Con-way Inc.
Form 424B5
December 24, 2007
Table of Contents

Filed Pursuant to Rule 424(b)(5)
Registration No. 333-148234

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered	Proposed Maximum Offering Price Per Unit	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee(1)
Debt Securities	$425,000,000	100%	$425,000,000	$13,048

(1) Calculated in accordance with 457(r) under the Securities Act of 1933.

Table of Contents

Prospectus Supplement to Prospectus dated December 21, 2007.

$425,000,000

Con-way Inc.

7.25% Senior Notes due 2018

Con-way is offering $425,000,000 7.25% senior notes due 2018 (the notes). Con-way will pay interest on the notes on January 15 and July 15 of each year, commencing on July 15, 2008. The notes will be issued only in minimum denominations of $2,000 and integral multiples of $1,000 thereof.

Con-way may redeem the notes in whole or in part prior to their maturity at any time at the redemption prices described in Description of Notes Optional Redemption. If Con-way experiences a change of control repurchase event, Con-way may be required to offer to purchase the notes from holders. See Description of Notes Change of Control Repurchase Event.

See Risk Factors beginning on page S-7 to read about important factors you should consider before buying the notes.

Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.

	Per Note	Total
Initial public offering price	99.993%	$ 424,970,250
Underwriting discount	0.65%	$ 2,762,500
Proceeds, before expenses, to Con-way	99.343%	$422,207,750

The initial public offering price set forth above does not include accrued interest, if any. Interest on the notes will accrue from December 27, 2007 and must be paid by Goldman, Sachs & Co. if the notes are delivered after December 27, 2007. The notes will not be listed on any securities exchange or included in any automated quotation system.

Goldman, Sachs & Co. expects to deliver the notes through the facilities of The Depository Trust Company against payment in New York, New York on December 27, 2007.

Goldman, Sachs & Co.

Prospectus Supplement dated December 21, 2007.

Table of Contents

TABLE OF CONTENTS

Prospectus Supplement

Prospectus

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this prospectus supplement or the accompanying prospectus. You must not rely on any unauthorized information or representations. This prospectus supplement and the accompanying prospectus is an offer to sell only the notes offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this prospectus supplement and the accompanying prospectus is current only as of its date.

Table of Contents

ABOUT THIS PROSPECTUS SUPPLEMENT

You should carefully read this prospectus supplement and the accompanying prospectus. You should rely only on the information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus. We have not authorized anyone to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are offering to sell, and seeking offers to buy, the notes only in jurisdictions where such offers and sales are permitted. The information contained in this prospectus supplement and the accompanying prospectus is accurate only as of the date of this prospectus supplement or the date of the accompanying prospectus, and the information in the documents incorporated by reference in this prospectus supplement and the accompanying prospectus is accurate only as of the date of those respective documents, regardless of the time of delivery of this prospectus supplement and the accompanying prospectus or of any sale of the notes. If the information varies between this prospectus supplement and the accompanying prospectus, the information in this prospectus supplement supersedes the information in the accompanying prospectus.

This prospectus supplement is a supplement to the accompanying prospectus that is also a part of this document. The accompanying prospectus is part of a registration statement that we filed with the Securities and Exchange Commission, or SEC, using a shelf registration process. Under the shelf registration process, from time to time, we may offer debt securities described in the accompanying prospectus. In this prospectus supplement, we provide you with specific information about the notes that we are selling in this offering. Both this prospectus supplement and the accompanying prospectus include, or incorporate by reference, important information about us, the securities being offered and other information you should know before investing. This prospectus supplement also adds to, updates and changes information contained in the accompanying prospectus. If any specific information regarding the notes in this prospectus supplement is inconsistent with the more general description of the securities in the accompanying prospectus, you should rely on the information contained in this prospectus supplement. You should read both this prospectus supplement and the accompanying prospectus, as well as the documents incorporated by reference into this prospectus supplement and the additional information described under Where You Can Find More Information in the accompanying prospectus, before investing in the notes.

In this prospectus supplement, unless otherwise indicated or the context otherwise requires, the terms Con-way, we, our, company, issuer or us refer to Con-way Inc. and its subsidiaries.

WHERE YOU CAN FIND MORE INFORMATION

Con-way makes available, free of charge, on its website at www.con-way.com, under the headings Investor Relations/Annual Report, Proxy and Other SEC Filings, copies of its annual reports on Form 10-K, quarterly reports on Form 10-Q, and current reports on Form 8-K, and any amendments to those reports, in each case as soon as reasonably practicable after such reports are electronically filed with the SEC.

In addition, Con-way makes available, free of charge, on its website at www.con-way.com, under the headings Investor Relations/Corporate Governance, current copies of the following documents: (1) the charters of the Audit, Compensation, and Director Affairs Committees of its Board of Directors; (2) its Corporate Governance Guidelines; (3) its Code of Ethics for Chief Executive and Senior Financial Officers; (4) its Code of Business Conduct and Ethics for Directors; and (5) its Code of Ethics for employees. Copies of these documents are also available in print to shareholders upon request, addressed to the Corporate Secretary at 2855 Campus Drive, Suite 300, San Mateo, California 94403.

Table of Contents

We are subject to the information and reporting requirements of the Securities Exchange Act of 1934, as amended, or Exchange Act, under which we file periodic reports, proxy statements and other information with the SEC. Copies of these reports, proxy statements and other information may be examined without charge at the Public Reference Room of the SEC located at 100 F Street, N.E., Washington, D.C. 20549 or on the Internet at http://www.sec.gov. Copies of all or a portion of such materials can be obtained from the Public Reference Room of the SEC upon payment of prescribed fees. Please call the SEC at 800-SEC-0330 for further information about the Public Reference Room. These filings also are available on our corporate website, *www.con-way.com*. Information contained on our website is not part of this prospectus supplement or the accompanying prospectus.

INFORMATION INCORPORATED BY REFERENCE

Rather than include certain information in this prospectus supplement that we have already included in reports filed with the SEC, we are incorporating this information by reference, which means that we are disclosing important information to you by referring to those publicly filed documents that contain the information. The information incorporated by reference is considered to be part of this prospectus supplement, and information that we file later with the SEC will automatically update and supersede the information in this prospectus supplement. Accordingly, we incorporate by reference the following documents filed by Con-way Inc.:

- Annual Report on Form 10-K for the fiscal year ended December 31, 2006;
- Quarterly Reports on Form 10-Q for the quarters ended March 31, 2007, June 30, 2007 and September 30, 2007;
- Portions of our Definitive Proxy Statement on Schedule 14A filed on March 9, 2007 that are incorporated by reference into Part III of our Annual Report on Form 10-K for the fiscal year ended December 31, 2006;
- Current Reports on Form 8-K filed January 31, 2007 (solely with respect to Item 5.02), April 24, 2007, July 16, 2007, July 27, 2007, August 23, 2007 (solely with respect to Items 2.01 and 9.01), August 28, 2007, September 10, 2007, September 27, 2007, October 1, 2007 and December 20, 2007; and
- Current Report on Form 8-K/A filed October 9, 2007.

In addition, all reports and other documents we subsequently file pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act (other than information in such documents that is deemed not to be filed) after the date of this prospectus supplement and prior to the termination of this offering will be deemed to be incorporated by reference in this prospectus supplement and to be part of this prospectus supplement from the date of the filing of such reports and documents. Any statement contained herein or in a document incorporated or deemed to be incorporated herein by reference shall be deemed to be modified or superseded for the purposes of this prospectus supplement to the extent that a statement contained in any subsequently filed document which is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this prospectus supplement.

We will provide without charge to each person to whom this prospectus is delivered, upon request of such person, a copy of any or all documents that are incorporated into this prospectus by reference, other than exhibits to any such document unless such exhibits are specifically incorporated by reference into the document to which this prospectus supplement refers. You should direct such requests to our Corporate Secretary at 2855 Campus Drive, Suite 300, San Mateo, California 94403.

Table of Contents

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein contain forward-looking statements within the meaning of Section 21E of the Exchange Act and Section 27A of the Securities Act of 1933, as amended, or the Securities Act, regarding our business, financial condition and results of operations. We intend such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995, and we are including this statement for purposes of complying with these safe harbor provisions. These forward-looking statements involve risks and uncertainties. All statements other than statements of historical information provided or incorporated by reference herein may be deemed to be forward-looking statements. All statements other than statements of historical fact are forward-looking statements, including among others:

- any projections of earnings, revenues, weight, yield, volumes, income or other financial or operating items;
- any statements of the plans, strategies, expectations or objectives of Con-way s management for future operations or other future items;
- 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 by Consolidated Freightways Corporation s multi-employer pension plans;
- any statements regarding future economic conditions or performance;
- any statements regarding the outcome of legal and other claims and proceedings against Con-way;
- any statements regarding the acquisition of Transportation Resources, Inc. and its subsidiaries, including Contract Freighters, Inc., and related financing; and
- any statements of estimates or belief and any statements or assumptions underlying the foregoing.

Without limiting the foregoing, the words believes, anticipates, plans, expects, may, should, could, estimate, intend, approximately and other similar expressions are intended to identify forward-looking statements. The following factors, among others, and in addition to the matters discussed in the reports and documents filed by Con-way with the SEC, could cause actual results and other matters to differ materially from those discussed in such forward-looking statements:

- changes in general business and economic conditions, including the global economy;

the creditworthiness of Con-way s customers and their ability to pay for services rendered;

increasing competition and pricing pressure;

availability of fuel, changes in fuel prices or fuel surcharges, and the effect of recently filed litigation alleging that Con-way engaged in price-fixing of fuel surcharges in violation of federal antitrust laws;

the effects of the cessation of Emery Worldwide Airlines, Inc. s air-carrier operations;

the possibility that Con-way may, from time to time, be required to record impairment charges for long-lived assets;

Table of Contents

- the possibility of defaults under Con-way s $400 million credit agreement, $500 million bridge credit agreement and other debt instruments;

- 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, including the grievances by furloughed Emery Worldwide Airlines, Inc. pilots and crew members, labor-organizing activities, work stoppages or strikes;

- enforcement of and changes in governmental regulations, including the effects of new regulations issued by the Department of Homeland Security;

- environmental and tax matters;

- matters relating to Con-way s 1996 spin-off of Consolidated Freightways Corporation, including the possibility that Consolidated Freightways Corporation s multi-employer pension plans may assert claims against Con-way, that Con-way may not prevail in those proceedings and that Con-way may not have the financial resources necessary to satisfy amounts payable to those plans;

- matters relating to the sale of Menlo Worldwide Forwarding, Inc. and its subsidiaries and Menlo Worldwide Expedite!, Inc., including Con-way s obligation to indemnify United Parcel Service, Inc. for certain losses in connection with the sale;

- matters relating to our acquisition of Contract Freighters, Inc. (including, without limitation, integration risks and risks that acquisition synergies are not realized); and

- matters relating to Con-way s defined benefit and contribution pension plans.

Any or all forward-looking statements in this prospectus supplement, the accompanying prospectus, the documents incorporated by reference herein and in any other public filings or statements we make may turn out to be wrong. They can be affected by inaccurate assumptions we might make or by known or unknown risks and uncertainties. Many of the factors under the heading Risk Factors in this prospectus supplement will be important in determining future results. These factors should be considered in conjunction with any discussion of operations or results by us or our representatives, including any forward-looking discussion, as well as comments contained in press releases, presentations to securities analysts or investors or other communications by us. You should not place undue reliance on any forward-looking statements, which reflect management s analysis, judgment, belief or expectation only as of the date thereof. Except as may be required by law, we do not undertake to address or update forward-looking statements in future filings or communications regarding our business or operating results and do not undertake to address how any of these factors may have caused results to differ from discussions or information contained in previous filings or communications.

Table of Contents

SUMMARY

This summary highlights information contained elsewhere, or incorporated by reference, in this prospectus supplement and the accompanying prospectus. As a result, it does not contain all of the information that you should consider before investing in the notes. You should carefully read this prospectus supplement, the accompanying prospectus and the documents incorporated by reference, including the Risk Factors and the financial statements and related notes, before making an investment decision.

Con-way Inc.

Our Company

We provide transportation, logistics and supply-chain management services for a wide range of manufacturing, industrial and retail customers. Our principal component companies operate in regional and transcontinental less-than-truckload and full-truckload freight transportation, truckload brokerage, global logistics management, and trailer manufacturing.

We are divided into the following four operating segments for financial-reporting purposes:

Freight. The Freight segment consists of the operating results of the Con-way Freight business unit, which provides regional next-day, second-day, and transcontinental less-than-truckload freight services throughout North America.

Logistics. The Logistics segment consists of the operating results of the Menlo Logistics business unit, which develops contract-logistics solutions, including the management of complex distribution networks and supply-chain engineering and consulting, and also provides domestic brokerage services.

Truckload. The Truckload segment includes the combined operating results of the Con-way Truckload business unit and the recently acquired Contract Freighters, Inc., or CFI, business unit. The combined businesses provide asset-based regional and transcontinental full-truckload freight services throughout North America.

Other. The Other reporting segment consists of the operating results of Road Systems, Inc., a trailer manufacturer, and certain corporate activities for which the related income or expense has not been allocated to other reporting segments, including results related to corporate re-insurance activities and corporate properties.

Prior to the sale of Vector SCM, LLC, or Vector, in 2006, we had a reporting segment that consisted of our proportionate share of the net income from Vector. Vector was a joint venture with General Motors, which purchased our membership interest in Vector in December 2006.

Our executive offices are located at 2855 Campus Drive, Suite 300, San Mateo, California 94403, and our Internet web site address is www.con-way.com. Information contained on our website is not part of this prospectus supplement or the accompanying prospectus. Our telephone number is (650) 378-5200.

Table of Contents

Recent Developments

Acquisition of Contract Freighters, Inc. On August 23, 2007, we completed our previously announced acquisition of CFI, a privately held North American truckload carrier based in Joplin, Missouri, in a transaction valued at $750 million, subject to adjustment. Pursuant to the acquisition agreement, we acquired the stock of Transportation Resources, Inc., the holding company for CFI and its subsidiaries. Founded in 1951, CFI is a respected, industry-leading service provider that today operates over 2,600 tractors and more than 7,000 trailers with more than 3,000 employees, including approximately 2,500 drivers that serve customers throughout North America.

The acquisition joins CFI with our existing Con-way Truckload business unit. Together with the complementary capabilities of our less-than-truckload carrier, Con-way Freight, and our global supply chain services provider, Menlo Logistics, we expect to be able to provide an expanded transportation and logistics platform to North America-based shippers as well as global businesses, from first-mile sourcing in Asia or Europe to last-mile delivery in North America.

We expect to realize a number of strategic benefits from the acquisition, including a diversified revenue mix, contract-carrier margin retention, an enhanced Mexico presence, an expanded presence in key industries, a larger network footprint, synergies with our Menlo Logistics business unit, the creation of growth opportunities and an expanded service portfolio. In particular, CFI offers through-trailer service into and out of Mexico through all major ports in Texas, Arizona and California. This service, which eliminates the need for transfer and/or storage fees at the border, translates into faster delivery, reduced transportation costs and better product protection and security for customers doing business internationally. During 2006, freight with a Mexican origin or destination accounted for a significant portion of CFI s overall revenue.

Table of Contents

The Offering

The following is a summary of the notes and is not intended to be complete. It does not contain all of the information that may be important to you. For a more complete understanding of the notes, please refer to the section entitled Description of Notes in this prospectus supplement and the section entitled Description of Debt Securities in the accompanying prospectus.

Issuer	Con-way Inc.
Notes Offered	$425,000,000 aggregate principal amount of 7.25% Senior Notes due 2018.
Maturity	Unless redeemed earlier, the notes will mature on January 15, 2018.
Interest Rate	The notes will bear interest at a rate of 7.25% per year.
Interest Payment Dates	Interest on the notes will be paid on January 15 and July 15 of each year, commencing July 15, 2008.
Ranking	The notes are senior unsecured obligations and will rank equally with all of our existing and future unsecured and unsubordinated indebtedness. At September 30, 2007, we would have had approximately $968.4 million in aggregate principal amount of unsecured and unsubordinated indebtedness outstanding, after giving effect to this offering, including the application of the net proceeds therefrom as described under Use of Proceeds. The notes will be senior in right of payment to our subordinated indebtedness and will be effectively junior in right of payment to our secured indebtedness to the extent of the value of the collateral securing that indebtedness. The notes will not be guaranteed by any of our subsidiaries and thus will be effectively subordinated to any existing or future indebtedness or other liabilities, including trade payables, of any of our subsidiaries. At September 30, 2007, we had total secured indebtedness of approximately $3.1 million, and our subsidiaries had total indebtedness of approximately $7.6 million.
Optional Redemption	We may redeem the notes, in whole or in part, prior to their maturity at any time or from time to time at the redemption price described in Description of Notes Optional Redemption.
Change of Control	Upon the occurrence of both (1) a change of control by us and (2) a below investment grade rating by any two of Moody s Investors Service, Inc., or Moody s, Standard & Poor s Ratings Services, a division of The McGraw-Hill Companies, Inc., or S&P, and Fitch, Inc., or Fitch, within a specified period, we will be required to make an offer to purchase the notes at a price equal to 101% of the principal amount of the notes, plus accrued and unpaid interest, if any, to the date of repurchase. See Description of Notes Change of Control Repurchase Event.

Table of Contents

Covenants	The indenture governing the notes contains covenants that, subject to exceptions and qualifications: limit our ability and the ability of certain of our subsidiaries to create liens; and limit our ability to consolidate, merge or transfer all or substantially all of our assets. See Description of Notes Covenants.
Use of Proceeds	We estimate that we will receive net proceeds from this offering of approximately $421.2 million, after deduction of underwriting discounts and commissions and estimated expenses payable by us. We intend to use the net proceeds of this offering and cash on hand to repay all amounts outstanding under our bridge loan facility, the proceeds of which were used to finance our acquisition of CFI.
Additional Issuances	We may reopen this series of notes and issue an unlimited principal amount of additional notes of this series in the future. See Description of Notes Additional Issuances.
Risk Factors	See Risk Factors and other information included or incorporated by reference in this prospectus supplement and the accompanying prospectus for a discussion of certain factors you should carefully consider before deciding to invest in these notes.
Form and Denomination	The notes will be issued in minimum denominations of $2,000 and integral multiples of $1,000 thereof. The notes will be represented by one or more global notes in fully registered form without interest coupons. The global notes will be deposited with the trustee as custodian for The Depository Trust Company, or DTC, and registered in the name of a nominee of DTC in New York, New York for the accounts of participants in DTC. Beneficial interests in any of the notes will be shown on, and transfers will be effected only through, records maintained by DTC or its nominee and any such interest may not be exchanged for certificated securities except in limited circumstances described in this prospectus supplement.
Listing	The notes are not, and are not expected to be, listed on any national securities exchange.
Trustee, Registrar and Paying Agent	The Bank of New York Trust Company, N.A.

Table of Contents

SUMMARY CONSOLIDATED FINANCIAL AND OTHER DATA

The following table presents our summary consolidated historical financial and other data as of and for the years ended December 31, 2004, 2005 and 2006 and as of and for the nine months ended September 30, 2006 and 2007. The summary consolidated historical financial and other data as of and for each of the three years ended December 31, 2006 has been derived from our audited consolidated financial statements. The summary consolidated historical financial and other data as of and for the nine months ended September 30, 2006 and 2007 are derived from our unaudited financial statements and are not necessarily indicative of the results to be expected for the full year. The unaudited interim summary consolidated historical financial data reflects all adjustments (consisting primarily of normal recurring adjustments, except as described in the footnotes to the interim consolidated financial statements) which are, in the opinion of management, necessary to present fairly the financial data for the interim periods. The summary pro forma consolidated financial data as of and for the nine months ended September 30, 2007 have been derived from our unaudited pro forma condensed consolidated financial data included elsewhere in this prospectus supplement. The pro forma consolidated income statement data for the nine months ended September 30, 2007 give effect to the CFI acquisition as if such event had occurred on January 1, 2006. Our unaudited pro forma consolidated financial data is based on currently available information and is not necessarily indicative of our financial position or results of operations that would have occurred had the CFI acquisition taken place on the dates indicated, nor are they necessarily indicative of future results.

The summary consolidated historical financial and other data set forth below should be read in conjunction with Management s Discussion and Analysis of Financial Condition and Results of Operations and our historical consolidated financial statements and related notes contained in our Annual Report on Form 10-K for the fiscal year ended December 31, 2006 and our Quarterly Report on Form 10-Q for the period ended September 30, 2007, which are incorporated by reference into this prospectus supplement, and the Unaudited Pro Forma Condensed Consolidated Financial Statements , which are included elsewhere in this prospectus supplement.

	Years Ended December 31,			Unaudited Nine Months Ended September 30,		Pro Forma Consolidated Nine Months Ended
	2004	2005	2006	2006	2007	September 30, 2007
Income Statement Data (US$ in millions):(1)						
Revenues	$ 3,658.6	$ 4,115.6	$ 4,221.5	$ 3,222.9	$ 3,187.2	$ 3,497.4
Costs and expenses	3,374.3	3,744.7	3,819.7	2,930.8	2,986.2	3,266.1
Operating income	284.3	370.9	401.8	292.1	201.0	231.3
Other expense, net	35.5	18.6	9.5	6.1	11.6	42.4
Income from continuing operations before income tax provision	248.8	352.3	392.3	286.0	189.4	188.9
Income tax provision	97.1	122.0	120.0	97.3	70.3	71.4
Income from continuing operations	151.7	230.3	272.3	188.7	119.1	117.5
Gain (loss) from discontinued operations, net of tax(2)	(269.5)	(8.6)	(6.2)	(6.8)	1.6	1.6
Net income	(117.8)	221.7	266.1	181.9	120.7	119.1
Preferred stock dividends	8.2	7.7	7.1	5.3	5.2	5.2
Net income (loss) applicable to common stockholders	(126.0)	214.0	259.0	176.6	115.6	113.9

Table of Contents

	As of December 31,			Unaudited As of September 30,	
	2004	2005	2006	2006	2007
Balance Sheet & Other Data (US$ in millions)(3):					
Cash and cash equivalents	$ 346.6	$ 514.3	$ 260.0	$ 293.2	$ 181.4
Current assets	1,492.8	1,419.5	1,090.5	1,133.8	917.6
Total assets	2,477.5	2,459.6	2,301.9	2,313.5	2,950.9
Current liabilities	712.8	631.5	559.8	644.6	1,149.6
Total long-term debt and guarantees	601.3	581.5	557.7	559.0	532.1
Total shareholders equity	765.9	898.1	740.8	776.0	785.1

(1) Con-way adopted SFAS 123R, Share-Based Payment, effective January 1, 2006. Con-way adopted SFAS 123R under the modified-prospective method, and accordingly, prior-period financial statements have not been adjusted.

Results in 2006 reflect a $41.0 million gain from the sale of Menlo Worldwide s equity investment in Vector and a $6.2 million gain from the sale of Con-way Expedite. The tax on the sale-related gains were offset by the utilization of a capital-loss carryforward.

(2) Discontinued operations in the periods presented relate to the sale of Menlo Worldwide Forwarding in 2004 and the closure of Con-way Forwarding in 2006. All periods reflect revisions to estimated losses related to the shutdown of Emery Worldwide Airlines, Inc. in 2001 and the spin-off of Consolidated Freightways Corporation in 1996.

(3) Effective January 1, 2007, Con-way adopted the measurement-date provisions of SFAS 158, Employers Accounting for Defined Benefit Pension Plans an amendment of SFAS 87, 88, 106 and 132R. In connection with the revision of its measurement date to December 31 from November 30, Con-way recorded a $13.0 million net increase to shareholders equity, consisting of a $15.6 million reduction in the accumulated other comprehensive loss and a $2.6 million decrease to beginning retained earnings.

Table of Contents

R ISK FACTORS

An investment in the notes involves risks, including risks inherent in our business. You should carefully consider the risks described below as well as other information contained and incorporated by reference in this prospectus supplement and the accompanying prospectus before deciding to invest in the notes. The risks described below are not the only ones that we face. Additional risks not presently known to us or that we currently deem immaterial may also impair our business operations. Our business, financial condition and/or results of operations could be materially adversely affected by any of these risks. Further, the price of the notes could decline due to any of these risks, and you may lose all or part of your investment.

Risks Related to Our Business

Natural disasters, including earthquakes, fires and floods, could severely damage or interrupt our systems and operations and result in an adverse effect on our business, financial condition and results of operations.

We and our subsidiaries rely on a centralized shared-service facility for the performance of shared administrative and technology services in the conduct of our businesses. Our computer facilities and our administrative and technology employees are located at the shared-service facility. Although we maintain backup systems and have disaster-recovery processes and procedures in place, a sustained interruption in the operation of these facilities, whether due to terrorist activities, earthquakes, fires, floods or otherwise, could have a material adverse effect on our financial condition, results of operations, and cash flows.

A significant loss of business from any of Menlo Logistics major customers may have an adverse effect on our business, financial condition and results of operations.

Menlo Logistics and many of its competitors in the third-party logistics segments are subject to risk related to customer concentration because of the relative importance of their largest customers and the increased ability of those customers to influence pricing and other contract terms. Although Menlo Logistics continues to broaden and diversify its customer base, a significant portion of its revenue and operating results are derived from a relatively small number of customers. Consequently, a significant loss of business from, or adverse performance by, any of Menlo Logistics major customers, may have a material adverse effect on our financial condition, results of operations, and cash flows. Similarly, the renegotiation of major customer contracts may also have an adverse effect on our financial condition, results of operations, and cash flows.

Uncertain economic conditions may have an adverse effect on the demand for our services.

Our operating results are affected, in large part, by conditions in the cyclical markets of our customers and on the U.S. and global economies. While economic conditions affect most companies, the transportation industry is cyclical and susceptible to trends in economic activity. When individuals and companies purchase and produce fewer goods, our businesses transport fewer goods. In addition, business units in the Freight and Truckload reporting segments have relatively high fixed-cost structures, which are difficult to adjust to match shifting volume levels. Accordingly, any sustained weakness in demand or continued downturn or uncertainty in the economy generally would have an adverse effect on our businesses.

Table of Contents

Competition for employees and related employment costs may adversely affect our financial condition, results of operations, and cash flows.

Our workforce is not affiliated with labor unions. We believe that the non-unionized operations of our subsidiaries have advantages over comparable unionized competitors in providing reliable and cost-competitive customer services, including greater efficiency and flexibility. There can be no assurance that our subsidiaries will be able to maintain their non-unionized status.

We hire drivers primarily for business units in our Freight and Truckload reporting segments. There is significant competition for qualified drivers in the transportation industry. As a result of driver shortages, these business units may be required to increase driver compensation, utilize lower-quality drivers or face difficulty meeting customer demands, all of which could adversely affect our financial condition, results of operations, and cash flows.

Increasing costs of providing competitive employee benefits packages to our employees may have an adverse effect on our financial condition, results of operations, and cash flows.

We maintain health-care plans and defined benefit pension plans and provide certain other benefits to our employees. In recent years, health-care costs have risen dramatically. Lower interest rates and/or weak returns on plan assets may cause increases in the expense of, and funding requirements for, our defined benefit pension plans. We amended our retirement benefit plans in 2006, and the resulting plan changes are generally expected to decrease the future financial-statement effect associated with the defined benefit pension plans. Despite the changes to the retirement benefit plans, we remain subject to volatility associated with interest rates, returns on plan assets, and funding requirements. As a result, we are unable to predict the effect of continuing to provide these benefits to employees on our financial condition, results of operations, and cash flows.

Our business operates in a highly regulated industry and the imposition of additional regulations may have an adverse effect on our ability to serve our customers.

We are subject to compliance with many laws and regulations that apply to our business activities. These include regulations relating to hours of service for our drivers and cargo security and transportation regulations issued by the Department of Homeland Security and the Department of Transportation. We are not able to accurately predict how new governmental laws and regulations, or changes to existing laws and regulations, will affect the transportation industry generally, or us in particular. Although government regulation that affects us and our competitors may simply result in higher costs that can be passed to customers with no adverse consequences, there can be no assurance that this will be the case. As a result, we believe that any additional security and other measures that may be required by future laws and regulations, or changes to existing laws and regulations, could result in additional costs and could have an adverse effect on our ability to serve customers and on our financial condition, results of operations, and cash flows.

We may be unable to accurately forecast the funding requirements for our investments in revenue equipment and freight service centers.

Our primary business is capital-intensive. Our business units in the Freight and Truckload reporting segments make significant investments in revenue equipment and freight service centers. The amount and timing of capital investments depend on various factors, including anticipated volume levels and the price and availability of appropriate-use property for service centers and newly manufactured tractors and diesel engines, which are subject to restrictive Environmental Protection Agency engine-design requirements. If anticipated service-center and/or fleet requirements differ materially from actual requirements, our businesses may have too much or too little capacity. Our

Table of Contents

investments in revenue equipment and freight service centers depend on our ability to generate cash flow from operations and our access to debt and equity capital markets. A decline in the availability of these funding sources could adversely affect our reinvestment activities.

Fluctuations in the price and availability of fuel may adversely affect our financial condition, results of operations, and cash flows.

All of our businesses are exposed to the effects of changes in the availability and price of diesel fuel. Generally, fuel can be obtained from various sources and in the desired quantities. However, an inability to obtain fuel could have a material adverse effect on us. Our business units in the Freight and Truckload reporting segments are subject to the risk of price fluctuations. Like other less-than-truckload carriers, Con-way Freight assesses many of its customers with a fuel surcharge. The fuel surcharge is a part of Con-way Freight s overall rate structure for customers and is intended to compensate Con-way Freight for the adverse effects of higher fuel costs. As fuel prices have risen, the fuel surcharge has increased Con-way Freight s yields and revenue, and Con-way Freight has more than recovered higher fuel costs and fuel-related increases in purchased transportation. At times, in the interest of its customers, Con-way Freight has temporarily capped the fuel surcharge at a fixed percentage. Following a sharp increase in fuel costs in the aftermath of hurricanes in the U.S., Con-way Freight imposed a temporary cap on its fuel surcharge in 2005 that was in effect from August 29 through October 24. We cannot predict the future movement of fuel prices, Con-way Freight s ability to recover higher fuel costs through fuel surcharges, or the effect that changes in fuel surcharges may have on Con-way Freight s overall rate structure. Con-way Freight s operating income may be adversely affected by a decline in fuel prices as lower fuel surcharges would reduce its yield and revenue. Whether fuel prices increase, decrease, or remain constant, our operating income may be adversely affected if competitive pressures limited Con-way Freight s ability to assess its fuel surcharges.

Risks Related to the Acquisition of CFI

Although we expect that the acquisition of CFI will result in benefits to our company, we may not realize those benefits because of integration difficulties and other challenges.

The success of the acquisition will depend, in part, on our ability to realize the anticipated synergies, cost savings and growth opportunities from integrating CFI s business with our existing businesses. Our success in realizing these benefits and the timing of this realization depends upon the successful integration of the operations of CFI. The integration process may be complex, costly and time-consuming. The difficulties of integrating the operations of CFI include, among others:

- unanticipated issues in integrating information, communications and other systems;
- retaining key employees;
- consolidating corporate and administrative infrastructures;
- the diversion of management s attention from ongoing business concerns;
- the impact on our internal controls and compliance with the regulatory requirements under the Sarbanes-Oxley Act of 2002; and
- unanticipated issues, expenses and liabilities.

Con-way and CFI may not accomplish this integration smoothly or successfully. The diversion of the attention of management from its current operations to the integration effort and any difficulties encountered in combining operations could prevent us from realizing the full benefits anticipated to result from the acquisition and could adversely affect our business.

S-9

Table of Contents

Risks Related to the Notes

We may be unable to generate the cash flow to service our debt obligations, including the notes.

We cannot assure you that our future cash flow will be sufficient to allow us to meet our payment obligations on our debt, including the notes. Our ability to generate cash flow from operations to make scheduled payments on our debt, including the notes, will depend on our future financial and operating performance, which will be affected by a range of economic, competitive and business factors. We cannot control many of these factors, such as general economic and financial conditions affecting our business, regulatory developments, downturns in the economy in general or the initiatives of our competitors. Our ability to generate cash flow to meet our payment obligations under our debt, including the notes, may also depend on our successful implementation of our operating and growth strategies. We cannot assure you that we will be able to implement our strategies or that the anticipated results of our strategies will be realized. If we do not generate sufficient cash flow to satisfy our obligations under our debt, including the notes, we may have to seek additional capital or undertake alternative financing plans, such as refinancing or restructuring our debt or selling assets. Any of these actions could result in unanticipated costs, disrupt the implementation of our business or otherwise hinder our performance. Moreover, we may not be able to take any of these actions on commercially reasonable terms, or at all. Our inability to generate sufficient cash flow or to raise additional capital in order to satisfy our obligations under our debt, including the notes, or to refinance them on commercially reasonable terms, would have a material adverse effect on our business, financial condition and results of operations.

Despite our current indebtedness level, we may still be able to incur substantially more debt, which could exacerbate the risks associated with our debt.

At September 30, 2007, after giving effect to this offering, including the application of the net proceeds therefrom as described in the "Use of Proceeds," we would have had total indebtedness of approximately $984.3 million on a consolidated basis. We may be able to incur substantial additional indebtedness in the future. The terms of our debt instruments will not fully prohibit us from doing so. If we incur any additional indebtedness that ranks equally with the notes, the holders of that debt will be entitled to share ratably with the holders of the notes in any proceeds distributed in connection with any insolvency, liquidation, reorganization, dissolution or other winding up of us. If new debt is added to our current debt levels, the related risks that we now face could intensify.

The agreements governing our debt impose restrictions on our business and operations. These restrictions limit our ability to, among other things:

- incur additional debt;
- pay dividends or make other restricted payments;
- create or permit certain liens on our assets, including the common stock of our subsidiaries;
- sell assets;
- create or permit restrictions on the ability of certain of our restricted subsidiaries to pay dividends or make other distributions to us;
- enter into transactions with affiliates;
- enter into sale and leaseback transactions; and

consolidate or merge with or into other companies or sell all or substantially all of our assets.

Table of Contents

Furthermore, all of our indebtedness under our existing bank credit facilities bear interest at variable rates. If these rates were to increase significantly, our ability to borrow funds may be reduced and the risks related to our indebtedness could intensify.

An active trading market for the notes may not develop, which could make it more difficult for holders of the notes to sell their notes or result in a lower price at which holders would be able to sell their notes, or both.

There is currently no established trading market for the notes, and there can be no assurance as to the liquidity of any markets that may develop for the notes, the ability of the holders of the notes to sell their notes or the price at which such holders would be able to sell their notes. If such a market were to exist, the notes could trade at prices that may be lower than the initial market values of the notes depending on many factors, including prevailing interest rates, our business performance, the then-current ratings assigned to the notes and the market for similar securities. In addition, we do not intend to list the notes on any securities exchange or any automated quotation system.

The provisions of the notes will not necessarily protect you in the event of a highly leveraged transaction.

The terms of the notes will not necessarily afford you protection in the event of a highly leveraged transaction that may adversely affect you, including a reorganization, recapitalization, restructuring, merger or other similar transactions involving us. As a result, we could enter into any such transaction even though the transaction could increase the total amount of our outstanding indebtedness, adversely affect our capital structure or credit rating or otherwise adversely affect the holders of the notes. These transactions may not involve a change in voting power or beneficial ownership or result in a downgrade in the ratings of the notes, or, even if they do, may not necessarily constitute a change of control repurchase event that affords you the protections described in this prospectus supplement. If any such transaction should occur, the value of your notes may decline.

We may not be able to repurchase all of the notes upon a change of control repurchase event, which would result in a default under the notes.

We will be required to offer to repurchase the notes upon the occurrence of a change of control repurchase event, as provided in the indenture governing the notes. However, we may not have sufficient funds to repurchase the notes in cash at such time. In addition, our ability to repurchase the notes for cash may be limited by law or the terms or other agreements relating to our indebtedness outstanding at the time. The failure to make such repurchase would result in a default under the notes.

The notes will be effectively subordinated to the debt of our subsidiaries, which may limit your recovery.

Our subsidiaries are separate and distinct legal entities and have no obligation to pay any amounts due pursuant to the notes or otherwise to make any funds available to us to repay our obligations, whether by dividends, loans or other payments. Moreover, our rights to receive assets of any subsidiary upon its liquidation or reorganization, and the ability of holders of the notes to benefit indirectly therefrom, will be effectively subordinated to the claims of creditors of that subsidiary, including trade creditors. At September 30, 2007, our subsidiaries had total indebtedness of approximately $7.6 million.

The notes are subject to prior claims of any secured creditors, and if a default occurs, we may not have sufficient funds to fulfill our obligations under the notes.

The notes are our senior unsecured general obligations, ranking equally with other senior unsecured indebtedness. The indenture governing the notes permits us and our subsidiaries to incur additional secured debt under specified circumstances. If we incur any secured debt, all or a portion of our assets and the assets of our subsidiaries will be subject to prior claims by our secured creditors. In the event of our bankruptcy, liquidation, reorganization, dissolution or other winding up, assets that secure debt will be available to pay obligations on the notes only after all debt secured by those assets has been repaid in full. Holders of the notes will participate in our remaining assets ratably with all of our other unsecured and senior creditors, including our trade creditors. If we incur any additional obligations that rank equally with the notes, including trade payables, the holders of those obligations will be entitled to share ratably with the holders of the notes in any proceeds distributed upon our bankruptcy, liquidation, reorganization, dissolution or other winding up. This may have the effect of reducing the amount of proceeds paid to you. If there are not sufficient assets remaining to pay all these creditors, all or a portion of the notes then outstanding would remain unpaid. At September 30, 2007, we had total secured indebtedness of approximately $3.1 million.

Changes in our credit ratings may adversely affect the value of the notes.

The notes are rated Baa3 by Moody s Investors Service, Inc., BBB by Standard & Poor s Ratings Services, and BBB by Fitch, Inc. Such ratings are limited in scope, and do not address all material risks relating to an investment in the notes, but rather reflect only the view of each rating agency at the time the rating is issued. An explanation of the significance of such rating may be obtained from such rating agency. There can be no assurance that such credit ratings will remain in effect for any given period of time or that such ratings will not be lowered, suspended or withdrawn entirely by the rating agencies, if, in each rating agency s judgment, circumstances so warrant. Actual or anticipated changes or downgrades in our credit ratings, including any announcement that our ratings are under further review for a downgrade, could affect the market value of the notes and increase our corporate borrowing costs.

Table of Contents

USE OF PROCEEDS

We estimate that the net proceeds to us from this offering will be approximately $421.2 million, after giving effect to underwriting discounts and commissions and estimated expenses. We intend to use the net proceeds of this offering and cash on hand to repay all amounts outstanding under our bridge loan facility that we entered into on August 23, 2007 to fund a portion of the purchase price for the CFI acquisition. At that time, we borrowed $425 million under the bridge loan facility. No further borrowings are permitted under the terms of the bridge loan facility, which matures on August 21, 2008. Loans outstanding under the facility currently bear interest at 5.536%. At September 30, 2007, there was approximately $425.4 million, including accrued interest, outstanding under the bridge loan facility.

An affiliate of Goldman, Sachs & Co. is the lender under our bridge loan facility and will receive all of the net proceeds of this offering.

Table of Contents

CAPITALIZATION

The following table sets forth our cash and capitalization as of September 30, 2007:

- on an actual basis; and

- on an as adjusted basis to reflect the issuance of the notes, including the use of the proceeds of this offering (before giving effect to underwriting discounts and commissions and any transaction fees and expenses), together with cash on hand, for the repayment of all amounts outstanding under our bridge loan facility. See Use of Proceeds.

You should read the information in this table in conjunction with Management s Discussions and Analysis of Financial Condition and Results of Operations , our historical consolidated financial statements and related notes, our Unaudited Pro Forma Condensed Consolidated Financial Statements and Transportation Resources, Inc. s historical consolidated financial statements and related notes, which are included or incorporated by reference into this prospectus supplement and the accompanying prospectus.

(Unaudited, US$ in millions)	**As of September 30, 2007**	
	Actual	**As Adjusted**
Cash and cash equivalents(1)	$ 181.4	$ 178.7
Long-term debt:(2)		
8 7/8% Notes due 2010	$ 215.4	$ 215.4
6.70% Senior Debentures due 2034	292.9	292.9
Defined Contribution Plan Notes	22.7	22.7
Other debt	1.1	1.1
Notes offered hereby		425.0
Total long-term debt	$ 532.1	$ 957.1
Shareholders equity:		
Preferred stock, no par value:		
Series B, 8.5% cumulative, convertible, $.01 stated value; issued 570,455 shares	$ 6	$ 6
Additional paid-in capital, preferred stock	86.8	86.8
Deferred compensation, preferred stock	(23.6)	(23.6)
Total preferred shareholders equity	63.2	63.2
Common stock, $.625 par value; authorized 100,000,000 shares; issued 61,616,649 shares	38.6	38.6
Additional paid-in capital, common stock	563.9	563.9
Retained earnings	941.9	941.9
Cost of repurchased common stock	(722.5)	(722.5)
Total common shareholders equity	821.9	821.9
Accumulated other comprehensive loss	(99.9)	(99.9)
Total shareholders equity	$ 785.1	$ 785.1
Total capitalization	$ 1,317.2	$ 1,742.2

(1) Excludes short-term marketable securities of $95.0 million.

(2) For additional information regarding Con-way s debt, see Note 5, Debt and Other Financing Arrangements to the consolidated financial statements included in Con-way s Annual Report on Form 10-K for the year ended December 31, 2006.

Table of Contents

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

On August 23, 2007, under the Agreement and Plan of Merger entered into on July 13, 2007, Con-way acquired the common stock of Transportation Resources, Inc. and subsidiaries (TRI). Subsidiaries of TRI consist of Contract Freighters, Inc. (CFI), a truckload carrier headquartered in Joplin, Missouri, and other affiliated companies. For purposes of these pro forma condensed consolidated statements of income, the acquisition of TRI and its subsidiaries is referred to as the Acquisition.

The unaudited pro forma condensed consolidated statements of income are presented in accordance with the rules specified by Article 11 of Regulation S-X promulgated by the SEC to give effect to the Acquisition as if it had occurred on earlier dates using the purchase method of accounting. The unaudited pro forma condensed consolidated statements of income of Con-way for the nine months ended September 30, 2007 and the year ended December 31, 2006 give effect to the Acquisition as if it were consummated on January 1, 2006. The unaudited pro forma condensed consolidated statements of income are for illustrative purposes only, are hypothetical in nature and do not purport to represent what Con-way s consolidated statements of income or other financial information would have been if the Acquisition had occurred as of the dates indicated or what such results will be for any future periods.

The unaudited pro forma adjustments are based upon available information and certain assumptions that Con-way believes are reasonable, including estimates related to purchase-method fair-value accounting adjustments, the effect of financing transactions and conforming changes in accounting policies. However, the pro forma condensed consolidated statements of income reflect only pro forma adjustments expected to have a continuing effect on the consolidated results beyond 12 months from the consummation of the Acquisition and do not reflect any changes in operations that may occur, including synergistic benefits that may be realized through the consolidation of the two companies or the costs that may be incurred in integrating their operations. These estimates are preliminary, are based on information currently available and could change significantly.

The unaudited pro forma condensed consolidated statements of income and accompanying notes should be read in conjunction with Con-way s historical consolidated financial statements included in Con-way s Annual Report on Form 10-K for the year ended December 31, 2006, Con-way s Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2007 and TRI s historical consolidated financial statements included in Exhibits 99.1 and 99.2 to Con-way s Current Report on Form 8-K/A filed on October 9, 2007.

Table of Contents

Con-way Inc.

Unaudited Pro Forma Condensed Consolidated Statement of Income

for the nine months ended September 30, 2007

(US$ in millions, except share and per share data)

	Historical		Pro Forma	
	TRI	**Con-way**	**Adjustments**	**Consolidated**
Revenues	$ 281.0	$ 3,187.2	$ 53.8[d] (24.6)[b]	$ 3,497.4
Operating expenses	245.6	2,986.2	53.8[d] (24.6)[b] 4.8[f] (1.4)[g] 1.7[e]	3,266.1
Operating income	35.4	201.0	(5.1)	231.3
Non-operating income (expense)				
Investment income		16.4	(12.2)[a]	4.2
Interest expense	(0.2)	(27.9)	(19.0)[a]	(47.1)
Miscellaneous, net	(15.2)	(0.1)	14.1[h] 1.7[h]	0.5
	(15.4)	(11.6)	(15.4)	(42.4)
Income from continuing operations before taxes	20.0	189.4	(20.5)	188.9
Tax provision (benefit)	(0.6)	70.3	1.7[c]	71.4
Income from continuing operations	20.6	119.1	(22.2)	117.5
Preferred stock dividends		5.2		5.2
Net income	$ 20.6	$ 113.9	$ (22.2)	$ 112.3
Earnings per Share				
Basic				
Average shares		45,414,155		45,414,155
EPS	$	$ 2.51	$	$ 2.47
Diluted				
Average shares		48,492,037		48,492,037
EPS	$	$ 2.37	$	$ 2.33

See Notes to Unaudited Pro Forma Condensed Consolidated Financial Statements of Income

Table of Contents

Con-way Inc.

Unaudited Pro Forma Condensed Consolidated Statement of Income

for the fiscal year ended December 31, 2006

(US$ in millions, except share and per share data)

	Historical		Pro Forma	
	TRI	**Con-way**	**Adjustments**	**Consolidated**
Revenues	$ 427.6	$ 4,221.5	$ 85.3[d] (33.8)[b]	$ 4,700.6
Operating expenses	359.3	3,819.7	85.3[d] (33.8)[b] 10.3[f] (3.9)[g] 1.3[e]	4,238.2
Operating income	68.3	401.8	(7.7)	462.4
Non-operating income (expense)				
Investment income		24.8	(18.3)[a]	6.5
Interest expense	(0.4)	(34.2)	(29.3)[a]	(63.9)
Miscellaneous, net	0.9	(0.1)		0.8
	0.5	(9.5)	(47.6)	(56.6)
Income from continuing operations before taxes	68.8	392.3	(55.3)	405.8
Tax provision	1.0	120.0	7.1[c]	128.1
Income from continuing operations	67.8	272.3	(62.4)	277.7
Preferred stock dividends		7.1		7.1
Net income	$ 67.8	$ 265.2	$ (62.4)	$ 270.6
Earnings per Share				
Basic				
Average shares		48,962,382		48,962,382
EPS	$	$ 5.42	$	$ 5.53
Diluted				
Average shares		52,280,341		52,280,341
EPS	$	$ 5.09	$	$ 5.20

See Notes to Unaudited Pro Forma Condensed Consolidated Financial Statements

Table of Contents

Con-way Inc.

Notes to Unaudited Pro Forma Condensed Consolidated Statements of Income

1. Unaudited Pro Forma Condensed Consolidated Income Statement

The unaudited pro forma condensed consolidated statements of income combine the historical consolidated statements of income of Con-way for the year ended December 31, 2006 and the nine months ended September 30, 2007 with the historical financial statements of TRI for the same periods, giving effect to the Acquisition as if it occurred on January 1, 2006.

The following adjustments have been reflected in the unaudited pro forma condensed consolidated statements of income:

[a] Record the effects of debt and cash financing of the purchase price.
On August 23, 2007, Con-way entered into an agreement that established a $500.0 million bridge-loan facility. On that date, Con-way borrowed $425.0 million under the bridge-loan facility to fund a portion of the purchase price in its acquisition of TRI. Under the borrowing, the principal amount of $425.0 million is due in full on August 21, 2008. Subject to market conditions, Con-way intends to refinance the bridge-loan facility with longer-term debt. Accordingly, these pro forma condensed consolidated statements of income include adjustments that reflect assumptions applicable to long-term debt rather than the bridge-loan facility.

The pro forma adjustments to the income statement reflect increases in interest expense and amortization of debt costs and a decrease in investment income from lower average balances of cash-equivalent investments. The annual interest rate on long-term debt is assumed to be 6.75% and a change of 1/8% in the interest rate would result in a $0.5 million change in annual interest expense. The annual interest rate on cash-equivalent investments is assumed to be 5.29% and a change of 1/8% in the interest rate would result in a $0.4 million change in annual investment income.

[b] Eliminate the effect of transactions between Con-way and TRI.
Pro forma adjustments to the income statement eliminate revenue and purchased transportation expense recognized in the historical income statements of TRI and Con-way, respectively.

[c] Record the effects of income taxes.
The pro forma adjustments to the income statement include [1] an increase in the historical tax expense of TRI as if it were treated as a C corporation rather than a Subchapter S corporation, and [2] the tax effect of pro forma adjustments. The pro forma adjustments reflect the estimated consolidated effective tax rate of 31.6% in the fiscal year ended December 31, 2006 and 37.8% in the nine months ended September 30, 2007.

[d] Reclassify TRI amounts to conform to Con-way s method of presentation.
Con-way s historical income statements present fuel surcharges as revenue while TRI s historical income statements present such amounts as a reduction in operating expenses.

[e] Conform TRI s accounting policies to those applied by Con-way.
In Con-way s historical income statements, the cost of new tires on tractors is amortized over the estimated useful lives of the new equipment, while in TRI s historical income statements, the cost of new tires on tractors is amortized over 12 to 15 months.

In Con-way s historical income statements, gains on the sale of revenue equipment are based on the net book value of the equipment, without any adjustment for earlier trade-in activity, as was the case for TRI, as described below. In TRI s historical income statements, prior to TRI s

Table of Contents

adoption of SFAS 153, Exchanges on Nonmonetary Assets, as more fully discussed in Exhibit 99.1 to our Current Report on Form 8-K/A filed on October 9, 2007, the purchase price of replacement property was reduced by an amount equal to the trade-in value in excess of the net book