notwithstanding Recipient's deferral election.

   (d) Any deferral made pursuant to this Section 5 is intended to comply with Section 409A of the Internal Revenue Code and regulations promulgated thereunder.

6. Taxes.

   (a) Recipient agrees to make appropriate arrangements for the satisfaction of any federal, state or local income, employment or other tax withholding requirements (collectively, the "Taxes") applicable to the receipt or vesting of Performance Share Plan Units hereunder or the receipt of Common Stock issued pursuant to this Agreement.

   (b) The amount necessary to pay the Taxes may be delivered to the Company by any of the following means (in addition to the Company's right to withhold from any compensation or other amounts payable to Recipient by the Company) or by a combination of such means: (i) tendering a cash payment; (ii) authorizing the Company to withhold shares of Common Stock from the shares of Common Stock otherwise issuable hereunder, provided, however, that no shares of Common Stock are withheld with a value exceeding the minimum amount of tax required to be withheld by law; or (iii) delivering to the Company owned and unencumbered shares of Common Stock.

7. Committee Decisions Conclusive. All decisions of the Committee upon any question arising under the Plan or under this Agreement shall be final and binding on all parties (except as otherwise resolved or settled pursuant to the claims procedures set forth in Section 15 of the Plan).

8. No Right to Continued Employment, etc. Nothing in this Agreement, the Performance Share Plan Units granted hereunder or any other agreement entered into pursuant hereto (a) shall confer upon Recipient the right to continue in the employ of the Company, any Subsidiary or any Affiliate or to be entitled to any remuneration or benefits not set forth herein or in any such other agreement or (b) interfere with or limit in any way the right of the Company or any such Subsidiary or Affiliate to terminate Recipient's employment.

9. No Rights as Stockholder Prior to Issuance; Securities Law Compliance.

The Recipient shall not have any rights as a stockholder of the Company (including any rights to receive dividends or voting rights) by virtue of this grant of Performance Share Plan Units prior to the time that shares of the Company's Common Stock are issued in accordance with the terms of this Agreement and the Plan. No shares of Common Stock shall be issued upon the vesting of Performance Share Plan Units unless such shares are either (a) then registered under the Securities Act or (b) the Company has determined that such issuance would be exempt from the registration requirements of the Securities Act. The award of Performance Share Plan Units under this Agreement must also comply with other applicable laws and regulations, and shares of Common Stock will not be issued if the Company determines that such issuance would not be in material compliance with such laws and regulations.

10. Notice. Any notice or other paper required to be given or sent pursuant to the terms of this Agreement or the Plan shall be sufficiently given or served hereunder to any party when transmitted by registered or certified mail, postage prepaid, addressed to the party to be served as follows:

    Company: Con-way Inc.
    2855 Campus Drive, Suite 300
    San Mateo, CA 94403
    Attn.: Corporate Secretary

    Recipient: At Recipient's address as it appears under Recipient's signature to this Agreement, or if different, the last address provided by Recipient to the Company.

11. Transferability. None of the Performance Share Plan Units or any beneficial interest therein may be transferred in any manner other than by will or by the laws of descent and distribution. Notwithstanding the foregoing, Recipient may designate a beneficiary for the shares of Common Stock that may be issuable upon the vesting of the Performance Share Plan Units, in the event of Recipient's death, by completing the Company's approved beneficiary designation form and filing such form with the Company's Human Resources Department. The terms of this Agreement shall be binding upon Recipient's executors, administrators, heirs, successors, and transferees.

12. Amendment; Modification. This Agreement may not be modified or amended, and any provision hereof may not be waived, in either case in any manner that has an adverse effect on the Recipient, except pursuant to a written agreement signed by the Company and Recipient. The Company may unilaterally modify or amend this Agreement so long as such modification or amendment does not have an adverse effect on the Recipient. Any such modification, amendment or waiver signed by, or binding upon, Recipient, shall be valid and binding upon any and all persons or entities who may, at any time, have or claim any rights under or pursuant to this Agreement.

13. Severability. If any provision of this Agreement shall be invalid or unenforceable, such invalidity or unenforceability shall attach only to such provision and shall not in any manner affect or render invalid or unenforceable any other severable provision of this Agreement, and this Agreement shall be carried out as if such invalid or unenforceable provision were not contained herein.

14. Successors. Except as otherwise expressly provided herein, this Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors and assigns.

15. Governing Law. The interpretation and enforcement of this Agreement shall be governed by the internal laws of the State of Delaware without regard to principles of conflicts of laws. Recipient hereby agrees to submit to the jurisdiction and venue of the courts of the State of California and Federal Courts of the United States of America located within the County of Santa Clara for all actions relating to the Performance Share Plan Units, the shares of Common Stock issued thereunder, this Agreement, or the Plan. Recipient further agrees that

service may be made upon him or her in such action or proceeding by first class, certified or registered mail, to the last address provided to the Company.

16. Governing Plan Document. This award is subject to all the provisions of the Plan, which hereby are incorporated herein, and is further subject to all interpretations, amendments, rules and regulations which may from time to time be promulgated and adopted pursuant to the Plan. In the event of any conflict between the provisions of this Agreement and those of the Plan, the provisions of the Plan shall control.

17. Counterparts. This Agreement may be executed in counterparts, all of which taken together shall be deemed one original.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the date first above written.

CON-WAY INC.

By:
Jennifer W. Pileggi
Sr VP General Counsel & Secretary
2855 Campus Drive, Suite 300
San Mateo, CA 94403

Acknowledgements: The undersigned Recipient acknowledges receipt of, and understands and agrees to, the terms and conditions of this Performance Share Plan Unit Grant Agreement and the Plan. Recipient further acknowledges that as of the Grant Date, this Performance Share Plan Unit Grant Agreement and the Plan set forth the entire understanding between Recipient and the Company regarding the acquisition of stock in the Company under the Plan and supersede all prior oral and written agreements on this subject.

RECIPIENT

By:__________________________
Name
[Address]
[Address]

****

EXHIBIT 99.4

2007 AMENDMENT TO
THE 1998 RESTATEMENT OF
THE CON-WAY DEFERRED COMPENSATION PLAN FOR EXECUTIVES
(FORMERLY CALLED
THE CNF INC. DEFERRED COMPENSATION PLAN FOR EXECUTIVES)

Preamble

The 1998 Restatement of the CNF Inc. Deferred Compensation Plan for Executives (the "Plan") was executed as of December 8, 1997 and was subsequently amended six times prior to October 3, 2004. Section 409A of the Internal Revenue Code provides that income under a nonqualified deferred compensation plan (such as the Plan) is subject to tax at the time of the deferral unless the nonqualified deferred compensation plan meets an extensive new set of rules. Section 409A is effective for amounts deferred in taxable years beginning after December 31, 2004. Section 409A does not apply to amounts deferred in prior taxable years unless the plan under which the deferral is made is materially modified after October 3, 2004.

Con-way adopted a 2005 Deferred Compensation Plan for Executives (as amended from time to time, the "2005 Plan") to provide for deferrals in taxable years beginning after December 31, 2004. Con-way continues to maintain the Plan, but intends not to materially modify the Plan after October 3, 2004 and intends not to allow deferrals under the Plan after December 31, 2004.

In December of 2004, Con-way executed Amendment No. 7 to make clear that certain deferrals were subject to the 2005 Plan rather than the Plan. This 2006 Amendment supersedes and restates Amendment No. 7. This 2007 Amendment also changes the Plan's notional investment measures. Proposed Regulation *1.409A-6(a)(4)(iv) provides that a change to notional investment measures is not a material modification.

Capitalized terms used in this 2007 Amendment without definition shall have the meanings given to those terms in the Plan.

Amendment

The Plan is hereby amended as follows, pursuant to Section 11.2:

1. The name of the Plan is changed to the Con-way Inc. 1998 Deferred Compensation Plan for Executives, effective April 18, 2006.

2. The 2005 and 2006 portions of the Value Management Awards that were subject to deferral elections made in December of 2002 and December of 2003 for cycles that end on December 31, 2005 and December 31, 2006 shall not be governed by the Plan, but shall be governed by the 2005 Plan.

3. The third sentence of Section 3.3(b) of the Plan provides that the amount subject to an Investment Change shall be transferred first from such Participant's earliest deferral under the Plan and thereafter from subsequent deferrals under the Plan in the order in which they were elected. Effective upon adoption of this 2007 Amendment, the Participant may elect to convert all or a portion of one or more Plan Year Account Balances into Phantom Stock Units, in any order selected by the Participant.

4.Section 3.6(a) of the Plan provides that a Participant's Cash Account shall be credited with interest based on the Moody's Seasoned Corporate Bond Rate or such other rate as the Committee may determine in its sole discretion prior to the beginning of a Plan Year. Effective upon execution of this 2007 Amendment, a Participant may elect to have one or more funds selected by the Participant from a list of available funds apply to all or any portion of the Participant's Cash Account. After any such election becomes effective, the portion of Participant's Cash Account will no longer be credited with interest based on the Moody's Seasoned Corporate Bond Rate (or such other rate as the Committee may determine in its sole discretion prior to the beginning of a Plan Year), and the performance of the funds selected by the Participant will determine the gains or losses that will be attributed to that portion of such Participant's Cash Account. The list of available funds will be those designated by the Con-way Administrative Committee under the 2005 Plan, and the Participant may select from among the available funds under procedures substantially similar to the procedures that apply under the 2005 Plan.

5. Any election made pursuant to Section 4 above shall take effect as of the date that the election is made and shall be irrevocable. Installment payouts shall be determined based on the value of the Plan Year Account Balance ten days prior to each installment payment date. The amount of each installment payment made with respect to each Plan Year Account Balance shall be determined by dividing the Participant's Plan Year Account Balance by the number of the remaining installment payments (including the installment payment being made at that time).

Saving Clause

Con-way intends the Plan not to be subject to the requirements of Code Section 409A. Accordingly, Con-way intends this 2007 Amendment not to be a material modification of the Plan. If any provision in this 2007 Amendment would constitute a material modification, that provision shall be void, and the rest of this 2007 Amendment shall continue in effect.

IN WITNESS WHEREOF, Con-way Inc. has executed this 2007 Amendment.

CON-WAY INC.

By:
Jennifer W. Pileggi, Senior Vice President,
General Counsel and Secretary

Dated: _________________, 2007

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EXHIBIT 99.5

2007 AMENDMENT TO THE 1998 RESTATEMENT OF THE CON-WAY DEFERRED COMPENSATION PLAN FOR NON-EMPLOYEE DIRECTORS (FORMERLY CALLED THE CNF TRANSPORTATION INC. DEFERRED COMPENSATION PLAN FOR DIRECTORS)

Preamble

The 1998 Restatement of the CNF Transportation Inc. Deferred Compensation Plan for Directors (the "Plan") was executed as of December 1997. Section 409A of the Internal Revenue Code provides that income under a nonqualified deferred compensation plan (such as the Plan) is subject to tax at the time of the deferral unless the nonqualified deferred compensation plan meets an extensive new set of rules. Section 409A is effective for amounts deferred in taxable years beginning after December 31, 2004. Section 409A does not apply to amounts deferred in prior taxable years unless the plan under which the deferral is made is materially modified after October 3, 2004.

Con-way adopted a 2005 Deferred Compensation Plan for Non-Employee Directors (as amended from time to time, the "2005 Plan") to provide for deferrals in taxable years beginning after December 31, 2004. Con-way continues to maintain the Plan but intends not to materially modify the Plan after October 3, 2004 and intends not to allow deferrals under the Plan after December 31, 2004.

This 2007 Amendment changes the Plan's notional investment measures. Proposed Regulation *1.409A-6(a)(4)(iv) provides that a change to notional investment measures is not a material modification.

Capitalized terms used in this 2007 Amendment without definition shall have the meanings given to those terms in the Plan.

Amendment

The Plan is hereby amended as follows, pursuant to Section 6.2:

1. The name of the Plan is changed to the Con-way Inc. 1998 Deferred Compensation Plan for Non-Employee Directors, effective April 18, 2006.

2. Section 3.6(a) of the Plan provides that a Participant's Account Balance shall be credited with interest based on the published prime rate of the Bank of America as of the last day of each calendar quarter. Effective upon execution of this 2007 Amendment, a Participant may elect to have one or

more funds, as selected by the Participant from a list of available funds, apply to all or any portion of the Participant's Account Balance (other than any portion that has been transferred to a Phantom Stock Account). After any such election becomes effective, that portion of the Account Balance will no longer be credited with interest based on the published prime rate of the Bank of America as of the last day of each calendar quarter, and the performance of the funds selected by the Participant will determine the gains or losses that will be attributed to that portion of the Participant's Account Balance. The list of available funds will be those designated by the Con-way Administrative Committee under the 2005 Plan, and the Participant may select from among the available funds under procedures substantially similar to the procedures that apply under the 2005 Plan.

3. Any election made pursuant to Section 2 above shall take effect on the date that the election is made and shall be irrevocable. Installment payouts made under the Plan shall be determined based on the value of the Plan Year Account Balance ten days prior to each installment payment date. The amount of each installment payment made with respect to each Plan Year Account Balance shall be determined by dividing the Participant's Plan Year Account Balance by the number of the remaining installment payments (including the installment payment being made at that time).

4. In addition, effective upon execution of this 2007 Amendment, if permitted by the Directors Affairs Committee, each currently eligible Participant who has an Account Balance shall have the opportunity to elect to transfer all or a portion of such Participant's Account Balance to a Phantom Stock Account, under procedures substantially similar to the procedures in effect under the 2005 Plan.

Saving Clause

Con-way intends the Plan not to be subject to the requirements of Code Section 409A. Accordingly, Con-way intends this 2007 Amendment not to be a material modification of the Plan. If any provision in this 2007 Amendment would constitute a material modification, that provision shall be void, and the rest of this 2007 Amendment shall continue in effect.

IN WITNESS WHEREOF, Con-way Inc. has executed this 2007 Amendment.

CON-WAY INC.

By:
Jennifer W. Pileggi, Senior Vice President,
General Counsel and Secretary

Dated: _________________, 2007