

CNF TRANSPORTATION INC. AND SUBSIDIARIES

CONDENSED STATEMENTS OF CONSOLIDATED OPERATIONS

(Dollars in thousands except per share amounts)

	Three Months Ended December 31	
	1996	1995
REVENUES		
Con-Way Transportation Services	\$ 342,498	\$ 294,401
Emery Worldwide	547,270	485,839
Other	94,416	98,184
	\$ 984,184	\$ 878,424
OPERATING INCOME		
Con-Way Transportation Services	\$ 21,475	\$ 16,359
Emery Worldwide	26,735	31,282
Other	1,651	927
	49,861	48,568
OTHER EXPENSE, NET	(11,800)	(10,506)
Income from continuing operations before income taxes	38,061	38,062
Income taxes	18,560	16,635
Net income from continuing operations	19,501	21,427
Loss from discontinued operations net of income tax benefits	(9,496)	(25,970)
Loss from disposal of discontinued operations net of income tax benefits	(16,247)	-
	(25,743)	(25,970)
Preferred stock dividends	2,134	2,179
NET LOSS APPLICABLE TO COMMON SHAREHOLDERS	\$ (8,376)	\$ (6,722)
Average Common Shares Outstanding		
Primary (1)	45,333,202	44,659,107
Fully Diluted (2)	49,979,975	48,918,697
PRIMARY EARNINGS (LOSS) PER COMMON SHARE:		
Continuing Operations	\$ 0.38	\$ 0.43
Discontinued Operations		
Loss from operations	(0.21)	(0.58)
Loss from disposal	(0.36)	-
Total	\$ (0.19)	\$ (0.15)
FULLY DILUTED EARNINGS (LOSS) PER COMMON SHARE:		
Continuing Operations	\$ 0.35	\$ 0.40
Discontinued Operations		
Loss from operations	(0.19)	(0.53)
Loss from disposal	(0.32)	-
Total	\$ (0.16)	\$ (0.13)

(1) Includes the dilutive effect of stock options.

(2) Includes the dilutive effect of stock options and Series B (TASP) preferred shares.

CNF TRANSPORTATION INC. AND SUBSIDIARIES

CONDENSED STATEMENTS OF CONSOLIDATED INCOME

(Dollars in thousands except per share amounts)

	Twelve Months Ended December 31	
	1996	1995
REVENUES		
Con-Way Transportation Services	\$ 1,292,082	\$ 1,152,164
Emery Worldwide	1,968,058	1,766,301
Other	402,043	371,612
	\$ 3,662,183	\$ 3,290,077
OPERATING INCOME		
Con-Way Transportation Services	\$ 101,049	\$ 96,573
Emery Worldwide	78,415	81,734
Other	12,684	8,380
	192,148	186,687
OTHER EXPENSE, NET	(45,016)	(33,745)
Income from continuing operations before income taxes	147,132	152,942
Income taxes	66,951	66,723
Net income from continuing operations	80,181	86,219
Loss from discontinued operations net of income tax benefits	(36,386)	(28,854)
Loss from disposal of discontinued operations net of income tax benefits	(16,247)	-
	(52,633)	(28,854)
Preferred stock dividends	8,592	10,799
NET INCOME AVAILABLE TO COMMON SHAREHOLDERS	\$ 18,956	\$ 46,566
Average Common Shares Outstanding		
Primary (1)	45,062,576	44,362,485
Fully Diluted (2)	49,833,947	48,723,790
PRIMARY EARNINGS (LOSS) PER COMMON SHARE:		
Continuing Operations	\$ 1.59	\$ 1.75
Discontinued Operations		
Loss from operations	(0.81)	(0.65)
Loss from disposal	(0.36)	-
Total	\$ 0.42	\$ 1.10
FULLY DILUTED EARNINGS (LOSS) PER COMMON SHARE:		
Continuing Operations	\$ 1.47	\$ 1.63
Discontinued Operations		
Loss from operations	(0.73)	(0.59)
Loss from disposal	(0.32)	-
Total	\$ 0.42	\$ 1.04

(1) Includes the dilutive effect of stock options.

(2) Includes the dilutive effect of stock options and Series B (TASP) preferred shares.