

Negative 1Q13 Preannouncement Not Surprising; Maintain Hold

Con-way negatively preannounced 1Q13 results yesterday after the close, citing weaker tonnage levels (tonnage per day down 1.5% y/y) at Con-way Freight, a bad accident, and expenses associated with network optimization initiatives as reasons for the \$14mm pre-tax (~\$8.6mm after-tax, or \$0.15 per diluted share) expected reduction in operating income. We had been below the Street for 1Q13 already at \$0.30 (vs. Street consensus of \$0.36); however, it looks like the reported number could be even lower than we thought (potentially around \$0.21, just subtracting the \$0.15 from the Street consensus estimate). In our view, this report should drag down the whole LTL (less-than-truckload) group in trading today, as it does not appear March volumes are tracking any better than expected, and we continue to believe most of the LTL stocks are fairly valued at present.

- As we wrote in our downgrade note a couple weeks ago, LTL freight is just OK - not great, and Con-way Freight is not expected to see benefits from its improvement initiatives (costs come first) until 2H13, so *the only surprise to us from this preannouncement was the bad accident* (which is not unusual for the winter months). Con-way's self-insured retention program has a significant deductible per accident, so we believe this claim, depending on severity, could have accounted to up to 45% of the \$14mm hit to EBIT cited.
- LTL yields are holding firm and in-line with expectations, up 3.5% y/y, excluding fuel surcharges, which we believe is good for the industry.
- No comments were made regarding the company's truckload or logistics divisions, so we believe these are performing as expected.
- Our estimates remain unchanged, even though reported 1Q13 EPS will likely be below our current estimate, as the company's business report does not change our thinking on any future quarter or long-term margin potential of the company.
- We are maintaining our Hold rating on Con-way, as we believe the shares are fairly valued at present until we see significant (and sustainable) margin expansion (unfolding) or a willingness to unlock value by separating the company's business units. Opportunistic share buybacks could also boost investor confidence in the LTL turnaround and be positive for the stock, in our view.
- We believe the bull case for CNW right now is still largely market driven, for if investors are seeking out stocks with "potential" that have significant operating leverage and a reasonable relative valuation, CNW could fit the bill. We are just discounting that potential based on the company's recent (last several years') performance.

Changes	Previous	Current
Rating	—	Hold
Target Price	—	NA
FY12A EPS (Net)	—	\$1.81
FY13E EPS (Net)	—	\$2.20
FY12A Rev (Net)	—	\$5.58B
FY13E Rev (Net)	—	\$5.78B

Price (03/19/13):	\$37.32
52-Week Range:	\$39 – \$26
Market Cap.(mm):	2,089.9
Shr.O/S-Diluted (mm):	56.0
Enterprise Val. (mm):	\$2,304.0
Avg Daily Vol (3 Mo):	714,610
LT Debt/Total Cap.:	47.7%
Net Cash/Share:	\$7.66
Book Value/Share:	\$14.84
Dividend(\$ / %)	\$0.40 / 1.1%
S&P Index	1,548.34

EPS (Net)	2011A	2012A	2013E
Q1	\$0.24	\$0.45	\$0.30
Q2	0.50	0.66	0.74
Q3	0.53	0.45	0.69
Q4	0.26	0.26	0.47
FY Dec	\$1.53A	\$1.81A	\$2.20
P/E	24.4x	20.6x	17.0x

Rev (Net)	2011A	2012A	2013E
FY Dec	\$5.29B	\$5.58B	\$5.78B

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All relevant disclosures and certifications appear on pages 7 - 8 of this report.

Company Description

Con-way Inc. is a \$5.6 billion company (as measured by 2012 revenue) comprised of Con-way Freight, the third-largest less-than-truckload (LTL) carrier in North America, Con-way Truckload (essentially the former CFI operation), Menlo Logistics, a global non-asset-based contract logistics and supply chain engineering company, and Road Systems, a trailer manufacturer serving mostly Con-way but also some other carriers.



Equity Comps - Transportation

Comparative Valuation Matrix

(figures in \$US millions, except per share amounts)

Company name (Ticker)	Rating	Closing Price 3/20/2013	Diluted S/O	Market cap.	Total Debt	Cash & equiv.	TEV ^(a)	Equity value as a multiple of			Enterprise value as a multiple of					TTM ROA	TTM ROE	TTM ROIC	PEG ratio ^(d)	Div. Yield	2013E FCF Yld	
								Earnings per Share			Book value	TTM Revenue	2013E EBITDA	TTM EBITDA	TTM EBITDAR ^(c)							TTM EBIT
								2012A ^(b)	2013E ^(b)	2014E ^(b)												
Less-Than-Truckload																						
Arkansas Best Corp. (ABFS)	Hold	12.41	25.6	318.1	169.6	90.7	397.0	NM	NM	10.5x	0.7x	0.2x	4.1x	5.3x	5.0x	NM	-0.8%	-1.7%	-1.7%	1.2	1.0%	7.4%
Con-way (CNW)	Hold	37.32	56.1	2,094.3	765.4	429.8	2,429.9	20.6x	17.0x	12.9x	2.5x	0.4x	5.0x	5.5x	5.1x	10.8x	3.3%	12.8%	8.6%	0.9	1.1%	-0.4%
Frozen Food Express (FFEX)	NC	1.52	18.0	27.3	9.4	1.4	35.3	NE	NE	NE	0.8x	0.1x	NE	NM	4.6x	NM	NM	NM	NM	0.0%	NE	
Forward Air Corp. (FWRD)	Hold	37.70	29.9	1,125.7	0.3	112.2	1,013.8	21.2x	18.9x	17.0x	3.2x	1.7x	8.4x	9.7x	8.6x	12.1x	14.2%	16.5%	16.5%	1.2	1.1%	4.7%
Old Dominion Freight Line (ODFL)	Hold	37.07	86.2	3,194.1	240.4	12.9	3,421.7	19.1x	16.9x	14.8x	3.1x	1.6x	7.8x	8.6x	8.4x	12.0x	10.3%	17.7%	14.5%	0.9	0.0%	1.5%
Roadrunner Transportation Svcs. (RRTS)	Buy	23.53	37.4	879.9	161.5	11.9	1,029.5	20.3x	17.6x	15.5x	2.9x	1.0x	10.6x	13.1x	12.3x	14.9x	6.0%	13.5%	9.9%	1.0	0.0%	3.8%
Saia, Inc. (SAIA)	Hold	35.63	16.4	585.4	60.7	0.3	645.7	18.4x	15.2x	13.0x	2.3x	0.6x	5.3x	6.1x	5.8x	11.0x	6.4%	13.5%	12.1%	0.9	0.0%	-3.3%
Vitran Corp. (VTNC)	Hold	6.30	16.4	103.3	105.3	0.2	208.4	NM	NM	10.5x	2.1x	0.3x	NM	NM	NM	NM	-8.6%	-30.6%	-11.0%	0.7	0.0%	-6.8%
YRC Worldwide (YRCW)	Hold	8.14	7.0	57.3	1,377.4	189.4	1,245.3	NM	NE	NE	NM	0.3x	NM	7.1x	5.9x	NM	-8.8%	NM	NM	NM	0.0%	NM
Min				27.3	0.3	0.2	35.3	18.4x	15.2x	10.5x	0.7x	0.1x	4.1x	5.3x	4.6x	10.8x	-8.8%	-30.6%	-11.0%	0.7	0.0%	-6.8%
Mean				931.7	321.1	94.3	1,158.5	19.9x	17.1x	13.4x	2.2x	0.7x	6.9x	7.9x	7.0x	12.2x	2.8%	6.0%	7.0%	1.0	0.3%	1.0%
Mean (Asset-based LTL only)				1,058.7	453.1	120.5	1,391.3	19.4x	16.3x	12.3x	2.1x	0.6x	5.5x	6.5x	6.0x	11.3x	0.3%	2.4%	4.5%	0.9	0.3%	-0.3%
Median				585.4	161.5	12.9	1,013.8	20.3x	17.0x	13.0x	2.4x	0.4x	6.6x	7.1x	5.8x	12.0x	4.7%	13.5%	9.9%	0.9	0.0%	1.5%
Max				3,194.1	1,377.4	429.8	3,421.7	21.2x	18.9x	17.0x	3.2x	1.7x	10.6x	13.1x	12.3x	14.9x	14.2%	17.7%	16.5%	1.2	1.1%	7.4%
Stifel Transportation Average				8,153.1	1,519.9	440.0	9,270.3	19.7x	18.1x	14.8x	3.3x	2.0x	8.3x	9.5x	8.9x	12.7x	5.3%	11.7%	10.5%	1.0	1.0%	3.8%

(a) Total Enterprise Value = Market Capitalization of Equity + Total Debt - Cash + Market Value of Minority Interest

(b) Stifel estimates for those rated and First Call mean estimates for unrated securities

(c) Enterprise value adjusted to include the capitalization of off balance sheet operating leases with lease expense (or rent expense) being added back to EBITDA for the valuation multiple calculation

(d) 2014E P/E divided by First Call mean or Stifel estimated long-term growth rate

Excludes non-recurring items

Calculations may vary due to rounding

Source: Company data, First Call, and Stifel estimates



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Con-way Inc. Income Statement

(figures in \$ millions, except per share amounts)
Fiscal Year End December 31

	2011									2012				2013				2013E	2014E						
	2003A	2004A	2005A	2006A	2007A	2008A	2009A	2010A	1Q11	2Q11	3Q11	4Q11	2011A	1Q12	2Q12	3Q12	4Q12	2012A	1Q13	2Q13	3Q13	4Q13	2013E	2014E	
Freight																									
Revenue	2,134.8	2,478.4	2,762.0	2,852.9	2,904.5	3,071.0	2,629.4	3,075.1	767.7	839.8	843.3	796.2	3,247.1	831.0	878.5	858.3	824.7	3,392.6	839.4	913.7	896.9	861.9	3,511.8	3,669.8	
% growth	7.7%	16.1%	11.4%	3.3%	1.8%	5.7%	-14.4%	16.9%	5.9%	2.8%	5.8%	8.2%	5.6%	8.2%	4.6%	1.8%	3.6%	4.5%	1.0%	4.0%	4.5%	4.5%	3.5%	4.5%	
Operating income	196.1	247.3	327.8	315.0	262.8	191.7	14.7	14.9	20.3	39.2	40.7	19.6	119.8	34.5	49.5	34.4	21.5	139.9	24.6	55.1	52.4	34.0	166.0	210.7	
Operating ratio	90.8%	90.0%	88.1%	89.0%	91.0%	93.8%	99.4%	99.5%	97.4%	95.3%	95.2%	97.5%	96.3%	95.8%	94.4%	96.0%	97.4%	95.9%	97.1%	94.0%	94.2%	96.1%	95.3%	94.3%	
Truckload																									
Revenue			0.6	7.1	172.7	665.7	564.1	569.7	145.2	155.5	158.7	155.6	615.0	157.3	162.9	160.1	155.2	635.6	160.5	169.4	168.9	163.8	662.6	702.3	
% growth			NM	NM	NM	NM	285.5%	-15.3%	1.0%	3.3%	6.9%	12.8%	8.8%	7.9%	8.3%	4.8%	0.9%	-0.3%	3.3%	2.0%	4.0%	5.5%	4.2%	6.0%	
Operating income			3.5	2.3	10.3	52.4	27.8	20.8	7.1	10.3	7.9	9.5	34.8	10.6	14.6	11.3	8.5	44.9	8.8	14.1	12.7	11.5	47.0	56.0	
Operating ratio			NM	NM	94.0%	92.1%	95.1%	96.3%	95.1%	93.4%	95.0%	93.9%	94.3%	93.3%	91.0%	93.0%	94.5%	92.9%	94.5%	91.7%	92.5%	93.0%	92.9%	92.0%	92.0%
Logistics																									
Gross Revenue - Menlo Logistics	1,063.0	1,174.8	1,339.7	1,355.3	1,297.1	1,512.0	1,331.9	1,478.0	370.0	394.0	417.1	408.9	1,590.0	419.1	448.0	427.8	431.2	1,726.2	427.5	466.0	444.9	448.5	1,786.9	1,876.2	
% growth	5.4%	10.5%	14.0%	1.2%	-4.3%	16.0%	-11.9%	11.0%	4.2%	2.1%	12.7%	11.4%	7.6%	13.3%	13.7%	2.6%	5.5%	8.6%	2.0%	4.0%	4.0%	4.0%	3.5%	5.0%	
Net Revenue - Menlo Logistics	316.6	344.9	367.4	392.3	445.7	510.2	520.2	571.6	142.3	147.0	154.7	157.6	601.6	155.7	161.8	159.8	161.8	639.1	158.2	172.4	164.6	165.9	661.1	694.2	
% growth	8.9%	8.9%	6.5%	6.8%	13.6%	14.5%	2.0%	9.9%	-1.3%	2.9%	9.9%	9.6%	5.2%	9.4%	10.1%	3.3%	2.7%	6.2%	1.6%	6.5%	3.0%	2.5%	3.4%	5.0%	
Operating income - Logistics	17.5	22.7	26.7	25.6	25.6	19.1	25.2	44.5	8.6	12.1	12.7	11.3	44.7	12.3	12.7	11.0	8.6	44.6	8.1	13.0	12.5	11.2	44.8	48.9	
Operating ratio (Logistics)	98.4%	98.1%	98.0%	98.1%	98.0%	98.7%	98.1%	97.0%	97.7%	96.9%	97.0%	97.2%	97.2%	97.1%	97.2%	97.4%	98.0%	97.4%	98.1%	97.2%	97.2%	97.5%	97.4%	97.5%	
Operating ratio (net)	94.5%	93.4%	92.7%	93.5%	94.3%	96.3%	95.2%	92.2%	93.9%	91.8%	91.8%	92.8%	92.6%	92.1%	92.2%	93.1%	94.7%	93.0%	94.9%	92.4%	92.4%	93.2%	93.2%	93.0%	
Vector operating income (net of income tax related to Vector)	20.7	18.3	16.1	11.6																					
% growth	13.9%	-11.9%	-12.0%	-28.0%																					
Other																									
Revenue	0.3	5.3	13.3	6.1	13.1	47.0	20.4	52.9	12.0	12.3	12.2	10.2	46.7	14.3	14.6	15.2	13.5	57.7	14.0	15.0	15.0	14.0	58.0	58.0	
Operating income	(2.4)	(4.0)	(3.1)	0.1	(2.3)	(1.3)	1.6	8.8	0.6	(1.4)	(0.1)	(0.5)	(1.4)	(1.7)	(0.6)	(1.5)	(0.8)	(4.6)	(0.3)	(0.3)	(0.3)	(0.3)	(1.2)	(1.2)	
Inter-segment Eliminations						(258.9)	(271.2)	(223.7)	(49.3)	(53.0)	(54.2)	(52.3)	(208.8)	(55.6)	(58.0)	(57.3)	(60.8)	(231.8)	(60.0)	(60.0)	(60.0)	(60.0)	(240.0)	(260.0)	
Consolidated revenue	3,198.1	3,658.6	4,115.6	4,221.5	4,387.4	5,036.8	4,274.6	4,952.0	1,245.6	1,348.5	1,377.1	1,318.7	5,290.0	1,366.2	1,446.1	1,404.1	1,363.9	5,580.2	1,381.4	1,504.1	1,465.7	1,428.1	5,779.2	6,046.3	
% growth	6.8%	14.4%	12.5%	2.6%	3.9%	14.8%	-15.1%	15.1%	7.2%	3.2%	8.4%	8.7%	6.8%	9.7%	7.2%	2.0%	3.4%	5.5%	1.7%	4.0%	4.4%	4.7%	3.6%	4.6%	
Consolidated operating income	231.9	284.3	370.9	354.6	296.4	261.8	69.3	89.0	36.7	60.2	61.1	39.9	197.9	55.7	76.2	55.2	37.8	224.9	41.3	81.9	77.2	56.4	256.7	314.3	
Operating ratio	92.7%	92.2%	91.0%	91.6%	92.2%	94.8%	98.4%	98.2%	97.1%	95.5%	95.6%	97.6%	96.3%	95.9%	94.7%	96.1%	97.2%	96.0%	97.0%	94.6%	94.7%	96.1%	95.6%	94.8%	
EBITDA	354.7	412.7	505.2	502.9	469.4	474.7	289.5	298.8	86.8	110.5	111.7	90.7	399.6	107.3	129.4	110.4	93.1	440.1	97.0	140.3	135.2	113.4	486.0	550.0	
% margin	11.1%	11.3%	12.3%	11.9%	10.7%	9.4%	6.8%	6.0%	7.0%	8.2%	8.1%	6.9%	7.6%	7.9%	8.9%	7.9%	6.8%	7.9%	7.0%	9.3%	9.2%	7.9%	8.4%	9.1%	
Investment income	2.5	7.5	22.7	24.8	19.0	5.7	2.4	1.3	0.3	0.2	0.2	0.2	0.9	0.2	0.2	0.2	0.2	0.8	0.7	0.5	0.5	0.5	2.2	2.2	
Interest expense	(29.6)	(39.7)	(37.5)	(34.2)	(42.8)	(64.4)	(59.0)	(64.4)	(13.9)	(13.9)	(13.9)	(13.8)	(55.6)	(13.8)	(13.7)	(13.7)	(13.6)	(54.8)	(12.7)	(12.2)	(11.7)	(11.2)	(47.7)	(39.7)	
Miscellaneous, net	1.1	(3.3)	(3.8)	(0.1)	2.0	(0.4)	(2.3)	(3.9)	(1.7)	(1.0)	0.2	(2.7)	(5.2)	(0.7)	(1.9)	(0.6)	(0.7)	(3.9)	(1.0)	(1.0)	(1.0)	(4.0)	(4.0)		
Income from continuing operations before income tax provision	206.0	248.8	352.4	345.0	274.6	204.1	4.9	27.4	21.4	45.4	47.6	23.7	138.1	41.4	60.8	41.2	23.7	167.0	28.2	69.3	65.0	44.7	207.2	272.9	
% margin	6.4%	6.8%	8.6%	8.2%	6.3%	4.1%	0.1%	0.6%	1.7%	3.4%	3.5%	1.8%	2.6%	3.0%	4.2%	2.9%	1.7%	3.0%	2.0%	4.6%	4.4%	3.1%	3.6%	4.5%	
Tax rate	37.4%	38.7%	36.8%	37.5%	37.7%	40.8%	-1.0%	63.0%	38.0%	38.0%	38.0%	38.0%	38.0%	38.6%	38.9%	38.5%	38.1%	38.6%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	
Income from continuing operations	129.0	152.4	222.7	215.5	171.1	128.9	5.0	10.1	13.2	28.2	29.5	14.7	102.5	25.4	37.1	25.3	14.7	102.5	16.9	41.6	39.0	26.8	124.3	163.7	
% margin	4.0%	4.2%	5.4%	5.1%	3.9%	2.4%	0.1%	0.2%	1.1%	2.1%	2.1%	1.1%	1.6%	1.9%	2.6%	1.8%	1.1%	1.8%	1.2%	2.8%	2.7%	1.9%	2.2%	2.7%	
Preferred stock dividends	8.2	8.2	7.7	7.2	7.0	6.8	3.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Net income (loss) from continuing operations applicable to common shareholders	120.7	144.2	215.0	208.4	164.1	114.2	1.8	10.1	13.2	28.2	29.5	14.7	85.6	25.4	37.1	25.3	14.7	102.5	16.9	41.6	39.0	26.8	124.3	163.7	
Add back:																									
Series B preferred dividends, net of tax	8.2	8.2	7.7	7.2	7.0	6.8	3.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Convertible debenture interest expense, net of tax	3.8	1.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Less replacement funding adjustment, net of tax	(6.9)	(6.9)	(6.6)	(6.0)	(5.3)	(5.6)	(0.7)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Adjusted net income from continuing operations	125.9	147.1	216.1	209.5	165.3	115.3	4.3	10.1	13.2	28.2	29.5	14.7	85.6	25.4	37.1	25.3	14.7	102.5	16.9	41.6	39.0	26.8	124.3	163.7	
% margin	3.9%	4.0%	5.3%	5.0%	3.8%	2.3%	0.1%	0.2%	1.1%	2.1%	2.1%	1.1%	1.6%	1.9%	2.6%	1.8%	1.1%	1.8%	1.2%	2.8%	2.7%	1.9%	2.2%	2.7%	
Diluted shares outstanding	56.7	56.5	56.2	52.3	48.3	48.6	47.5	53.2	55.7	56.1	56.1	56.2	56.1	56.3	56.4	56.5	56.5	56.5	56.5	56.5	56.5	56.5	56.5	56.5	
Adjusted diluted EPS from continuing operations	\$2.22	\$2.61	\$3.84	\$4.01	\$3.42	\$2.37	\$0.09	\$0.19	\$0.24	\$0.50	\$0.53														



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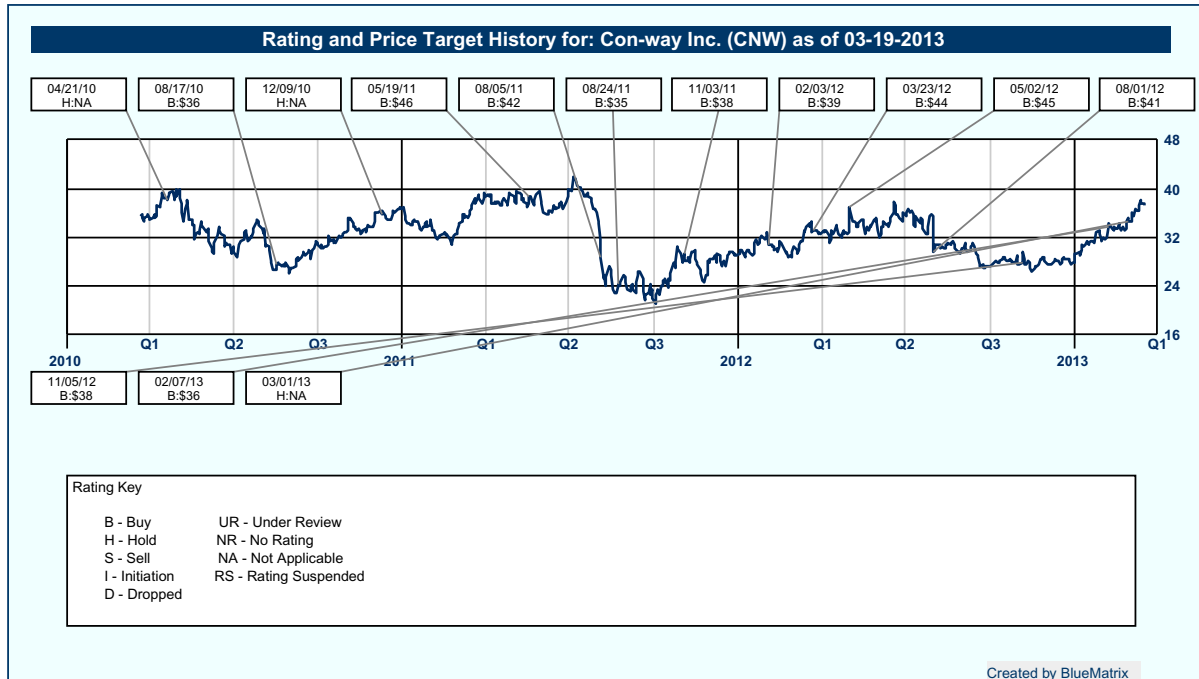
Con-way Inc. Balance Sheet

(figures in \$ millions, except per share amounts)
Fiscal Year End December 31

											2011				2012				2013				2014E
	2003A	2004A	2005A	2006A	2007A	2008A	2009A	2010A	10A	20A	30A	40A	10A	20A	30A	40A	10E	20E	30E	40E			
ASSETS																							
Cash and cash equivalents	38.2	346.9	514.3	260.0	176.3	278.3	476.6	421.4	422.7	469.4	439.1	438.0	402.8	455.0	442.0	429.8	308.3	299.2	287.7	283.3	336.9		
Marketable securities	260.4	486.3	202.4	184.5	30.0	0.0	0.0	0.0	0.0	0.0	11.2	13.3	16.2	5.0	3.2	3.2	3.2	3.2	3.2	3.2	3.2		
Trade accounts receivable, net	380.9	425.8	548.9	439.7	503.9	516.9	494.1	539.8	626.8	629.1	636.0	577.5	644.9	665.7	629.4	567.1	615.5	631.9	628.6	635.7	665.1		
Other accounts receivable	66.1	134.6	42.5	107.5	42.7	61.9	54.3	32.5	79.1	61.9	54.3	51.4	43.8	47.8	52.1	53.2	39.2	39.6	40.0	40.5	42.3		
Operating supplies, at lower of average cost or market	9.5	16.7	19.1	19.2	24.1	24.1	18.3	23.9	27.8	25.8	24.4	22.8	24.0	25.8	25.7	23.2	33.6	33.9	34.3	34.7	36.3		
Prepaid expenses	45.1	48.1	53.9	34.4	40.7	42.3	42.8	47.3	64.0	45.3	31.0	48.4	61.9	47.8	38.6	49.7	56.0	56.5	57.1	57.8	54.4		
Deferred income taxes	53.1	51.5	49.8	43.1	37.7	38.0	12.7	8.5	12.5	18.6	50.2	46.6	37.1	21.3	17.1	34.5	16.8	17.0	17.1	17.3	18.1		
Assets of discontinued operations	475.9	5.1	13.1	1.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Total current assets	1,329.2	1,514.9	1,444.0	1,090.5	855.5	951.1	1,076.9	1,120.1	1,215.6	1,242.5	1,243.2	1,190.4	1,234.8	1,272.7	1,209.1	1,151.4	1,072.5	1,071.3	1,068.1	1,072.5	1,156.4		
Property, plant, and equipment, at cost																							
Land	147.7	142.9	150.4	159.5	187.3	194.3	195.0	194.8	194.8	194.8	194.8	194.1	191.5	189.7	189.3	195.7	195.7	195.7	195.7	195.7	195.7		
Buildings and leasehold improvements	591.8	618.7	649.9	688.6	793.0	803.5	809.5	817.6	819.0	820.0	822.4	827.9	827.2	825.7	829.2	841.0	841.0	841.0	841.0	841.0	841.0		
Revenue equipment	593.8	677.5	779.0	970.3	1,246.8	1,350.5	1,373.1	1,480.6	1,490.0	1,532.9	1,543.3	1,613.8	1,667.1	1,697.7	1,709.5	1,746.8	1,796.8	1,876.8	1,956.8	2,016.8	2,256.8		
Other equipment	210.4	210.1	219.5	239.2	265.6	292.8	286.6	306.2	308.1	311.9	312.2	318.3	322.1	322.6	328.3	329.7	332.7	335.7	338.7	341.7	353.7		
Total property and equipment	1,543.7	1,649.2	1,798.9	2,057.7	2,492.7	2,641.1	2,664.2	2,799.2	2,811.8	2,859.6	2,872.7	2,954.1	3,007.9	3,035.7	3,056.4	3,113.2	3,166.2	3,249.2	3,332.2	3,395.2	3,647.2		
Accumulated depreciation and amortization	(725.8)	(789.8)	(847.3)	(939.7)	(1,034.0)	(1,169.2)	(1,288.9)	(1,394.6)	(1,403.8)	(1,428.4)	(1,437.2)	(1,458.1)	(1,482.3)	(1,500.2)	(1,509.9)	(1,526.6)	(1,582.4)	(1,640.8)	(1,698.9)	(1,755.9)	(1,991.6)		
Net property and equipment	818.0	859.3	951.5	1,118.0	1,458.8	1,472.0	1,375.3	1,404.6	1,408.0	1,431.3	1,435.5	1,496.0	1,525.6	1,535.6	1,546.5	1,586.6	1,583.9	1,608.4	1,633.4	1,639.3	1,655.7		
Deferred charges and other assets	122.2	56.6	40.7	26.6	33.1	43.0	38.5	39.1	39.0	36.4	38.0	36.7	37.1	35.8	35.0	34.0	40.0	40.0	40.0	40.0	40.0		
Capitalized software, net	54.6	50.3	44.3	34.8	35.0	29.3	22.1	19.1	18.8	18.8	20.3	19.8	18.9	19.3	20.9	20.4	19.2	18.0	16.8	15.6	10.8		
Employee benefits	0.0	0.0	0.0	0.0	89.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Marketable securities	0.0	0.0	0.0	0.0	0.0	6.7	6.7	6.0	6.0	5.8	5.6	5.4	5.4	5.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Intangible assets, net	0.0	0.0	0.0	0.0	18.8	27.3	23.1	17.2	16.4	15.6	14.8	14.0	13.2	12.3	11.6	11.0	11.0	11.0	11.0	11.0	11.0		
Goodwill	0.0	0.0	0.0	0.0	527.4	488.0	353.7	337.7	337.9	338.1	338.2	337.7	338.0	337.8	338.0	338.2	338.2	338.2	338.2	338.2	338.2		
Deferred income taxes	0.0	0.0	0.0	32.0	0.0	54.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Assets of discontinued operations	449.6	15.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Total assets	2,773.6	2,496.4	2,480.6	2,301.9	3,017.7	3,071.7	2,896.2	2,943.7	3,041.6	3,088.5	3,095.6	3,100.0	3,172.9	3,218.7	3,161.1	3,141.5	3,064.7	3,086.8	3,107.4	3,116.5	3,212.0		
LIABILITIES AND SHAREHOLDERS' EQUITY																							
Accounts payable	215.2	252.9	276.1	240.9	276.1	273.8	272.3	304.2	363.3	373.1	363.5	345.5	385.9	402.9	361.5	330.7	363.7	367.5	371.5	375.6	393.0		
Accrued liabilities	196.2	226.4	214.9	202.9	266.6	258.4	203.2	203.2	225.3	227.7	232.5	235.1	242.9	256.6	255.5	253.2	246.2	248.7	251.5	254.3	266.0		
Accrued income taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Self-insurance accruals	94.3	86.1	91.4	92.4	111.0	94.7	87.7	105.9	98.7	101.9	100.7	104.3	104.5	101.7	104.3	100.8	111.9	113.1	114.3	115.6	120.9		
Short-term borrowings	0.0	0.0	0.0	0.0	5.1	7.5	10.3	18.6	18.3	19.2	15.4	14.5	15.8	14.2	10.6	7.0	7.0	7.0	7.0	7.0	7.0		
Bridge-loan facility	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Current maturities of long-term debt	14.1	112.7	15.0	18.6	22.7	23.8	210.8	20.1	20.2	20.4	19.6	24.0	23.1	21.5	12.7	16.0	16.0	16.0	16.0	16.0	16.0		
Liabilities of discontinued operations	302.4	34.7	34.1	5.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Total current liabilities	822.2	712.8	631.5	559.8	681.5	658.1	791.5	651.9	725.9	742.2	731.8	723.5	772.1	797.0	744.6	707.7	744.8	752.3	760.2	768.5	803.0		
Long-term debt, guarantees, and obligations under capital leases	555.0	601.3	581.5	557.7	955.7	926.2	760.8	794.0	789.1	784.3	779.5	770.2	766.4	763.1	755.7	749.4	719.4	689.4	659.4	629.4	509.4		
Self-insurance accruals	113.8	102.5	102.4	114.4	118.9	152.4	156.9	169.3	165.1	158.5	162.5	158.9	159.7	150.5	148.9	143.7	167.9	169.6	171.4	173.4	181.4		
Employee benefits	276.7	246.0	212.8	314.6	195.1	659.5	439.9	418.7	412.7	401.9	348.8	610.9	601.8	590.3	555.1	592.7	475.6	480.5	485.8	491.2	513.9		
Other liabilities and deferred credits	24.8	20.3	18.7	14.6	24.6	49.9	44.5	41.8	47.3	43.7	39.6	39.1	41.4	37.0	34.8	32.2	50.4	50.9	51.4	52.0	54.4		
Deferred income taxes	11.2	29.2	22.7	0.0	132.7	0.0	15.9	48.5	65.2	86.8	135.2	38.2	46.2	57.8	71.6	77.4	56.0	56.5	57.1	57.8	60.5		
Liabilities of discontinued operations	151.3	6.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Total liabilities	1,954.8	1,719.0	1,569.7	1,561.1	2,108.6	2,446.1	2,209.5	2,124.2	2,205.2	2,217.4	2,197.4	2,340.8	2,387.6	2,395.8	2,310.7	2,303.1	2,214.0	2,199.2	2,185.4	2,172.3	2,122.5		
Company-obligated mandatory redeemable preferred securities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Preferred stock, no par value	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Additional paid-in capital, preferred stock	116.1	113.0	97.5	91.8	85.3	79.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Deferred compensation, thrift and stock plan	(57.7)	(49.1)	(40.6)	(31.5)	(20.8)	(10.4)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Total preferred shareholders' equity	58.4	63.9	56.9	60.3	64.5	69.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Common stock	35.3	36.6	38.3	38.4	38.6	38.9	39.0	39.1	39.3	39.3	39.4	39.4	39.6	39.6	39.7	39.7	39.6	39.6	39.7	39.7	39.7		
Additional paid-in capital, common stock	356.7	429.1	528.7	549.3	568.2	584.2	567.6	580.0	585.3	591.0	594.3	596.0	601.3	606.9	611.1	614.3	619.4	624.9	629.4	634.9	640.4		
Retained earnings	570.8	426.3	620.6	847.1	972.2	1,020.9	890.9	821.2	820.9	838.2	861.8	884.8	904.8	935.4	955.1	966.9	948.4	955.4	966.9	978.4	1,009.9		
Deferred compensation, restricted stock	(6.2)	(5.7)	(3.1)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Cost of repurchased common stock	(189.3)	(157.1)	(293.4)	(638.9)	(720.6)	(713.1)	(575.2)	(340.9)	(331.7)	(322.4)	(322.5)	(322.5)	(325.7)	(325.7)	(326.1)	(326.1)	(325.7)	(325.7)	(326.1)	(326.1)	(326.1)		
Total common shareholders' equity	797.3	729.2	891.1	795.8	858.5	922.3	1,099.4	1,113.7	1,113.7	1,146.1	1,173.1	1,197.7	1,220.0	1,256.2	1,279.8	1,294.8	1,294.8	1,294.8	1,294.8	1,294.8	1,294.8		
Accumulated other comprehensive loss	(36.9)	(15.7)	(37.1)	(115.4)	(13.9)	(374.6)	(235.5)	(279.9)	(277.3)	(275.1)	(274.8)	(438.4)	(434.7)	(435.3)	(429.5)	(456.5)	(456.5)	(456.5)	(456.5)	(456.5)	(456.5)		
Total shareholders' equity	818.8	777.4	910.9	740.8	909.1	625.6	686.7																

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For a price chart with our ratings and target price changes for CNW go to <http://sf.bluematrix.com/bluematrix/Disclosure?ticker=CNW>

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Stifel makes a market in the securities of Con-way Inc..

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BUY -For U.S. securities we expect the stock to outperform the S&P 500 by more than 10% over the next 12 months. For Canadian securities we expect the stock to outperform the S&P/TSX Composite Index by more than 10% over the next 12 months. For other non-U.S. securities we expect the stock to outperform the MSCI World Index by more than 10% over the next 12 months. For yield-sensitive securities, we expect a total return in excess of 12% over the next 12 months for U.S. securities as compared to the S&P 500, for Canadian securities as compared to the S&P/TSX Composite Index, and for other non-U.S. securities as compared to the MSCI World Index.

HOLD -For U.S. securities we expect the stock to perform within 10% (plus or minus) of the S&P 500 over the next 12 months. For Canadian securities we expect the stock to perform within 10% (plus or minus) of the S&P/TSX Composite Index. For other non-U.S. securities we expect the stock to perform within 10% (plus or minus) of the MSCI World Index. A Hold rating is also used for yield-sensitive securities where we are comfortable with the safety of the dividend, but believe that upside in the share price is limited.

SELL -For U.S. securities we expect the stock to underperform the S&P 500 by more than 10% over the next 12 months and believe the stock could decline in value. For Canadian securities we expect the stock to underperform the S&P/TSX Composite Index by more than 10% over the next 12 months and believe the stock could decline in value. For other non-U.S. securities we expect the stock to underperform the MSCI World Index by more than 10% over the next 12 months and believe the stock could decline in value.

Of the securities we rate, 48% are rated Buy, 49% are rated Hold, and 3% are rated Sell.

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