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Con-way Inc.  
Form 11-K  
June 28, 2007

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 11-K

X ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES AND EXCHANGE ACT  
--- OF 1934

For the fiscal year ended December 31, 2006

OR

TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF  
--- 1934

For the transition period from N/A to N/A

COMMISSION FILE NUMBER 1-5046

CON-WAY 401(K) PLAN

Con-way Inc.

Incorporated in the State of Delaware  
I.R.S. Employer Identification No. 94-1444798  
2855 Campus Drive, Suite 300, San Mateo, California 94403  
Telephone Number (650) 378-5200

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons administering the employee benefit plan) have duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

Con-way 401(k) Plan

June 27, 2007

/s/ Mark C. Thickpenny  
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Mark C. Thickpenny  
Chairman, Con-way Inc.  
Administrative Committee

CON-WAY 401(K) PLAN  
(Formerly the Menlo Worldwide Forwarding, Inc. Savings Plan)

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## FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULE

December 31, 2006 and 2005

(With Report of Independent Registered Public Accounting Firm)

## CON-WAY 401(K) PLAN

December 31, 2006 and 2005

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Report of Independent Registered Public Accounting Firm

The Board of Directors  
Con-way Inc.:

We have audited the accompanying statements of net assets available for benefits of the Con-way 401(k) Plan (formerly the Menlo Worldwide Forwarding, Inc. Savings Plan) as of December 31, 2006 and 2005, and the related statement of changes in net assets available for benefits for the year ended December 31, 2006. These financial statements are the responsibility

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of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2006 and 2005, and the changes in its net assets available for benefits for the year ended December 31, 2006, in conformity with U.S. generally accepted accounting principles.

Our audits were performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of assets (held at end of year) is presented for purposes of additional analysis and is not a required part of the basic financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects, in relation to the basic financial statements taken as a whole.

/s/ KPMG LLP

Portland, Oregon  
June 27, 2007

CON-WAY 401(K) PLAN  
Statements of Net Assets Available for Benefits

	December 31	
	2006	2005
Assets:		
Investments, at fair value:		
Shares in registered investment companies	\$ 7,090,672	\$ 7,960,308
Common trust funds	2,254,014	2,180,898
Con-way Common Stock	600,375	1,003,527
Con-way Preferred Stock	878,551	1,090,888
Investments, at cost:		
Participant loans	51,247	86,049
Total investments	10,874,859	12,321,670

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Net assets available for benefits      \$ 10,874,859      \$ 12,321,670  
 =====

See accompanying notes to financial statements.

CON-WAY 401(K) PLAN  
 Statement of Changes in Net Assets Available for Benefits

	Year Ended December 31, 2006
	-----
Additions (deductions):	
Allocation of preferred shares to participants at fair value (note 1)	\$      80,210
Dividend and interest income	55,998
Net appreciation in fair value of investments (note 3)	782,359
Distributions to participants	(2,365,378)
	-----
Total additions (deductions)	(1,446,811)
	-----
Net assets available for benefits, beginning of year	\$ 12,321,670
	-----
Net assets available for benefits, end of year	\$ 10,874,859
	=====

See accompanying notes to financial statements.

CON-WAY 401(K) PLAN  
 Notes to Financial Statements  
 December 31, 2006 and 2005

(1) Description of Plan

The following description of the Con-way 401(k) Plan (the Plan), formerly the Menlo Worldwide Forwarding, Inc. Savings Plan, is provided for general information purposes only. Participants should refer to the Con-way Employee Benefits Handbook or the Plan document for more complete information.

The term "Con-way" or "Company" refers to Con-way Inc., formerly CNF Inc., and subsidiaries. In April 2006, shareholders approved management's proposal to change the Company's name to Con-way Inc. from CNF Inc.

(a) General

The Plan is a defined contribution plan and is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA). Overall responsibility for administering the Plan

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rests with the Con-way Inc. Administrative Committee (the Committee), which is appointed by the Chief Executive Officer of Con-way. Menlo Worldwide Forwarding, Inc. was an indirect wholly owned subsidiary of Con-way that was sold in December 2004, as discussed below. The Plan's trustee, T. Rowe Price Trust Company (the Trustee), is responsible for the management and control of the Plan's assets, which are held in individual participant investment accounts (collectively known as the Trust).

In December 2004, Con-way completed the sale of Menlo Worldwide Forwarding, Inc. and its subsidiaries and Menlo Worldwide Expedite!, Inc. (collectively referred to as MWF) to United Parcel Service, Inc. (UPS). The active employees of MWF ceased participation in the Plan as of the sale date and were permitted to transfer their Plan account balances to a UPS-sponsored defined contribution plan.

In September 2000, the pilots of Emery Worldwide Airlines (EWA), a wholly owned subsidiary of Con-way, ceased participation in the Con-way Retirement Savings Plan (RSP), formerly the Con-way Thrift and Stock Plan, and their elective deferrals began being contributed to the Plan. The pilots' vested balances in the RSP were transferred to the Plan in December 2000.

### (b) Amendments

In November 2006, the Committee approved the proposal to change the name of the plan from the Menlo Worldwide Forwarding, Inc. Savings Plan to the Con-way 401(k) Plan.

For amendments effective January 1, 2007, see note 6, Subsequent Event.

### (c) Eligibility

Since the sale of MWF in December 2004, there have been no active employees eligible for the Plan. Employees were eligible to participate in the Plan if they were covered by a collective bargaining unit that specifically provided for participation in the Plan. Employees were eligible to participate in the Plan upon hire if they were regular full-time employees. Supplemental or part-time employees became eligible upon completion of one year of service during which the employee worked 750 hours.

### (d) Contributions

Prior to the sale of MWF in December 2004, participants could contribute up to 50% of their compensation into the Plan, and could direct contributions to any one or more of the investment funds offered under the Plan. Con-way made no matching contributions for participants of the Plan.

Participants who formerly participated in the RSP, as discussed under "General" above, and participants who transferred from noncontractual to contractual positions within Con-way, are awarded Con-way preferred stock as a substitute for cash dividends used for debt service on RSP debt. For 2006, these participants received Con-way preferred stock with a fair value of \$80,210, as shown on the Statement of Changes in Net Assets Available for Benefits.

### (e) Participant Accounts

A separate account is maintained for each participant of the Plan.

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Allocations of net Plan earnings are based upon participant account balances. The benefits to which participants are entitled are the benefits that can be provided from participants' vested accounts.

### (f) Vesting

Participants are fully vested at all times in all contributions made to the Plan plus net earnings thereon.

### (g) Participant Loans

The Plan had a loan provision allowing participants access to funds. Each participant could borrow from a minimum of \$1,000 up to a maximum of \$50,000 from the participant's fund account, reduced by the excess of the participant's highest outstanding loan balance during the one-year period on the day before the loan was made over the participant's current outstanding loan balance on the date of the loan. Loans do not exceed 50% of a participant's vested account balance (subject to administrative adjustment to assure compliance with the 50% limit). The loans are secured by the vested balance in the participant's account. Loans outstanding at December 31, 2006 were related to employees receiving long-term disability benefits and bear interest at rates ranging from 8.75% to 10.00%.

In connection with the sale of MWF, as described above, a participant with an outstanding loan balance could either transfer the balance to a UPS-sponsored plan (if eligible for a UPS plan) or pay off the loan balance. If the loan was not paid off within 75 days, the loan was defaulted and offset against the participant's vested balance, in accordance with plan rules.

### (h) Distribution to Participants

Employees became eligible for distribution in connection with the sale of MWF, as described above. Distributions are payable in the form of lump-sum payments or in a series of substantially equal annual installments.

### (i) Plan Termination

Although it has not expressed any intent to do so, Con-way has the right under the Plan to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, Con-way shall direct the Trustee with respect to the distribution of accounts to or for the exclusive benefit of participants or their beneficiaries.

## (2) Summary of Significant Accounting Policies

### (a) Basis of Accounting

The accompanying financial statements have been prepared using the accrual method of accounting.

### (b) Financial Instruments

The investments in the accompanying financial statements are stated at quoted market prices, which approximate fair value as of December 31, 2006 and 2005, except for (1) participant loans outstanding that are valued at cost, which approximates fair value and, (2) Con-way preferred stock, which does not have a quoted market value, and is stated at fair value as determined by an annual independent appraisal.

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### (c) Investments

The Plan offers various investments in securities that are generally exposed to various risks, such as interest-rate, credit and overall market-volatility risks. Due to the risk associated with certain investment securities, it is reasonably possible that the value of investment securities will change in the near term and that such changes could materially affect amounts reported in the Statement of Net Assets Available for Benefits.

### (d) Income Recognition

The annual change in market value, including realized gains and losses, is reported in net appreciation in fair value of investments in the accompanying Statement of Changes in Net Assets Available for Benefits.

Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Purchases and sales of securities are recorded on the trade-date basis.

### (e) Operating Expenses

During 2006, all administrative expenses of the Plan were paid by Con-way.

### (f) Payment of Benefits

Benefits paid to participants are recorded upon distribution.

### (g) Estimates

Con-way makes estimates and assumptions when preparing the financial statements in conformity with U.S. generally accepted accounting principles. These estimates and assumptions affect the amounts reported in the accompanying financial statements and notes. Actual results could differ from those estimates.

## (3) Investments

The following investments represent 5% or more of the Plan's net assets.

	December 31	
	2006	2005
Shares in registered investment companies:		
T. Rowe Price Growth Stock Fund, 76,057 and 94,627 shares, respectively	\$ 2,405,676	\$ 2,687,396
T. Rowe Price Equity Income Fund, 43,285 and 56,791 shares, respectively	1,279,071	1,472,020
T. Rowe Price Science and Technology Fund, 68,250 and 97,343 shares respectively	1,430,524	1,905,003
T. Rowe Price International Stock Fund, zero and 44,709 shares respectively	--	661,249
Dodge & Cox International Stock Fund, 16,303 and zero shares, respectively	711,795	--
Common trust funds:		
T. Rowe Price U.S. Treasury Money Market Trust, 1,237,781 and 1,048,350 shares respectively	1,237,781	1,048,350
Con-way equity:		

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Con-way Common Stock, 13,632 and 17,955 shares, respectively	600,375	1,003,527
Con-way Preferred Stock, 3,780 and 4,146 shares, respectively	878,551	1,090,888

During 2006, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated (depreciated) in value as follows:

Shares in registered investment companies	\$	964,420
Common trust funds		122,375
Con-way Common Stock		(182,028)
Con-way Preferred Stock		(122,408)
		-----
	\$	782,359
		=====

#### (4) Income Tax Status

The Internal Revenue Service has determined and informed Con-way by a letter dated October 3, 2001, that the Plan and related trust are designed in accordance with applicable sections of the Internal Revenue Code (the Code). The Plan has been amended since receiving the determination letter. However, Con-way believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of the Code. Therefore, Con-way believes that the Plan was qualified and the related trust was tax exempt as of the financial statement date.

#### (5) Related-Party Transactions

Certain Plan investments are shares in funds managed by T. Rowe Price Trust Company, the Trustee as defined by the Plan. Therefore, these investments and investment transactions qualify as party-in-interest.

#### (6) Subsequent Event

As of January 1, 2007, drivers of Con-way Truckload LLC ceased participation in the RSP and became eligible to participate in the Plan. In January 2007, approximately \$1,200,000 of the drivers' account balances were transferred from the RSP to the Plan. Certain provisions of the Plan were amended to reflect the addition of active employees to the Plan:

##### (a) Eligibility

Eligibility is restricted to employees of Con-way Truckload LLC (CTL) who are classified as drivers. CTL drivers are eligible to participate in the Plan if the employee is not covered by a collective bargaining agreement, is not a leased employee or is not a nonresident alien. There are no age or service requirements for eligibility except that a supplemental employee must complete one year of service during which the employee works 1,000 hours.

##### (b) Contributions

Participants may contribute up to 50% of their eligible compensation, subject to certain limitations. Con-way makes matching contributions equal to 50% of the participants' contributions, but not exceeding



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2.0% of the participants' eligible compensation. Con-way matching contributions are in the form of open-market purchases of Con-way Common Stock from cash contributions by Con-way.

### (c) Vesting

Amounts attributable to matching contributions made after December 31, 2006, and amounts transferred from the RSP that are attributable to matching contributions under the RSP vest as follows:

Period of Service	Percent Vested
-----	-----
Less than 2 years	-0-
2 years	40%
3 years	60%
4 years	80%
5 or more years	100%

### (d) Participant Loans

The Plan has a loan provision allowing participants access to funds. Loans can be no less than \$1,000 and cannot exceed the lesser of \$50,000 or 50% of a participant's vested account balance (subject to administrative adjustment to assure compliance with the 50% limit). Loans can be made for a term not to exceed 4-1/2 years. Principal and interest are paid ratably through payroll deductions.

### (e) Payments and Benefits

Participants can receive a total distribution from their accounts upon death or termination of employment. Disabled participants can receive a partial distribution of their accounts, excluding matching contributions receive after January 1, 2002, provided they qualify for benefits under Con-way's long-term disability coverage. Other types of withdrawals are permitted by the Plan in limited situations. Participants can elect to have their accounts distributed in a single lump sum or in a series of substantially equal annual installments, as defined by the Plan. Distributions will be made in cash except that (1) participant accounts invested in Common Stock can, at the direction of the participant, be paid in shares and (2) participant allocations of Preferred Stock will be converted into shares of Common Stock and can, at the direction of the participant, then be paid in common shares or in cash.

Schedule I

CON-WAY 401(K) PLAN  
EIN 94-1444798  
Plan No. 112

Schedule H, Line 4i - Schedule of Assets (Held at End of Year)

December 31, 2006

Identity

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of issue borrower, lessor, or similar party	Description of investment including maturity date, rate of interest, collateral, par, or maturity value	Cost	Current value
-----	-----	-----	-----
	Shares in registered investment companies:		
*T.Rowe Price	Growth Stock Fund (76,056.790 shares)	\$ 1,957,189	\$ 2,405,676
*T.Rowe Price	Equity Income Fund (43,284.986 shares)	1,059,521	1,279,071
*T.Rowe Price	Science and Technology Fund (68,250.173 shares)	1,889,674	1,430,524
*T.Rowe Price	Small-Cap Stock Fund (11,437.177 shares)	324,655	391,495
*T.Rowe Price	Retirement 2005 Fund (11,684.775 shares)	125,823	135,660
*T.Rowe Price	Retirement 2010 Fund (394.282 shares)	5,824	6,257
*T.Rowe Price	Retirement 2015 Fund (1,146.869 shares)	13,264	14,187
*T.Rowe Price	Retirement 2020 Fund (131.301 shares)	1,930	2,278
*T.Rowe Price	Retirement 2025 Fund (17,561.343 shares)	179,188	225,839
*T.Rowe Price	Retirement 2030 Fund (1,594.101 shares)	25,999	29,634
*T.Rowe Price	Retirement Income Fund (4,469.253 shares)	54,419	58,681
Allianz Global Investors	PIMCO Total Return Fund (37,177.359 shares)	395,531	385,901
J.P. Morgan Investment Management, Inc.	Undiscovered Managers Small-Cap Growth Fund (1,324.969 shares)	14,766	13,674
Dodge & Cox	Dodge & Cox International Stock (16,303.131 shares)	631,491	711,795
	Common trust funds:		
*T.Rowe Price	Equity Index Trust (11,550.473 shares)	375,252	478,190
*T.Rowe Price	Bond Index Trust (475.794 shares)	9,664	11,134
*T.Rowe Price	U.S. Treasury Money Market Trust (1,237,780.550 shares)	1,237,781	1,237,781
*T.Rowe Price	Retirement Strategy Trust - Balanced (18,125.528 shares)	393,496	526,909
	Common stock:		
*Con-way Inc.	Con-way Common Stock (13,632.482 shares)	407,721	600,375
	Preferred stock:		
*Con-way Inc.	Con-way Preferred Stock (3,780.179 shares)	574,846	878,551
	Participant loans:		
*Plan participants	Participant loans with interest from 8.75% to 10.00% and maturity		

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dates from 2003 to 2004	--	51,247
		-----
Total investments		\$ 10,874,859
		=====

\*Represents a party-in-interest transaction as of December 31, 2006.

Note: Cost is calculated using the historical rolling-average-cost method.

See accompanying report of independent registered  
public accounting firm.