

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

	<b>Three Months Ended</b>	
	<b>March 31,</b>	
	<b>2002</b>	<b>2001</b>
REVENUES	\$ 1,067,074	\$ 1,278,465
Costs and Expenses		
Operating expenses	881,090	1,073,786
General and administrative expenses	109,776	127,202
Depreciation	35,844	43,749
	1,026,710	1,244,737
OPERATING INCOME	40,364	33,728
Other expense, net	(7,142)	(7,800)
Income before Taxes	33,222	25,928
Income Tax Provision	(12,956)	(10,371)
Net Income	20,266	15,557
Preferred Stock Dividends	2,005	2,040
NET INCOME AVAILABLE TO COMMON SHAREHOLDERS	\$ 18,261	\$ 13,517
Weighted-Average Common Shares Outstanding		
Basic shares	48,928,532	48,658,337
Diluted shares [a]	56,482,649	56,432,452
Earnings per Common Share		
Basic	\$ 0.37	\$ 0.28
Diluted [a]	\$ 0.35	\$ 0.26

**OPERATING SEGMENTS**

REVENUES		
Con-Way Transportation Services	\$ 454,731	\$ 468,970
Menlo Worldwide		
Emery Forwarding	394,761	583,198
Menlo Worldwide Logistics	216,509	222,595
	611,270	805,793
CNF Other	1,073	3,702

	<u>\$ 1,067,074</u>		<u>\$ 1,278,465</u>
OPERATING INCOME (LOSS)			
Con-Way Transportation Services	\$ 33,721	[b]	\$ 36,735
Menlo Worldwide			
Emery Forwarding	(5,713)	[c]	(6,547)
Menlo Worldwide Logistics	7,753	[d]	8,171
Menlo Worldwide Other	1,309		(4,614)
	<u>3,349</u>		<u>(2,990)</u>
CNF Other	3,294	[e]	(17)
	<u>\$ 40,364</u>		<u>\$ 33,728</u>

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- [a] Includes the dilutive effect of stock options, Series B (TASP) preferred stock, and Series A convertible preferred stock of subsidiary trust.
- [b] Includes an \$8.7 million net gain, \$5.3 million after tax, from the sale of property.
- [c] Includes a \$9.9 million net gain, \$6.0 million after tax, from a payment under the Air Transport and System Stabilization Act.
- [d] Includes a \$1.9 million net gain, \$1.1 million after tax, from a contract termination.
- [e] Includes a \$2.4 million net gain, \$1.4 million after tax, from the sale of property.



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