

Consolidated Freightways Corporation
Comparative Analysis of Cash Flows
Chapter 11 -vs.- Chapter 7 Liquidation
(Dollars in thousands)

	Actual Liquidation thru 7/16/04	Remaining Liquidation		NOTE
		Chapter - 11	Chapter - 7	
INFLOWS:				
Real estate gross proceeds	\$ 342,819	\$ 61,984	\$ 51,984	
AR collections	219,748	600	600	
Return of excess collateral	3,074	25,540	20,540	
Other	125,222	(9,746)	(9,746)	A
TOTAL INFLOWS	\$ 687,789	\$ 78,378	\$ 63,378	
OUTFLOWS:				
Secured Claims	\$ 275,186	\$ 2,988	\$ 2,988	
Operating expenses	114,911	14,355	16,355	
Debtor & Committee legal & consulting	18,674	9,676	12,676	
Other	64,128	15,000	15,000	
TOTAL OUTFLOWS	\$ 472,899	\$ 42,019	\$ 47,019	
Net cash flow	214,890	36,359	16,359	
Pre-Petition cash balance	20,677	-	-	
Available Cash	\$ 235,567	\$ 36,359	\$ 16,359	
Available cash at 7/16/04		216,047	216,047	
Available Cash Before Consolidation Settlement		\$ 252,406	\$ 232,406	
Consolidation settlement to pension funds & PBGC	(19,520)	(38,190)	(38,190)	
Available Cash After Consolidation Settlement	\$ 216,047	\$ 214,216	\$ 194,216	
Estimated Administrative Claims		1,500	1,500	
Estimated Priority Claims		63,000	63,000	
Available Cash for Unsecured Creditors		\$ 149,716	\$ 129,716	

CONCLUSION

Estimated benefit to the estate, in favor of a Chapter 11 liquidation is \$20 million. The total amount of Allowed Claims is not anticipated to be materially different in Chapter 11 vs. Chapter 7.

NOTE A: Reflects inflows of \$3.3M in preference & other recoveries offset by approximately \$13.0M in CFL sale and closure costs. See Exhibit H for more detail.