

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2001	2000	2001	2000
REVENUES	\$ 1,184,959	\$ 1,409,613	\$ 3,720,032	\$ 4,132,653
Costs and Expenses				
Operating expenses	1,023,524	1,186,451	3,161,668	3,422,041
General and administrative	121,008	127,105	376,123	375,385
Depreciation	39,497	41,117	127,434	121,687
Restructuring and related charges	-	-	340,531	-
Loss on failure of significant customer	6,300	-	37,905	-
	<u>1,190,329</u>	<u>1,354,673</u>	<u>4,043,661</u>	<u>3,919,113</u>
OPERATING INCOME (LOSS)	<u>(5,370)</u>	<u>54,940</u>	<u>(323,629)</u>	<u>213,540</u>
Other Expense, net	<u>(7,844)</u>	<u>(8,108)</u>	<u>(23,318)</u>	<u>(20,663)</u>
Income (Loss) from Continuing Operations before Taxes	(13,214)	46,832	(346,947)	192,877
Income Tax Benefit (Provision)	<u>4,889</u>	<u>(19,435)</u>	<u>128,370</u>	<u>(81,504)</u>
INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE ACCOUNTING CHANGE	<u>(8,325)</u>	<u>27,397</u>	<u>(218,577)</u>	<u>111,373</u>
Gain (Loss) from Discontinuance, net of tax	38,975	(13,508)	38,975	(13,508)
Cumulative Effect of Accounting Change, net of tax	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,744)</u>
Net Income (Loss)	<u>30,650</u>	<u>13,889</u>	<u>(179,602)</u>	<u>95,121</u>
Preferred Stock Dividends	<u>2,052</u>	<u>2,047</u>	<u>6,171</u>	<u>6,153</u>
NET INCOME (LOSS) APPLICABLE TO COMMON SHAREHOLDERS	<u>\$ 28,598</u>	<u>\$ 11,842</u>	<u>\$ (185,773)</u>	<u>\$ 88,968</u>
Weighted-Average Common Shares Outstanding				
Basic shares	48,778,789	48,511,156	48,728,252	48,464,021
Diluted shares [a]	48,778,789	56,349,127	48,728,252	56,379,755
Earnings (Loss) per Common Share				
Basic				
Net Income (Loss) from Continuing Operations	\$ (0.21)	\$ 0.52	\$ (4.61)	\$ 2.17
Gain (Loss) from Discontinuance, net of tax	0.80	(0.28)	0.80	(0.28)
Accounting Change, net of tax	<u>-</u>	<u>-</u>	<u>-</u>	<u>(0.06)</u>
Net Income (Loss) Applicable to Common Shareholders	<u>\$ 0.59</u>	<u>\$ 0.24</u>	<u>\$ (3.81)</u>	<u>\$ 1.83</u>
Diluted [a]				
Net Income (Loss) from Continuing Operations	\$ (0.21)	\$ 0.47	\$ (4.61)	\$ 1.94
Gain (Loss) from Discontinuance, net of tax	0.80	(0.24)	0.80	(0.24)
Accounting Change, net of tax	<u>-</u>	<u>-</u>	<u>-</u>	<u>(0.05)</u>
Net Income (Loss) Applicable to Common Shareholders	<u>\$ 0.59</u>	<u>\$ 0.23</u>	<u>\$ (3.81)</u>	<u>\$ 1.65</u>

[a] In 2000, includes 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	\$ 491,151	\$ 517,632	\$ 1,449,314	\$ 1,554,458
Emery Worldwide	471,485	656,990	1,584,841	1,884,346
Menlo Logistics	221,718	225,639	678,816	674,093
Other	605	9,352	7,061	19,756
	<u>\$ 1,184,959</u>	<u>\$ 1,409,613</u>	<u>\$ 3,720,032</u>	<u>\$ 4,132,653</u>

OPERATING INCOME (LOSS) BEFORE SIGNIFICANT UNUSUAL ITEMS

Con-Way Transportation Services	\$ 42,617	\$ 51,791 [a]	\$ 121,783	\$ 173,939 [a]
Emery Worldwide	(46,975)	(5,859) [b]	(83,433) [c]	13,826 [b]
Menlo Logistics	7,304	8,628	24,827	24,739
Other	(2,016)	380	(8,370)	1,036
	<u>\$ 930</u>	<u>\$ 54,940</u>	<u>\$ 54,807</u>	<u>\$ 213,540</u>

Unusual Items

Emery - Restructuring and related charges	\$ -	\$ -	\$ (340,531)	\$ -
Menlo - Loss on failure of significant customer	(6,300)	-	(37,905)	-
Consolidated operating results	<u>\$ (5,370)</u>	<u>\$ 54,940</u>	<u>\$ (323,629)</u>	<u>\$ 213,540</u>

[a] Includes a \$5.5 million loss, \$3.2 million after tax, (\$0.07 per basic share and \$0.06 per diluted share) from the sale of certain assets of Con-Way Truckload Services.

[b] Includes an \$11.9 million loss, \$6.9 million after tax, (\$0.14 per basic share and \$0.12 per diluted share) from the termination of certain aircraft leases.

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