

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

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2001	2000	2001	2000
REVENUES	\$ 1,256,608	\$ 1,401,146	\$ 2,535,073	\$ 2,723,040
Costs and Expenses				
Operating expenses	1,095,964	1,148,795	2,169,749	2,235,590
General and administrative	127,913	124,926	255,115	248,280
Depreciation	44,187	40,294	87,937	80,570
Restructuring and related charges	340,531	-	340,531	-
	<u>1,608,595</u>	<u>1,314,015</u>	<u>2,853,332</u>	<u>2,564,440</u>
OPERATING INCOME (LOSS)	<u>(351,987)</u>	<u>87,131</u>	<u>(318,259)</u>	<u>158,600</u>
Operating Expense, net	<u>(7,674)</u>	<u>(7,542)</u>	<u>(15,474)</u>	<u>(12,555)</u>
Income (Loss) from Continuing Operations before Taxes	<u>(359,661)</u>	<u>79,589</u>	<u>(333,733)</u>	<u>146,045</u>
Income Tax Benefit (Provision)	<u>133,852</u>	<u>(33,825)</u>	<u>123,481</u>	<u>(62,069)</u>
INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE ACCOUNTING CHANGE	<u>(225,809)</u>	<u>45,764</u>	<u>(210,252)</u>	<u>83,976</u>
Cumulative Effect of Accounting Change, net of tax	-	-	-	(2,744)
Net Income (Loss)	<u>(225,809)</u>	<u>45,764</u>	<u>(210,252)</u>	<u>81,232</u>
Preferred Stock Dividends	<u>2,079</u>	<u>2,072</u>	<u>4,119</u>	<u>4,106</u>
NET INCOME (LOSS) APPLICABLE TO COMMON SHAREHOLDERS	<u>\$ (227,888)</u>	<u>\$ 43,692</u>	<u>\$ (214,371)</u>	<u>\$ 77,126</u>
Weighted-Average Common Shares Outstanding				
Basic shares	48,760,668	48,463,040	48,704,866	48,440,350
Diluted shares (a)	48,760,668	56,361,884	48,704,866	56,377,108
Earnings per Common Share				
Basic				
Net Income (Loss) before Accounting Change	\$ (4.67)	\$ 0.90	\$ (4.40)	\$ 1.65
Accounting change, net of tax	-	-	-	(0.06)
Net Income (Loss) Applicable to Common Shareholders	<u>\$ (4.67)</u>	<u>\$ 0.90</u>	<u>\$ (4.40)</u>	<u>\$ 1.59</u>
Diluted (a)				
Net Income (Loss) before Accounting Change	\$ (4.67)	\$ 0.80	\$ (4.40)	\$ 1.46
Accounting change, net of tax	-	-	-	(0.05)
Net Income (Loss) Applicable to Common Shareholders	<u>\$ (4.67)</u>	<u>\$ 0.80</u>	<u>\$ (4.40)</u>	<u>\$ 1.41</u>

(a) In 2000, diluted shares include the dilutive effect of stock options, Series B (TASP) preferred stock and Series A "TECONs", convertible preferred stock of subsidiary trust.

**OPERATING SEGMENTS**

REVENUES

Con-Way Transportation Services	\$ 489,193	\$ 528,422	\$ 958,163	\$ 1,036,826
Emery Worldwide	530,158	629,621	1,113,356	1,227,356
Menlo Logistics	234,503	238,551	457,098	448,454
Other	2,754	4,552	6,456	10,404
	<u>\$ 1,256,608</u>	<u>\$ 1,401,146</u>	<u>\$ 2,535,073</u>	<u>\$ 2,723,040</u>

OPERATING INCOME (LOSS) BEFORE SIGNIFICANT UNUSUAL ITEMS

Con-Way Transportation Services	\$ 42,431	\$ 65,452	\$ 79,166	\$ 122,148
Emery Worldwide	(29,911) [a]	12,861	(36,458) [a]	19,685
Menlo Logistics	9,352	8,473	17,523	16,111
Other	(1,723)	345	(6,354)	656
	<u>\$ 20,149</u>	<u>\$ 87,131</u>	<u>\$ 53,877</u>	<u>\$ 158,600</u>

Significant Unusual Items

Emery - Restructuring and related charges	\$ (340,531)	\$ -	\$ (340,531)	\$ -
Menlo - Loss on failure of significant customer	(31,605)	-	(31,605)	-
Consolidated operating results	<u>\$ (351,987)</u>	<u>\$ 87,131</u>	<u>\$ (318,259)</u>	<u>\$ 158,600</u>

[a] Includes costs of \$4.7 million, \$2.9 million net of tax (\$0.06 per basic and diluted share), for a legal settlement on returned aircraft.