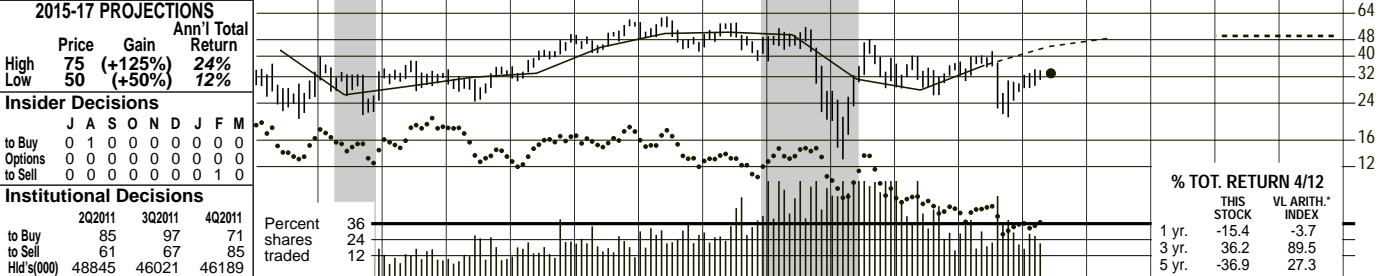


CON-WAY INC. NYSE-CNW

RECENT PRICE **33.27** P/E RATIO **13.9** (Trailing: 18.9; Median: 18.0) RELATIVE P/E RATIO **0.99** DIV'D YLD **1.2%** VALUE LINE

TIMELINESS 1 Raised 5/11/12	High: 39.9	38.3	35.8	51.0	59.8	61.9	57.8	55.0	48.3	40.3	42.4	37.9	Target Price Range
SAFETY 3 Raised 6/23/95	Low: 21.0	27.4	24.4	30.5	41.4	42.1	38.1	20.0	13.0	26.2	20.6	28.3	2015 2016 2017
TECHNICAL 3 Raised 6/1/12	LEGENDS — 7.0 x "Cash Flow" p sh ... Relative Price Strength Options: Yes Shaded areas indicate recessions												
BETA 1.25 (1.00 = Market)													



2015-17 PROJECTIONS																				
Price	Gain	Ann'l Total Return																		
High	75	(+125%)	24%																	
Low	50	(+50%)	12%																	
Insider Decisions																				
	J	A	S	O	N	D	J	F	M											
to Buy	0	1	0	0	0	0	0	0	0	0										
Options to Buy	0	0	0	0	0	0	0	0	0	0										
Options to Sell	0	0	0	0	0	0	0	0	0	0										
Institutional Decisions																				
	2Q2011			3Q2011			4Q2011													
to Buy	85			97			71													
to Sell	61			67			85													
Hlds(000)	48845			46021			46189													
	Percent shares traded			36			24													
				12																
																		% TOT. RETURN 4/12		
																		THIS STOCK		
																		VL ARITH. INDEX		
																		1 yr. -15.4		
																		3 yr. 36.2		
																		5 yr. -36.9		

1996 ^A	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	© VALUE LINE PUB. LLC	15-17
82.17	90.03	103.22	115.43	114.53	99.46	96.24	102.13	71.15	79.76	90.89	97.03	109.84	86.73	90.26	95.15	101.80	109.80	Revenues per sh	133.65
3.57	4.66	5.69	6.73	6.11	3.75	4.12	4.54	4.74	6.29	7.34	7.44	7.21	4.45	3.95	5.19	6.35	7.00	"Cash Flow" per sh	9.70
1.47	2.19	2.45	2.98	2.79	.42	1.28	1.67	2.57	3.85	4.04	3.39	2.43	.57	.46	1.53	2.40	2.75	Earnings per sh ^A	4.40
.40	.40	.40	.40	.40	.40	.40	.40	.40	.40	.40	.40	.40	.40	.40	.40	.40	.50	Div'ds Decl'd per sh ^B	.80
4.51	5.11	5.59	6.91	5.23	3.93	1.71	2.75	3.11	4.18	6.63	3.35	5.34	1.50	3.55	5.35	5.60	5.00	Cap'l Spending per sh	5.75
8.42	11.11	13.50	17.34	19.25	10.54	12.10	15.21	13.67	16.34	14.65	18.68	12.13	13.95	14.94	13.66	15.65	17.55	Book Value per sh	25.30
44.57	47.39	47.88	48.45	48.66	48.89	49.48	49.98	52.18	52.28	46.45	45.22	45.86	49.22	54.87	55.60	55.90	55.00	Common Shs Outst'g ^C	52.00
16.0	15.7	15.5	13.0	9.9	70.9	25.3	18.3	15.4	12.8	12.6	14.3	17.7	54.1	NMF	21.2	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	14.0
1.00	.90	.81	.74	.64	3.63	1.38	1.04	.81	.68	.68	.76	1.07	3.60	NMF	1.32			Relative P/E Ratio	.95
1.7%	1.2%	1.1%	1.0%	1.4%	1.3%	1.2%	1.3%	1.0%	.8%	.8%	.8%	.9%	1.3%	1.2%	1.2%			Avg Ann'l Div'd Yield	1.3%

CAPITAL STRUCTURE as of 3/31/12																	
Total Debt \$805.3 mill. Due in 5 Yrs \$38.9 mill.																	
LT Debt \$766.4 mill. LT Interest \$55.2 mill.																	
(Total interest coverage: 3.9x) (49% of Cap'l)																	
Leases, Uncapitalized Annual rentals \$75.8 mill.																	
Pension Assets-12/11 \$1105 mill.																	
Oblig. \$1526 mill.																	
Pfd Stock None																	
Common Stock 55,810,280 shs.																	
as of 4/30/12																	
MARKET CAP: \$1.9 billion (Mid Cap)																	
CURRENT POSITION (SMILL)																	
Cash Assets	421.4	451.3	419.1														
Receivables	539.8	577.5	644.9														
Other	158.9	161.6	170.8														
Current Assets	1120.1	1190.4	1234.8														
Accnts Payable	304.2	345.5	385.9														
Debt Due	38.7	38.5	38.9														
Other	309.0	339.5	347.3														
Current Liab.	651.9	723.5	772.1														

Con-way got off to a fast start in 2012. Share net of \$0.45 blew away our estimate of \$0.28 and even the recently raised Street consensus of \$0.35. All three operating segments (excluding a small trailer manufacturing business) easily beat our expectations. Though trucking volumes were not impressive (up only 1.5%, year to year, in the core less-than-truckload segment), improved pricing and cost management more than offset modest demand growth. Assuming a slow-but-growing economy, we believe margins can improve further, and we're raising our earnings estimate for 2012 by 23%, to \$2.40 a share. Con-way should get a bigger boost from volume growth next year, and our share-net projection goes to \$2.75 from \$2.25.

The big story is the margin recovery at the less-than-truckload (LTL) division. Con-way Freight was among the most profitable LTL carriers in its pre-recession glory days. We don't think it can get back to an operating ratio of 90% due to a more competitive landscape, however, that metric did improve 160 basis points, year to year, in the March period, to 95.8%. The company is leveraging stable demand through good cost control and pricing. Yield rose 6.1%, from the year-earlier period, or 4.1% excluding fuel surcharges. Margins are expected to expand further as operating efficiencies improve.

Menlo Worldwide Logistics has won new customers. The division's first-quarter gross revenue grew 13.3%, with increases in both warehouse and transportation management services. Freight brokerage activity was also up. Menlo is focused on increasing its proportion of international business.

The performance of the truckload business is improving, too. March-quarter income here was up 49%, mainly as the result of higher pricing and asset utilization (a reduced empty miles percentage). We believe, though, that labor inflation will heat up in this segment as the company continues to aggressively recruit drivers to support growth.

Momentum investors may find interest in this top-ranked issue. The share price shot up on the March-period results. The stock still has good 3- to 5-year appreciation potential, however.

Cal-endar	QUARTERLY REVENUES (\$ mill.) ^A				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2009	962.9	1056.3	1133.5	1116.5	4269.2
2010	1161.9	1306.3	1270.2	1213.6	4952.0
2011	1245.6	1348.6	1377.1	1318.7	5290.0
2012	1366.2	1450	1470	1403.8	5690
2013	1430	1530	1570	1510	6040

Cal-endar	EARNINGS PER SHARE ^A				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2009	d.42	.64	.39	d.04	.57
2010	d.04	.26	.22	.02	.46
2011	.24	.52	.52	.26	1.53
2012	.45	.70	.70	.55	2.40
2013	.50	.80	.80	.65	2.75

Cal-endar	QUARTERLY DIVIDENDS PAID ^B				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2008	.10	.10	.10	.10	.40
2009	.10	.10	.10	.10	.40
2010	.10	.10	.10	.10	.40
2011	.10	.10	.10	.10	.40
2012	.10	.10	.10	.10	.40

(A) 1996 data are pro forma. Based on diluted shares. Excl. net nonrec. gains (losses): '96, (\$1.05); '98, \$0.26; '99, \$0.37; '00, (\$0.43); '01, (\$8.68); '02, \$0.46; '03, (\$0.10); '04, (\$4.94); '05, \$0.11; '06, \$1.05; '07, (\$0.38); '08, (\$0.07); '09, (\$2.90); '10, (\$0.39); '11, \$0.05; '12, \$0.01; disc. ops: '04, \$0.22; '05, (\$0.11); '06, (\$0.11); '07, (\$0.02); '08, (\$0.83). 2011 quarterly EPS don't sum due to rounding. Next earnings report due late July. (B) Dividends paid mid-March, June, Sept., and Dec. ■ Dividend reinvestment plan available. (C) In millions.

Company's Financial Strength	B+
Stock's Price Stability	40
Price Growth Persistence	30
Earnings Predictability	40

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June 1, 2012

Craig Sirois