

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

FORM 10-K

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2007

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission File Number: 000-23189

C.H. ROBINSON WORLDWIDE, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

14701 Charlson Road, Eden Prairie, Minnesota
(Address of principal executive offices)

41-1883630
(I.R.S. Employer
Identification No.)

55347-5088
(Zip Code)

(952) 937-8500

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class

**Common Stock, par value \$.10 per share
Preferred Share Purchase Rights**

Name of each exchange on which registered

The NASDAQ National Market

Securities registered pursuant to Section 12(g) of the Act:

None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☒

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The aggregate market value of voting stock held by non-affiliates of the registrant as of June 29, 2007 (the last business day of the registrant's most recently completed second fiscal quarter) was approximately \$8,809,275,000 (based on the last sale price of such stock as quoted on The NASDAQ National Market (\$52.52) on such date).

As of February 25, 2008, the number of shares outstanding of the registrant's Common Stock, par value \$.10 per share, was 171,351,435.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Registrant's Annual Report to Stockholders for the year ended December 31, 2007 (the "Annual Report"), are incorporated by reference in Part II.

Portions of the Registrant's Proxy Statement relating to its Annual Meeting of Stockholders to be held May 15, 2008 (the "Proxy Statement"), are incorporated by reference in Part III.

PART I

ITEM 1. BUSINESS

Overview

C.H. Robinson Worldwide, Inc. (“C.H. Robinson,” “the company,” “we,” “us,” or “our”) is one of the largest third party logistics companies in the world with 2007 gross revenues of \$7.3 billion. We provide freight transportation services and logistics solutions to companies of all sizes, in a wide variety of industries. During 2007, including our transportation management services business, we handled approximately 6.5 million shipments for more than 29,000 customers. We operate through a network of 218 offices, which we call branches, in North America, Europe, Asia, and South America. We have developed global multimodal transportation and distribution networks to provide seamless logistics services worldwide. As a result, we have the capability of managing most aspects of the supply chain on behalf of our customers.

We are a non-asset based transportation provider, meaning we do not own the transportation equipment that is used to transport our customers’ freight. Through our relationships with approximately 48,000 transportation companies, including motor carriers, railroads (primarily intermodal service providers), air freight and ocean carriers, we select and hire the appropriate transportation to manage our customers’ freight needs. Being non-asset based means we can be flexible and focus on seeking solutions that work for our customers, rather than focusing on asset utilization. As an integral part of our transportation services, we provide a wide range of value-added logistics services, such as supply chain analysis, freight consolidation, core carrier program management, and information reporting.

In addition to multimodal transportation services, we have two other logistics business lines: fresh produce sourcing and fee-based information services.

Sourcing (the buying, selling, and marketing of fresh produce) was our original business when we were founded in 1905. Much of our logistics expertise can be traced to our significant experience in handling perishable commodities. We purchase fresh produce through our network of independent produce suppliers. Our customers include regional and national grocery retailers and restaurants, produce wholesalers, and foodservice distributors. In most cases, we also arrange the transport of the fresh produce we sell through our relationships with owners of specialized transportation equipment. We have developed our own brands of produce including, The Fresh 1[®] and OurWorld[®] organics, and also have entered into licensing agreements to distribute produce under other national brand names. The produce for these brands is sourced through a preferred grower network and packed to order through contract packing agreements. We have instituted quality assurance and monitoring procedures as part of our sourcing business.

Information Services, our third business line, is comprised of a C.H. Robinson subsidiary, T-Chek Systems, Inc. T-Chek’s customers are primarily motor carriers, for which it provides a variety of management and information services such as fuel management services, funds transfer, permit procurement, fuel and use tax reporting, and driver funds transfer. For several companies and truck stop chains, T-Chek captures sales and fuel cost data, provides management information to the seller, transfers funds to the truck stop, and invoices the carrier for fuel, cash advances, and our fee.

Our business model has been the main driver of our strong historical results and has positioned us for continued growth. One of our competitive advantages is our branch network of 218 offices, staffed by approximately 5,700 salespeople. These branch employees are in close proximity to both customers and transportation providers, which gives them broad knowledge of their local markets and enables them to respond quickly to customers’ and transportation providers’ changing needs. Employees act as a team in their sales efforts, customer service, and operations. Approximately 30% of our truckload shipments are shared transactions between branches. Our branches work together to complete transactions and collectively meet the needs of our customers. For large multi-location customers, we often coordinate our efforts in one branch and rely on multiple branch locations to deliver specific geographic or modal needs. Our methodology of providing services is very similar across all branches. Our North American branches have a common technology platform that they use to match customer needs with supplier capabilities, to collaborate with other branch locations, and to utilize centralized support resources to complete all facets of the transaction. A significant portion of our branch employees’ compensation is performance-oriented, based on the profitability of their branch and their contributions to the success of the branch. We believe this makes our sales employees more service-oriented, focused, and creative.

Historically we have grown primarily through internal growth, by expanding current offices, opening new branch offices, and hiring additional salespeople. We have augmented our growth through selective acquisitions. In July 2007, we completed the acquisition of LXSI Services, Inc., a third-party domestic air and expedited services provider based in Los Angeles, California. LXSI had gross revenues of approximately \$25 million in 2006.

Multimodal Transportation Services

C.H. Robinson is a third party logistics company. We provide freight transportation and logistics services. We are a non-asset based provider, meaning we do not own the transportation equipment used to transport the freight. We make a profit or margin on the difference between what we charge to our customers for the totality of services provided to them, and what we pay to the transportation provider to handle or transport the freight.

We can arrange all of the following modes of transportation:

- Truck — Through our contracts with motor carriers, we have access to dry vans, temperature-controlled units, and flatbeds. We also offer time-definite and expedited truck transportation. In many instances, we will consolidate partial shipments for several customers into full truckloads.
- Less Than Truckload (“LTL”) — LTL transportation involves the shipment of small packages and single or multiple pallets of freight, up to and including full trailer-load freight. We focus on shipments of a single pallet or larger, although we handle any size shipment. Through our contracts with motor carriers and our operating system, we consolidate freight and freight information to provide our customers with a single source of information on their freight.
- Intermodal — C.H. Robinson’s intermodal transportation service is the shipment of freight in trailers or containers, by a combination of truck and rail. We have intermodal marketing agreements with container owners, stacktrain operators, and all Class 1 railroads in North America, and we arrange local pickup and delivery (known as drayage) through local contracted motor carriers.
- Ocean — As a non-asset based ocean carrier and freight forwarder, we consolidate shipments, determine routing, select ocean carriers, contract for ocean shipments, provide for local pickup and delivery of shipments, and arrange for customs clearance of shipments, including the payment of duties.
- Air — We provide door-to-door service as a full-service air freight forwarder.

Customers communicate their freight needs, typically on a shipment-by-shipment basis, to the branch salesperson responsible for their account. Customers communicate with us by means of telephone, fax, Internet, e-mail, or EDI (Electronic Data Interchange). The branch employee ensures that all appropriate information about each shipment is entered into our proprietary operating system. With the help of information provided by the operating system, the salesperson then determines the appropriate mode of transportation for the shipment and selects a carrier or carriers, based upon his or her knowledge of the carrier’s service capability, equipment availability, freight rates, and other relevant factors. Based on the information he or she has about the market and rates, the salesperson may either determine an appropriate price at that point, or wait to communicate with a carrier directly before setting a price. In many cases, employees from different branch offices collaborate to hire the appropriate carrier for our customer’s freight, and the branch offices agree to an internal profit split.

Once the carrier is selected, the salesperson communicates with the carrier to agree on the price for the transportation and the carrier’s commitment to provide the transportation. We are in contact with the carrier through numerous means of communication (EDI, CHRWTrucks.com[®], e-mail, verbal) to provide tracking and status updates of the shipment through delivery. Our branch employees price our services to provide a profit to us for the totality of services performed for the customer.

We are a principal in the transaction. By accepting the customer’s order, we accept certain responsibilities for transportation of the shipment from origin to destination. The carrier’s contract is with us, not the customer, and we are responsible for prompt payment of carrier charges. In the cases where we have agreed (either contractually or otherwise) to pay for claims for damage to freight while in transit, we pursue reimbursement from the carrier for the claims.

As a result of our logistics capabilities, some of our customers have us handle all, or a substantial portion, of their freight transportation requirements to or from a particular manufacturing facility or distribution center. In a number of instances, we have contracts with the customer in which we agree to handle an estimated, approximate number of shipments usually to specified destinations, such as from the customer’s plant to a distribution center. Our commitment to handle the shipments is usually at specific rates, subject to seasonal variation. Most of our rate commitments are for one year or less. As is typical in the transportation industry, most of these contracts do not include specific volume commitments, which are sometimes called “must haul” requirements.

The majority of our truckload freight is priced to our carriers on a spot market, or transactional, basis, even when we are working with the customer on a contractual basis. In a small number of cases, we may get advance commitments from one or more carriers to transport contracted shipments, for the length of our customer contract.

In the course of providing day-to-day transportation services, our branch employees often identify opportunities for additional logistics services as they become more familiar with our customer’s daily operations and the nuances of its supply chain. We offer a wide range of logistics services on a worldwide basis that reduce or eliminate supply chain inefficiencies. We will analyze the customer’s current transportation rate structures, modes of shipping, and carrier selection. We can

evaluate a customer's core carrier program by establishing a program to measure and monitor key quality standards for those core carriers. We can identify opportunities to consolidate shipments for cost savings. We will suggest ways to improve operating and shipping procedures, and manage claims. We can help customers minimize storage through cross-docking and other flow-through operations. We may also examine the customer's warehousing and dock procedures. Many of these services are bundled with underlying transportation services and are not typically priced separately. They are usually included as a part of the cost of transportation services provided by us, based on the nature of the customer relationship. In addition to these transportation services, we may supply sourcing, contract warehousing, consulting, fee-based transportation management, and other services, for which we are usually paid separately.

As we have emphasized integrated logistics solutions, our relationships with many customers have broadened and we have become key providers to our customers, responsible for a greater portion of their supply chain management. We may serve our customers through specially created teams and through several branches. Our multimodal transportation services are provided to numerous international customers through our worldwide branch network. See Note 1 in the "Notes to Consolidated Financial Statements" included as part of our audited consolidated financial statements for an allocation of our gross revenues from domestic and foreign customers for the years ended December 31, 2007, 2006, and 2005 and our long-lived assets as of December 31, 2007, 2006, and 2005 in the United States and in foreign locations.

The table below shows our gross profits by transportation mode for the periods indicated:

Transportation Gross Profits
(in thousands)

	Year Ended December 31,				
	2007	2006	2005	2004	2003
Truck(1)	\$ 949,277	\$822,954	\$666,605	\$501,940	\$401,709
Intermodal	38,670	36,176	31,392	29,960	28,103
Ocean	43,530	37,150	29,182	20,558	19,027
Air	31,315	21,533	13,321	8,570	4,891
Miscellaneous(2)	35,240	28,152	19,824	14,709	10,973
Total	<u>\$1,098,032</u>	<u>\$945,965</u>	<u>\$760,324</u>	<u>\$575,737</u>	<u>\$464,703</u>

(1) Includes LTL gross profits.

(2) Consists of fee-based transportation management services, customs clearance (Automated Brokerage Interface (ABI) and Automated Clearing House (ACH) capabilities with the Bureau of U.S. Customs and Border Protection), warehousing, and other miscellaneous services.

Transportation services accounted for approximately 88% of our gross profits in 2007 and 87% in 2006 and 2005.

Sourcing

Throughout our 102-year history, we have been in the business of sourcing fresh produce. Much of our logistics expertise can be traced to our significant experience in handling perishable commodities. Because of its perishable nature, produce must be rapidly packaged, carefully transported within tight timetables in temperature controlled equipment, and quickly distributed to replenish high-turnover inventories maintained by retailers, wholesalers, foodservice companies, and restaurants. In many instances, we consolidate individual customers' produce orders into truckload quantities at the point of origin and arrange for transportation of the truckloads, often to multiple destinations.

For several years, we have actively sought to expand our Sourcing customer base by focusing on large multistore grocery retailers, restaurant chains and foodservice providers. Historically, grocery retailers have relied primarily on regional or even local purchases from food wholesalers for produce sourcing and store-level distribution. As these retailers have expanded through store openings and industry consolidation, these methods have become inefficient. Our logistics and perishable commodities sourcing expertise can improve the retailers' produce purchasing, and provide consistent quality from region to region and store to store.

Our Sourcing services have expanded to include just-in-time replenishment, commodity management and business analysis. We have various national and regional branded produce programs, including both proprietary brands (The Fresh 1®, Fresh'n Easy®, Our World® Organics, Tropic Sweet®, Tomorrow's® Organics, and Kensington Farms®) and licensed brands (Mott's®, Tropicana®, Welch's®, Glory Foods® and Bambino®). These programs contain a wide variety of fresh bulk and value added fruits and vegetables that are high in quality. These brands have expanded our market presence and relationships with many of our retail customers. We have also instituted quality assurance and monitoring programs as part of our branded and preferred supplier programs.

Sourcing accounted for approximately 8% of our gross profits in 2007 and 9% in 2006 and 2005.

Information Services

Information Services is comprised of a subsidiary of C.H. Robinson, T-Chek Systems, Inc. T-Chek's customers are primarily motor carriers and truck stop chains. T-Chek provides its motor carrier customers with fuel management services, funds transfer, fuel and use tax reporting, driver payroll services, permits, and on-line access to custom-tailored information management reports, all through the use of its proprietary automated systems. These systems enable motor carriers to track equipment, manage fleets, and dictate where and when their drivers purchase fuel. For several companies and truck stop chains, T-Chek captures sales and fuel cost data, provides management information to the seller, and invoices the carrier for fuel, cash advances, and our fee.

Information Services accounted for approximately 4% of our gross profits in 2007, 2006, and 2005.

Organization

To keep us close to our customers and markets, we operate through a network of offices, which we call "branches." We currently have 218 branches, up from 214 in 2006. Our branches are supported by executives and other centralized, shared services. Approximately 10% of our employees are corporate employees who provide these centralized, shared services. Over one-third of these corporate employees are information technology personnel who develop and maintain our proprietary operating system software and our wide area network.

Branch Network

We currently have branches in the following areas of the world:

<u>Continent</u>	<u>Number of Branches</u>
North America	170
Europe	27
Asia	17
South America	4

Each branch is responsible for its own growth and profitability. Our branch salespeople are responsible for developing new business, negotiating and pricing services, receiving and processing service requests from customers, and contracting with carriers to provide the transportation requested. In addition to routine transportation, salespeople are often called upon to handle customers' unusual, seasonal, and emergency needs. Shipments to be transported by truck are priced at the branch level, and branches cooperate with each other to hire carriers to provide transportation. Branches may rely on expertise in other branches when contracting LTL, intermodal, international ocean and air shipments. Multiple branches may also work together to service larger, national accounts where the expertise and resources of more than one branch are required to meet the customer's needs. Their efforts are usually coordinated by one "lead" branch on the account.

Salespeople in the branches both sell to and service their customers. Sales opportunities are identified through our database, referrals from current customers, leads generated by branch office personnel through knowledge of their local and regional markets, and third party sources such as industry directories. Salespeople are also responsible for recruiting new carriers, who are qualified by our centralized carrier services group to make sure they are properly licensed and insured, and have the resources to provide the necessary level of service on a dependable basis.

Branch Expansion. We expect to continue to open new branch offices. New branch offices are viewed as a long-term contributor to overall company growth. In addition to market opportunity, a major consideration in opening a new branch is whether we have branch salespeople that are ready to manage a new branch. Additional branches are often opened within a geographic area previously served by another branch, such as within major cities, as the volume of business in a particular area warrants opening a separate branch. A modest amount of capital is required to open a new branch, usually involving a lease for a small amount of office space, communications and hardware, and often employee compensation guaranties for a short time. We have also augmented our branch office network through selective acquisitions.

Branch Employees. Because the quality of our employees is essential to our success, we are highly selective in our hiring. We recruit applicants from across North America, Europe, Asia, and South America. Our applicants typically have college degrees, and some have business experience, although not necessarily within the transportation industry.

Early in their tenure, most newly hired branch employees go through centralized training that emphasizes development of the necessary skills and customer service philosophy to become productive members of a branch team. Centralized training is followed by ongoing, on-the-job training at the branch level. We expect most new salespeople to start contributing to the success of the branch in a matter of weeks. In addition, each new salesperson attends an orientation within their first year of employment to further their knowledge of the company and have the opportunity to develop relationships with employees of other branches.

Employees at the branch level form a team. The team structure is motivated by our performance-based compensation system, in which a significant portion of the cash compensation of most branch managers and salespeople is dependent on the profitability of their particular branch or business unit. Branch managers and salespeople who have been employed for at least one complete year are paid a portion of the branch's earnings for that calendar year, based on a system of "points" awarded to the employees on the basis of their productivity and contributions. Employees can also receive profit sharing contributions that depend on our overall profitability and other factors in our 401(k) plan. In some special circumstances, such as opening new branches, we may guarantee a level of compensation to the branch manager and key salespersons for a short period of time.

All of our managers and certain other employees who have significant responsibilities are eligible to participate in our amended 1997 Omnibus Stock Plan. Within that plan, in 2003 we began regularly issuing restricted stock and restricted stock units as our primary equity awards because we believe these awards are an effective tool for creating long term ownership and alignment between employees and our shareholders. For most restricted stock awards, restricted shares and units are available to vest over five calendar years, based on company performance.

Individual salespeople benefit both through the growth and profitability of individual branches and by achieving individual goals. They are motivated by the opportunity to advance in a variety of career paths, including branch management, national sales, and national account management. We have a "promote from within" philosophy, and fill nearly all branch management positions with current employees.

Executive Officers

Under our decentralized business structure, branch managers, while retaining autonomy for their branch performance, receive guidance and support from the executive officers at our central corporate office. Customers, carriers, managers, and employees have direct access to our chief executive officer, John Wiehoff, and all other executive officers. These executives provide training and education, develop new services and applications to be offered to customers, share operations and management guidance, and provide broad market analysis.

The executives are designated annually by the Board of Directors. Below are the names, ages, and positions of the executive officers:

<u>Name</u>	<u>Age</u>	<u>Position</u>
John P. Wiehoff	46	Chief Executive Officer and Chairman of the Board
James E. Butts	52	Senior Vice President
Linda U. Feuss	51	Vice President, General Counsel and Secretary
James P. Lemke	40	Senior Vice President
Chad M. Lindbloom	43	Senior Vice President and Chief Financial Officer
Scott A. Satterlee	39	Senior Vice President
Mark A. Walker	50	Senior Vice President

John P. Wiehoff has been chief executive officer since May 2002, following a three-year succession process during which he was named president in December 1999. He has been a director of C.H. Robinson since December 2001 and was elected chairman of the board effective December 31, 2006. He was vice president and chief financial officer from June 1998 to December 1999. Previous positions with the company include treasurer and corporate controller. Prior to joining the company in 1992, he was employed by Arthur Andersen LLP. John also serves on the Board of Directors of Donaldson Company, Inc., a leading worldwide provider of filtration systems and replacement parts, and Polaris Industries, which manufactures and markets snowmobiles, all-terrain vehicles, and Victory motorcycles. John holds a Bachelor of Science degree from St. John's University.

James E. Butts was named senior vice president in December 2007, having served as an executive and officer of C.H. Robinson since April 2002. Previous positions with the company include transportation manager at the Chicago South and Detroit branches. Jim has been with C.H. Robinson since 1978, and holds a Bachelor of Arts degree from Wayne State University and a Masters of Business Administration from Phoenix University.

Linda U. Feuss joined C.H. Robinson in October 2003 as vice president, general counsel and secretary. Before joining the company, she was executive vice president, legal and human resources, for PEMSTAR Inc. Prior to that, she had served as vice president and general counsel at The Pillsbury Company, and associate general counsel of Siemens Corporation. Linda holds a Bachelor of Arts degree from Colgate University and a Juris Doctor from Emory University.

James P. Lemke was named senior vice president in December 2007, having served as vice president, sourcing since 2003. Prior to that time, he served as the vice president and manager of C.H. Robinson's Corporate Procurement and Distribution Services division. Jim joined the company in 1989. Jim holds a Bachelors of Arts degree in International Relations from the University of Minnesota.

Chad M. Lindbloom was named a senior vice president in December 2007. He has served as an executive and as chief financial officer since 1999. From June 1998 until December 1999, he served as corporate controller. Chad joined the company in 1990. Chad holds a Bachelor of Science degree and a Masters of Business Administration from the Carlson School of Management at the University of Minnesota. Chad also serves on the Board of Directors of Xata Corporation, a provider of vehicle data and fleet operations services to the trucking industry.

Scott A. Satterlee was named a senior vice president in December 2007. He has served as an executive and officer of C.H. Robinson since February 2002. Additional positions with C.H. Robinson include director of operations and manager of the Salt Lake City branch office. Scott joined the company in 1991. Scott holds a Bachelor of Arts degree from the University of St. Thomas.

Mark A. Walker was named senior vice president in December 2007, after serving as a vice president and officer since December 1999. Additional positions with C.H. Robinson include chief information officer from December 1999 to October 2001 and president of T-Chek Systems. Mark joined the company in 1980. Mark holds a Bachelor of Science degree from Iowa State University and a Masters of Business Administration from the University of St. Thomas.

Employees

As of December 31, 2007, we had a total of 7,332 employees, of whom approximately 6,600 were located in our branch offices. Services such as accounting, information technology, legal, marketing communications, human resource support, credit and claims management, and carrier services are supported centrally.

Customers and Marketing

We seek to establish long-term relationships with our customers and to increase the amount of business done with each customer by providing them with a full range of logistics services. During 2007, we served over 29,000 customers worldwide, ranging from Fortune 100 companies to small businesses in a wide variety of industries. During 2007, no customer accounted for more than 6% of gross revenues or 3% of gross profits. In recent years, we have grown by adding new customers and by increasing our volumes with, and providing more services to, our existing customers.

We believe that our decentralized structure enables our salespeople to better serve our customers by developing a broad knowledge of logistics and local and regional market conditions, as well as the specific logistics issues facing individual customers. With the guidance of experienced branch managers (who have an average tenure of 12 years with us), branches are given significant latitude to pursue opportunities and to commit our resources to serve our customers.

Branches seek additional business from existing customers and pursue new customers based on their knowledge of local markets and the range and value of logistics services that we can provide. We have also expanded our national sales and marketing support to enhance branch sales capabilities. Increasingly, branches call on our executives, our global sales staff, and a central logistics group to support them in the pursuit of multinational corporations and other companies with more complex logistics requirements.

Relationships with Transportation Providers

We continually work on establishing relationships with good transportation providers to assure dependable services, favorable pricing, and carrier availability during peak shipping periods and periods when demand for transportation equipment is greater than the supply. Because we do not own any transportation equipment or employ the people directly involved with the delivery of our customers' freight, these relationships are critical to our success. We rely on them to provide us with information regarding the status of shipments during transit and upon delivery.

As of December 31, 2007, we had qualified approximately 48,000 transportation providers worldwide, of which the vast majority are motor carriers. To strengthen and maintain our relationships with motor carriers, our salespeople regularly communicate with carriers serving their region and try to assist them by increasing their equipment utilization, reducing their empty miles, and repositioning their equipment. To make it easier for carriers to work with us, we have a policy of prompt payment and offer payment within 48 hours of receipt of proof of delivery in exchange for a discount, along with offering in-trip advances through our T-Chek subsidiary.

These motor carriers provide access to temperature controlled vans, dry vans and flatbeds. These carriers are of all sizes, including owner-operators of a single truck, small and mid-size fleets, private fleets and the largest national trucking companies. Consequently, we are not dependent on any one carrier. Our largest truckload carrier was less than 1% of our total cost of transportation in 2007. Approximately 75% of our truckload shipments in 2007 were transported by motor carriers that had fewer than 100 tractors. We qualify each carrier to make sure it is properly licensed and insured, has the necessary federally issued authority to provide transportation services, and that it has the resources to provide the necessary level of service on a dependable basis. Our motor carrier contracts require that the carrier issue invoices only to and accept payment solely from us, and allow us to withhold payment to satisfy previous claims or shortages. Our standard contracts do not include volume commitments, and the initial contract rate is modified each time we confirm an individual shipment with a carrier.

We also have intermodal marketing agreements with container owners, stacktrain operators, and all Class 1 railroads in North America, giving us access to additional trailers and containers. Our contracts with railroads specify the transportation services and payment terms by which our intermodal shipments are transported by rail. Intermodal transportation rates are typically negotiated between us and the railroad on a customer-specific basis.

In our non-asset based ocean transportation (NVOCC) and freight forwarding business, we have contracts with most of the major ocean carriers which support a variety of service and rate needs for our customers. We negotiate annual contracts that establish the predetermined rates we agree to pay our ocean carriers. The rates are negotiated based on expected volumes from our customers, specific trade lane requirements, and anticipated growth in the international shipping marketplace. These contracts are often amended throughout the year to reflect changes in market conditions for our business, such as additional trade lanes.

In our international air freight forwarding business, we purchase transportation services from approximately 200 air carriers through charter services, block space agreements, and transactional spot market negotiations. Through charter services we contract part or all of an airplane to meet customer requirements. Our block space agreements are annual contracts that include fixed allocations for predetermined flights at agreed upon rates that are reviewed annually or throughout the year. The transactional negotiations afford us the ability to capture excess capacity at prevailing market rates for a specific shipment.

Competition

The transportation services industry is highly competitive and fragmented. We compete against a large number of other non-asset based logistics companies, asset-based logistics companies, third party freight brokers, carriers offering logistics services, and freight forwarders. We also compete against carriers' internal sales forces. We also buy and sell transportation services from and to companies that compete with us.

In our Sourcing business, we compete with produce brokers, produce growers, produce marketing companies, produce wholesalers and foodservice buying groups. We also buy from and sell produce to companies that compete with us.

The primary business of our Information Services business, which is comprised of our subsidiary T-Chek Systems, is fuel card services. The fuel card processing industry is very consolidated and a small number of companies represent the majority of the market.

We often compete with respect to price, scope of services, or a combination thereof, but believe that our most significant competitive advantages are:

- Our branch network, which enables our salespeople to gain broad knowledge about individual customers, carriers and the local and regional markets they serve, and to provide superior customer service based on that knowledge. This network also offers customers higher service as responsibility for shipments is commonly shared across branches, to provide nationwide coverage and local market knowledge;
- Our 48,000 carrier relationships;

- Our size, relative to other providers, is an advantage in attracting more carriers, which in turn enables us to serve our customers more efficiently and earn more business. Additionally, because of the large number of transactions we do annually, 6.5 million in 2007, we have greater opportunity to efficiently identify available capacity for our customers' needs;
- Our non-asset based model, which enables us to remain flexible in our service offerings to our customers;
- Our dedicated employees and entrepreneurial culture, which are supported by our performance-based compensation system;
- Our proprietary information systems;
- Our ability to provide a broad range of logistics services; and
- Our ability to provide door-to-door services on a worldwide basis.

Communications and Information Systems

Our information systems are essential to our ability to efficiently communicate, service our customers and carriers, and manage our business. Our proprietary information systems help our employees efficiently manage more than 6.5 million shipments annually, 29,000 customer relationships, and 48,000 carrier relationships. Our employees are linked with each other and with our customers, carriers, and suppliers by telephone, fax, Internet, e-mail, and/or EDI to communicate shipment requirements and availability, and to confirm and bill orders. Through our Internet sites CHRWonline.com® and CHRWtrucks.com®, customers and carriers can contract for shipments or equipment as well as track and trace shipments, including delivery confirmation. Customers, carriers, and suppliers also have access to other information in our operating systems through the Internet.

Our branch employees use our information systems to identify freight matching opportunities, communicate and coordinate activity with other branches, and “cross-cover” or find equipment for other branches’ freight. Our systems help our salespeople service customer orders, select the optimal modes of transportation, build and consolidate shipments, and select routes, all based on customer-specific service parameters. Our systems also make shipment data visible to the entire sales team as well as customers and carriers, enabling our salespeople to select carriers and track shipments in progress. Our systems automatically provide alerts to arising problems. Our systems use data captured from daily transactions to generate various management reports that are available to our customers and carriers. These reports provide them with information on traffic patterns, product mix, and production schedules, and support analysis of their own customer base, transportation expenditure trends, and the impact on out-of-route costs.

Government Regulation

We are subject to licensing and regulation as a transportation broker and are licensed by the U.S. Department of Transportation (“DOT”) to arrange for the transportation of property by motor vehicle. The DOT prescribes qualifications for acting in this capacity, including certain surety bonding requirements. Under certain limited circumstances, one of our subsidiary companies provides limited motor carrier transportation services that require registration with the DOT and compliance with certain economic regulations administered by the DOT, including a requirement to maintain insurance coverage in minimum prescribed amounts. We are also subject to regulation by the Federal Maritime Commission as an ocean freight forwarder and a NVOCC for which we maintain separate bonds and licenses for each. We operate as an indirect air carrier of cargo subject to commercial standards set forth by the International Air Transport Association and federal regulations issued by the Transportation Security Administration and provide customs brokerage services as a customs broker under a license issued by the Bureau of U.S. Customs and Border Protection.

Although Congress enacted legislation in 1994 that substantially preempts the authority of states to exercise economic regulation of motor carriers and brokers of freight, some intrastate shipments for which we arrange transportation may be subject to additional licensing, registration or permit requirements. We generally contractually require and/or rely on the carrier transporting the shipment to ensure compliance with these types of requirements. We, along with the carriers that we rely on in arranging transportation services for our customers, are also subject to a variety of federal and state safety and environmental regulations. Although compliance with the regulations governing licensees in these areas has not had a materially adverse effect on our operations or financial condition in the past, there can be no assurance that such regulations or changes thereto will not adversely impact our operations in the future. Violation of these regulations could also subject us to fines as well as increased claims liability.

We source fresh produce under licenses issued by the U.S. Department of Agriculture as required by the Perishable Agricultural Commodities Act (“PACA”). Other sourcing and distribution activities may be subject to various federal and state food and drug statutes and regulations. Our T-Chek operations are subject to federal and state regulations, including but not limited to the Bank Security Act of 1970.

Risk Management and Insurance

We require all motor carriers we work with to carry at least \$750,000 in auto and general liability insurance and \$25,000 in cargo insurance. Many carriers have insurance exceeding these minimum requirements. Railroads, which are generally self-insured, provide limited common carrier liability protection, generally up to \$250,000 per shipment.

We do not assume cargo liability to our customers above minimum industry standards in our international freight forwarding, ocean transportation, and air freight businesses. We offer our customers the option to purchase ocean marine cargo coverage to insure goods in transit. When we agree to store goods for our customers for longer terms, we provide limited warehouseman's coverage to our customers and contract for warehousing services from companies that provide us the same degree of coverage.

We maintain a broad cargo liability insurance policy to protect us against catastrophic losses that may not be recovered from the responsible carrier. We also carry various liability insurance policies, including auto and general liability, with a \$100 million umbrella in 2007 and a \$200 million umbrella in 2008. Our contingent auto liability coverage has a retention of \$5 million per incident for the years 2004 through 2006 and a retention of \$3 million per incident for 2007 and 2008.

Agricultural chemicals used on agricultural commodities intended for human consumption are subject to various approvals, and the commodities themselves are subject to regulations on cleanliness and contamination. Concern about particular chemicals and alleged contamination can lead to product recalls, and tort claims may be brought by consumers of allegedly affected produce. As a seller of produce, we may, under certain circumstances, have legal responsibility arising from produce sales. We carry product liability coverage under our general liability and umbrella policies to cover this type of risk. In addition, in the event of a recall, we may be required to bear the costs of repurchasing, transporting, and destroying any allegedly contaminated product, as well as potential consequential damages, which are generally not insured. Any recall or allegation of contamination could affect our reputation, particularly of our proprietary and licensed branded produce programs. Loss due to spoilage (including the need for disposal) is also a routine part of the sourcing business.

Investor Information

We were reincorporated in Delaware in 1997 as the successor to a business existing, in various legal forms, since 1905. Our corporate office is located at 14701 Charlson Road, Eden Prairie, Minnesota 55347-5088, and our telephone number is (952) 937-8500. Copies of our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 are available free of charge through our website (www.chrobinson.com) as soon as reasonably practicable after we electronically file the material with the Securities and Exchange Commission.

Cautionary Statement Relevant to Forward-Looking Information

This Annual Report on Form 10-K and our financial statements, "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Item 7 of this report and other documents incorporated by reference contain certain "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements represent our expectations, beliefs, intentions or strategies concerning future events, including, but not limited to, any statements regarding our current assumptions about future financial performance; the continuation of historical trends; the sufficiency of our cash balances and cash generated from operating activities for future liquidity and capital resource needs; the effects, benefits or other aspects of current or future acquisitions or dispositions; the expected impact of changes in accounting policies on our results of operations, financial condition or cash flows; the results, timing, outcome or effect of litigation and our intentions or expectations of prevailing with respect thereto; anticipated problems and our plans for future operations; and the economy in general or the future of the third party logistics industry, all of which are subject to various risks and uncertainties.

When used in this Form 10-K and in our other filings with the Securities and Exchange Commission, in our press releases, presentations to securities analysts or investors, in oral statements made by or with the approval of any of our executive officers, the words or phrases "believes," "may," "could," "will," "expects," "should," "continue," "anticipates," "intends," "will likely result," "estimates," "projects" or similar expressions and variations thereof are intended to identify such forward-looking statements. However, any statements contained in this Form 10-K that are not statements of historical fact may be deemed to be forward-looking statements.

We caution that these statements by their nature involve risks and uncertainties, certain of which are beyond our control, and actual results may differ materially depending on a variety of important factors, including, but not limited to such factors as market demand and pressures on the pricing for our services; changing market conditions, competition and growth rates within the third party logistics industry; availability of truck capacity or alternative means of transporting freight, and changes in relationships with existing truck, rail, ocean and air carriers; changes in our customer base due to possible

consolidation among our customers; our ability to integrate the operations of acquired companies with our historic operations successfully; changes in accounting policies; risks associated with litigation and insurance coverage; risks associated with operations outside of the United States; risks associated with the produce industry including food safety and contamination use; changing economic conditions such as general economic slowdown, decreased consumer confidence, fuel shortages and the impact of war on the economy; and other risks and uncertainties, including those described below.

You should consider carefully the following cautionary statements if you own our common stock or are planning to buy our common stock. We intend to take advantage of the “safe harbor” provisions of the Private Securities Litigation Reform Act of 1995 (the “PSLRA”) by providing this discussion. We are not undertaking to address or update each factor in future filings or communications regarding our business or results except to the extent required by law.

ITEM 1A. Risk Factors

Demand for our services may decrease during an economic recession . The transportation industry historically has experienced cyclical fluctuations in financial results due to economic recession, downturns in business cycles of our customers, interest rate fluctuations, and other economic factors beyond our control. If economic recession or a downturn in our customers’ business cycles causes a reduction in the volume of freight shipped by those customers, particularly among certain national retailers or in the food, beverage, retail, manufacturing, paper, or printing industries, our operating results could be adversely affected.

Higher carrier prices or fuel costs may result in decreased gross profit margin. Carriers can be expected to charge higher prices to cover higher operating expenses, and our gross profits and income from operations may decrease if we are unable to pass through to our customers the full amount of higher transportation costs.

We depend upon others to provide equipment and services. We do not own or control the transportation assets that deliver our customers freight and we do not employ the people directly involved in delivering the freight. We are dependent on independent third parties to provide truck, rail, ocean and air services and to report certain events to us including delivery information and freight claims. This reliance could cause delays in reporting certain events, including recognizing revenue and claims. If we are unable to secure sufficient equipment or other transportation services to meet our commitments to our customers, our operating results could be materially and adversely affected, and our customers could switch to our competitors temporarily or permanently. Many of these risks are beyond our control including:

- equipment shortages in the transportation industry, particularly among truckload carriers,
- interruptions in service or stoppages in transportation as a result of labor disputes,
- changes in regulations impacting transportation, and
- unanticipated changes in transportation rates.

Our international business raises additional difficulties. We provide services within and between continents on an increasing basis. Our business outside of the United States is subject to various risks, including:

- changes in economic and political conditions and in governmental policies,
- changes in compliance with international and domestic laws and regulations,
- wars, civil unrest, acts of terrorism and other conflicts,
- natural disasters,
- changes in tariffs, trade restrictions, trade agreements and taxations,
- difficulties in managing or overseeing foreign operations,
- limitations on the repatriation of funds because of foreign exchange controls,
- different liability standards, and
- intellectual property laws of countries which do not protect our rights in our intellectual property, including but not limited to our proprietary information systems, to the same extent as the laws of the United States.

The occurrence or consequences of any of these factors may restrict our ability to operate in the affected region and/or decrease the profitability of our operations in that region.

As we expand our business in foreign countries we will expose the Company to increased risk of loss from foreign currency fluctuations and exchange controls as well as longer accounts receivable payment cycles. We have limited control over these risks, and if we do not correctly anticipate changes in international economic and political conditions, we may not alter our business practices in time to avoid adverse effects.

Our ability to hire and retain additional people is important to the continued growth of our business. Our continued success depends upon our ability to attract and retain a large group of motivated salespersons and other logistics professionals. Our growth may be limited if we cannot recruit and retain a sufficient number of people. We cannot guarantee that we will be able to continue to hire and retain a sufficient number of qualified personnel. Because of our comprehensive employee training program, our employees are attractive targets for new and existing competitors. Our rapid expansion of operations has placed added demands on our management. Continued expansion depends in large part on our ability to develop successful employees into managers.

We face substantial industry competition. Competition in the transportation services industry is intense and broad based. We compete against other non-asset based logistics companies as well as logistics companies that own their own equipment, third party freight brokers, Internet matching services and Internet freight brokers, and carriers offering logistics services. We also compete against carriers' internal sales forces. We often buy and sell transportation services from and to many of our competitors. Increased competition could create downward pressure on freight rates, and continued rate pressure may adversely affect our gross profit and income from operations.

We are reliant on technology to operate our business. We have internally developed the majority of our operating systems. Our continued success is dependent on our systems continuing to operate and to meet the changing needs of our customers. We are reliant on our technology staff to successfully implement changes to our operating systems in an efficient manner. Computer viruses could cause an interruption to the availability of our systems. Unauthorized access to our systems with malicious intent could result in the theft of proprietary information and in systems outages. An unplanned systems outage or unauthorized access to our systems could materially and adversely affect our business.

Because we manage our business on a decentralized basis, our operations may be materially adversely affected by inconsistent management practices. We manage our business on a decentralized basis through a network of branch offices throughout North America, South America, Europe and Asia, supported by executives and services in a central corporate office, with branch management retaining responsibility for day-to-day operations, profitability, personnel decisions and the growth of the business in their branch. Our decentralized operating strategy can make it difficult for us to implement strategic decisions and coordinated procedures throughout our global operations. In addition, certain of our branches operate with management, sales and support personnel that may be insufficient to support growth in their respective branch without significant central oversight and coordination. Our decentralized operating strategy could result in inconsistent management practices and materially and adversely affect our overall profitability and expose us to litigation.

Our earnings may be affected by seasonal changes in the transportation industry. Results of operations for our industry generally show a seasonal pattern as customers reduce shipments during and after the winter holiday season. In recent years, our operating income and earnings have been lower in the first quarter than in the other three quarters. Although seasonal changes in the transportation industry have not had a significant impact on our cash flow or results of operations, we expect this trend to continue and we cannot guarantee that it will not adversely impact us in the future.

We are subject to claims arising from our transportation operations. We use the services of thousands of transportation companies and their drivers in connection with our transportation operations. From time to time, the drivers employed and engaged by the carriers we contract with are involved in accidents which may result in serious personal injuries. The resulting types and/or amounts of damages may be excluded by or exceed the amount of insurance coverage maintained by the carrier. Although these drivers are not our employees and all of these drivers are employees, owner operators or independent contractors working for carriers, from time to time, claims may be asserted against us for their actions, or for our actions in retaining them. Claims against us may exceed the amount of our insurance coverage, or may not be covered by insurance at all. In addition, our auto liability policy has a retention of \$5 million per incident for years 2004 through 2006 and a retention of \$3 million per incident for 2007 and 2008. A material increase in the frequency or severity of accidents, liability claims or workers' compensation claims, or unfavorable resolutions of claims, could materially and adversely affect our operating results. In addition, significant increases in insurance costs or the inability to purchase insurance as a result of these claims could reduce our profitability.

Our Sourcing business is dependent upon the supply and price of fresh produce. The supply and price of fresh produce is affected by weather and growing conditions (such as drought, insects and disease), and other conditions over which we have no control. Commodity prices can be affected by shortages or overproduction and are often highly volatile. If we are unable to secure fresh produce to meet our commitments to our customers, our operating results could be materially and adversely affected, and our customers could switch to our competitors temporarily or permanently.

Sourcing and reselling fresh produce exposes us to possible product liability. Agricultural chemicals used on fresh produce are subject to various approvals, and the commodities themselves are subject to regulations on cleanliness and contamination. Product recalls in the produce industry have been caused by concern about particular chemicals and alleged

contamination, often leading to lawsuits brought by consumers of allegedly affected produce. Because we sell produce, we may face claims for a variety of damages arising from the sale which may include potentially uninsured consequential damages. While we are insured for up to \$101 million in 2007 and \$201 million in 2008 for product liability claims, settlement of class action claims is often costly, and we cannot guarantee that our liability coverage will be adequate and will continue to be available. If we have to recall produce, we may be required to bear the cost of repurchasing, transporting and destroying any allegedly contaminated product, which our insurance does not cover. Any recall or allegation of contamination could affect our reputation, particularly of our proprietary and/or licensed branded produce programs. Loss due to spoilage (including the need for disposal) is also a routine part of the sourcing business.

Our business depends upon compliance with numerous government regulations. We are licensed by the U.S. Department of Transportation as a broker authorized to arrange for the transportation of general commodities by motor vehicle. We must comply with certain insurance and surety bond requirements to act in this capacity. We are also licensed by the Federal Maritime Commission as an ocean freight forwarder, which requires us to maintain a non-vessel operating common carrier bond and by the Transportation Security Administration as an independent air carrier. We are also licensed by the Bureau of U.S. Customs and Border Protection. We source fresh produce under a license issued by the U.S. Department of Agriculture. Our failure to comply with the laws and regulations applicable to entities holding these licenses could materially and adversely affect our results of operations or financial condition.

Legislative or regulatory changes can affect the economics of the transportation industry by requiring changes in operating practices or influencing the demand for, and the cost of providing, transportation services. As part of our logistics services, we operate leased warehouse facilities. Our operations at these facilities include both warehousing and distribution services, and we are subject to various federal and state environmental, work safety and hazardous materials regulations. We may experience an increase in operating costs, such as costs for security, as a result of governmental regulations that have been and will be adopted in response to terrorist activities and potential terrorist activities. No assurances can be given that we will be able to pass these increased costs on to our customers in the form of rate increases or surcharges.

We cannot predict what impact future regulations may have on our business. Our failure to maintain required permits or licenses, or to comply with applicable regulations, could result in substantial fines or revocation of our operating permits and licenses.

We derive a significant portion of our gross revenues and gross profit from our largest clients. Our top 100 customers comprise approximately one-third of consolidated gross profits with none of them individually exceeding three percent. The sudden loss of many of our major clients could materially and adversely affect our operating results.

We may be unable to identify or complete suitable acquisitions and investments. We may acquire or make investments in complementary businesses, products, services or technologies. We cannot guarantee that we will be able to identify suitable acquisitions or investment candidates. Even if we identify suitable candidates, we cannot guarantee that we will make acquisitions or investments on commercially acceptable terms, if at all. If we acquire a company, we may have difficulty integrating its businesses, products, services, technologies and personnel into our operations. Acquired companies or operations may have unexpected liabilities, and we may face challenges in retaining significant customers of acquired companies. These difficulties could disrupt our ongoing business, distract our management and workforce, increase our expenses and adversely affect our results of operations. In addition, we may incur debt or be required to issue equity securities to pay for future acquisitions or investments. The issuance of any equity securities could be dilutive to our stockholders.

Our growth and profitability may not continue, which may result in a decrease in our stock price. Historically, our long-term growth objective has been 15% for gross profits, operating income, and earnings per share. There can be no assurance that our long-term growth objective will be achieved or that we will be able to effectively adapt our management, administrative and operational systems to respond to any future growth. Our operating margins could be adversely affected by future changes in and expansion of our business or by changes in economic or political conditions. Slower or less profitable growth or losses could adversely affect our stock price.

ITEM 2. PROPERTIES

We built a new 105,000 square foot corporate headquarters facility in Eden Prairie, Minnesota which opened in October, 2007. We also lease approximately 67,000 square feet of additional office space in Eden Prairie, Minnesota for our information technology function.

All but one of our branch offices are leased from third parties under leases with initial terms ranging from three to ten years. However, we do own the 80,000 square foot location in Chicago listed below. Our office locations range in space from 1,000 to 153,000 square feet. The following table lists our largest U.S. locations:

City/State	Approximate Square Feet
Eden Prairie, MN	153,000
Chicago, IL	80,000
Atlanta, GA	27,350
Chicago, IL	20,847
Coralville, IA	19,182
Southfield, MI	18,464
Woodridge, IL	16,914
Elk Grove Village, IL	13,163
Monterrey, CA	12,712
Kansas City, KS	12,174
Cordova, TN	11,617
Lisle, IL	11,613
Sartell, MN	11,494
Los Angeles, CA	10,695
Tampa, FL	10,641
Phoenix, AZ	10,294
Paulsboro, NJ	10,046

We also lease approximately 377,000 square feet of warehouse space throughout the United States. The following table lists our largest warehouses:

City/State	Approximate Square Feet
Compton, CA	62,000
Rochester, NY	54,000
Medley, FL	53,500
Edinburg, TX	48,000
Lemont, IL	47,000
Vancouver, WA	42,700
Elk Grove Village, IL	30,200

We consider our current office spaces and warehouse facilities adequate for our current level of operations. We have not had difficulty in obtaining sufficient office space and believe we can renew existing leases or relocate branches to new offices as leases expire.

ITEM 3. LEGAL PROCEEDINGS

As we previously disclosed, during 2002 we were named as a defendant in two lawsuits brought by a number of present and former employees. The first lawsuit alleged a hostile working environment, unequal pay, promotions, and opportunities for women, and failure to pay overtime ("FLSA"). The second lawsuit alleged a failure to pay overtime. The plaintiffs in both lawsuits sought unspecified monetary and non-monetary damages and class action certification.

On March 31, 2005, the judge issued an order denying class certification for the hostile working environment claims, and allowing class certification for certain claims of gender discrimination in pay and promotion. The judge also granted our motions for summary judgment as to the hostile working environment claims of ten of the named plaintiffs, and dismissed those claims. The gender discrimination class claims and the remaining two hostile work environment claims were settled on April 11, 2006, and subsequently approved by the Court on September 18, 2006. The settlement was within our insurance coverage limits, and was fully funded by the insurance carriers.

The settlement of the gender discrimination class claims did not include the overtime pay lawsuits, or the claims of putative class members who subsequently filed individual EEOC charges after the denial of class status on March 31, 2005. 54 of those EEOC claimants filed lawsuits. Forty-three of those suits have been settled or dismissed. The settlement amount was not material to our financial position or results of operations. We are vigorously defending the remaining 11 lawsuits.

Although the gender class settlement was fully funded by the insurance carriers, those carriers reserved the right to seek a court ruling that a portion of the settlement was not covered under their policies, and also to dispute payment of certain defense costs incurred in that litigation. Insurance coverage litigation between us and one of our insurance carriers concerning these issues and insurance coverage for the individual lawsuits has been pending in Minnesota State Court. Recent court rulings have determined that the gender class settlement payment was appropriately covered under applicable policies, and that the insurance carrier has a duty to reimburse reasonable defense costs in the gender class action and all but two of the individual lawsuits, and to indemnify C.H. Robinson in all but two of the individual lawsuits. This ruling is subject to appeal.

With respect to the FLSA overtime claims, the judge issued an order granting in full our Motion to Decertify the FLSA collective action on September 26, 2006. The judge retained jurisdiction over the named plaintiffs' FLSA overtime claims and dismissed the claims of the opt-in plaintiffs, without prejudice to their right to bring their own claims in separate lawsuits in appropriate venues. Approximately 525 of the dismissed opt-in plaintiffs either filed or joined in lawsuits asserting individual FLSA claims for failure to pay overtime. Approximately 37 of those individuals have filed voluntary dismissals of their claims. We have reached an agreement to settle all of the remaining lawsuits. This agreement was approved by the Court on February 20, 2008. The settlement amount was not material to our financial position or results of operations.

We are not subject to any other pending or threatened litigation other than routine litigation arising in the ordinary course of our business operations, none of which is expected to have a material adverse effect on our financial condition, results of operations, or cash flows.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS, AND ISSUER PURCHASES OF EQUITY SECURITIES

Our Common Stock began trading on The NASDAQ National Market under the symbol "CHRW" on October 15, 1997.

The following table sets forth, for the periods indicated, the high and low sales prices of our Common Stock, as quoted on the NASDAQ National Market.

<u>2007</u>	<u>High</u>	<u>Low</u>
Fourth Quarter	\$ 55.50	\$ 45.01
Third Quarter	55.57	45.54
Second Quarter	58.19	47.39
First Quarter	54.67	42.11
<u>2006</u>	<u>High</u>	<u>Low</u>
Fourth Quarter	\$ 45.67	\$ 39.44
Third Quarter	55.18	41.75
Second Quarter	53.56	42.06
First Quarter	50.44	35.55

On February 25, 2008, the closing sales price per share of our Common Stock as quoted on the NASDAQ National Market was \$53.02 per share. On February 25, 2008, there were approximately 221 holders of record and approximately 63,300 beneficial owners of our Common Stock.

During 1999, our Board of Directors authorized a stock repurchase program, allowing for the repurchase of 8,000,000 shares. We purchased approximately 3,221,300 shares of our Common Stock in 2007 under this program. There are no shares remaining for purchase under this program. During 2007, the Board of Directors authorized management to repurchase an additional 10,000,000 shares under the program. We purchased approximately 63,000 shares of our Common Stock in 2007 under this program. There are approximately 9,937,000 shares remaining for purchase under this program. We intend to fund any future repurchases with internally generated funds.

We declared quarterly dividends during 2006 for an aggregate of \$.57 per share and quarterly dividends during 2007 for an aggregate of \$.76 per share. We have declared a quarterly dividend of \$.22 per share payable to shareholders of record as of March 7, 2008, payable on April 1, 2008. Our declaration of dividends is subject to the discretion of the Board of Directors. Any determination as to the payment of dividends will depend upon our results of operations, capital requirements and financial condition, and such other factors as the Board of Directors may deem relevant. Accordingly, there can be no assurance that the Board of Directors will declare or continue to pay dividends on the shares of Common Stock in the future.

Participants in the Robinson Companies Retirement Plan may, among other investment options, elect to invest their contributions and all company matching contributions in shares of our Common Stock. When plan participants elect to invest plan contributions in shares of our Common Stock, the plan trustee, Wachovia, purchases shares of our Common Stock on the open market and holds those shares beneficially for plan participants. During the quarter ended December 31, 2007, plan participants elected to invest plan contributions in a total of approximately 27,542 shares of our Common Stock having an approximate aggregate purchase price of \$1,491,000. Because participants may elect to invest plan contributions in shares of our Common Stock, the plan is required to be registered under the Securities Act of 1933. There is no exemption from registration under the Securities Act available for the plan. On November 12, 2003, we registered the plan pursuant to a Form S-8 filed with the Securities and Exchange Commission.

The following table provides information about purchases by the company during the quarter ended December 31, 2007 of equity securities that are registered by the company pursuant to Section 12 of the Exchange Act:

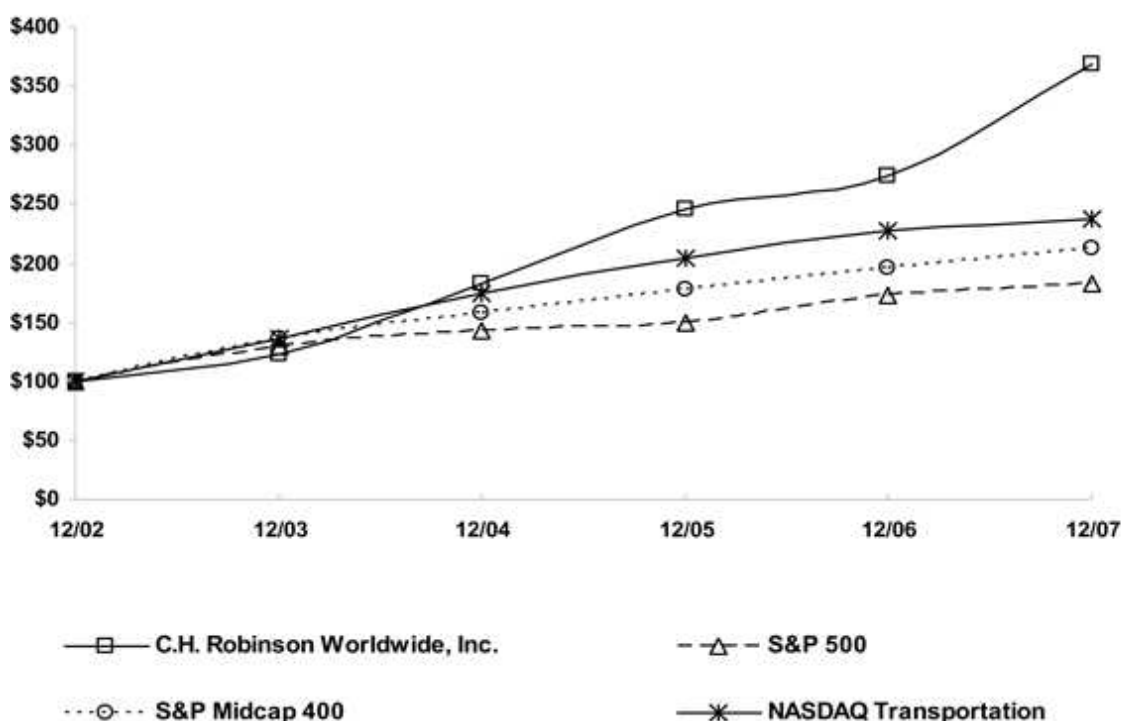
Period	Total Number of Shares (or Units)	Average Price Paid per Share (or Unit)	Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs (2)	(Maximum Number (or Approximate Dollar Value) of Shares (or Units) that May Yet Be Purchased Under the Plans or Programs
	Purchased (1)			
10/01/07-10/31/07	60,000	\$ 49.53	60,000	10,755,500
11/01/07- 11/30/07	420,000	47.30	420,000	10,335,550
12/01/07- 12/31/07	400,000	53.08	400,000	9,935,500
Total:	880,000	\$ 50.08	880,000	9,935,500

- (1) We repurchased an aggregate of 817,000 shares of our common stock pursuant to the repurchase program that was approved by our Board of Directors in February 1999 (the "Program"). After our Board of Directors approved extending the Program in May 2007, we also purchased 63,000 shares of our common stock pursuant to the Program.
- (2) In 1999, our Board of Directors approved the repurchase by us of up to an aggregate of 8,000,000 shares of our common stock pursuant to the Program. In 2007, our Board of Directors approved the repurchase by us of up to an aggregate of 10,000,000 shares of our common stock pursuant to the Program. Unless terminated earlier by resolution of our Board of Directors, the Program will expire when we have repurchased all shares authorized for repurchase thereunder.

The graph below compares the cumulative 5-year total return of holders of C.H. Robinson Worldwide, Inc.'s common stock with the cumulative total returns of the S&P 500 index, the NASDAQ Transportation index, and the S&P Midcap 400 index. The graph tracks the performance of a \$100 investment in our common stock and in each index (with the reinvestment of all dividends) from 12/31/2002 to 12/31/2007.

COMPARISON OF 5 YEAR CUMULATIVE TOTAL RETURN*

Among C.H. Robinson Worldwide, Inc., The S & P 500 Index,
The S & P Midcap 400 Index And The NASDAQ Transportation Index



* \$100 invested on 12/31/02 in stock or index-including reinvestment of dividends. Fiscal year ending December 31.

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www.researchdatagroup.com/S&P.htm

	12/02	12/03	12/04	12/05	12/06	12/07
C.H. Robinson Worldwide, Inc.	100.00	122.70	181.78	245.20	274.32	368.48
S&P 500	100.00	128.68	142.69	149.70	173.34	182.87
S&P Midcap 400	100.00	135.62	157.97	177.81	196.16	211.81
NASDAQ Transportation	100.00	135.68	174.47	203.95	228.16	236.80

The stock price performance included in this graph is not necessarily indicative of future stock price performance.

ITEM 6. SELECTED FINANCIAL DATA

Selected consolidated financial and operating data on page 23 of the Annual Report is incorporated in this Form 10-K by reference. This information is also included in Exhibit 13 to this Form 10-K, as filed with the SEC.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Management's Discussion and Analysis on pages 24 through 34 of the Annual Report is incorporated in this Form 10-K by reference. This section is also included in Exhibit 13 to this Form 10-K, as filed with the SEC.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Disclosure about Market Risk on page 33 of the Annual Report is incorporated in this Form 10-K by reference. This section is also included in Exhibit 13 to this Form 10-K, as filed with the SEC.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Our consolidated financial statements and notes thereto on pages 35 through 55 of the Annual Report are incorporated in this Form 10-K by reference. These financial statements are also included in Exhibit 13 to this Form 10-K, as filed with the SEC.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

During 2006 and 2007, and through the date of this report, there were no disagreements with the independent public accountants on accounting principles or practices, financial statement disclosures, or auditing scope or procedures.

ITEM 9A. CONTROLS AND PROCEDURES**(a) Disclosure Controls and Procedures**

Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934 (the “Exchange Act”)). Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that, as of the end of the period covered by this report, our disclosure controls and procedures were effective.

(b) Internal Controls Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rule 13a-15(f) under the Exchange Act. All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on our evaluation under the framework in Internal Control—Integrated Framework, our management concluded that our internal control over financial reporting was effective as of December 31, 2007.

During the third quarter, we acquired LXSI Services, Inc., which is not included in our assessment of the effectiveness of our internal control over financial reporting. As a result, management’s conclusion regarding the effectiveness of our internal control over financial reporting does not extend to this company.

The effectiveness of our internal control over financial reporting as of December 31, 2007 has been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their report which is included herein.

(c) Changes in Internal Controls Over Financial Reporting

There have not been any changes to the company’s internal control over financial reporting during the fiscal year, to which this report relates, that have materially affected, or are reasonably likely to materially affect, the company’s internal control over financial reporting.

PART III**ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT**

Information with respect to our Board of Directors contained under the heading “Election of Directors,” and information contained under the heading “Section 16(a) Beneficial Ownership Reporting Compliance” in the Proxy Statement are incorporated in this Form 10-K by reference. Information with respect to our executive officers is provided in Part I, Item 1.

We have adopted a code of ethics that applies to our principal executive officer, principal financial officer, principal accounting officer, directors, and all other company employees performing similar functions. This code of ethics, which is part of our corporate compliance program, is posted on the Investors page of our website at www.chrobinson.com under the caption “Code of Ethics Reference Guide”.

We intend to satisfy the disclosure requirement under Item 10 of Form 8-K regarding an amendment to, or waiver from, a provision of this code of ethics by posting such information on our website, at the web address specified above.

ITEM 11. EXECUTIVE COMPENSATION

The information contained under the heading “Executive Compensation” in the Proxy Statement (except for the information set forth under the subcaption “Compensation Committee Report on Executive Compensation”) is incorporated in this Form 10-K by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

(a) Equity Compensation Plans

The following table summarizes share and exercise price information about our equity compensation plans as of December 31, 2007:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in the first column)
Equity compensation plans approved by security holders ¹	9,833,601	\$ 14.80	16,853,727
Equity compensation plans not approved by security holders	—	—	—
Total	9,833,601	\$ 14.80	16,853,727

- 1 Includes stock available for issuance under our Directors’ Stock Plan and our Employee Stock Purchase Plan, as well as options and restricted stock granted and shares that may become subject of future awards under our 1997 Omnibus Stock Plan. Specifically, 35,479 shares remain available under our Directors’ Stock Plan and 5,509,510 shares remain available under our Employee Stock Purchase Plan, and 4,288,612 options remain outstanding for future exercise. Under our 1997 Omnibus Stock Plan, 11,308,738 shares may become subject of future awards in the form of stock option grants or the issuance of restricted stock.

(b) Security Ownership

The information contained under the heading “Security Ownership of Certain Beneficial Owners and Management” in the Proxy Statement is incorporated in this Form 10-K by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The information contained under the heading “Related Party Transactions” in the Proxy Statement is incorporated in this Form 10-K by reference.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The information contained under the heading “Proposal Two: Selection of Independent Auditors” in the Proxy Statement is incorporated in this Form 10-K by reference.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K

(a) (1) Financial Statements.

Our consolidated financial statements listed below on pages 35 through 52 of the Annual Report are incorporated in this Form 10-K by reference. These financial statements are included in Exhibit 13 to this Form 10-K, as filed with the SEC.

Consolidated Balance Sheets as of December 31, 2007 and 2006

Consolidated Statements of Operations for the years ended December 31, 2007, 2006, and 2005

Consolidated Statements of Stockholders' Investment for the years ended December 31, 2007, 2006, and 2005

Consolidated Statements of Cash Flows for the years ended December 31, 2007, 2006, and 2005

Notes to Consolidated Financial Statements

(2) Financial Statement Schedules.

Schedule II. Valuation and Qualifying Accounts is included at the end of this Form 10-K. All schedules, other than Schedule II, are omitted because of the absence of the conditions under which they are required or because the information required is shown in the consolidated financial statements or the notes thereto.

(3) Index to Exhibits

See Exhibit Index on page 24 for a description of the documents that are filed as Exhibits to this report on Form 10-K or incorporated by reference herein. Any document incorporated by reference is identified by a parenthetical referencing the SEC filing which included the document. We will furnish to a security holder upon request a copy of any Exhibit at no cost.

(b) Reports on Form 8-K

The following reports on Form 8-K were filed during the last quarter of the period covered by this report:

Report on Form 8-K, dated October 9, 2007, this report contained information regarding our announcement that our Board of Directors elected effective September 30, 2007, a new director, Steve Polacek.

Report on Form 8-K, dated October 23, 2007, filed in connection with our release of earnings for the three months ended September 30, 2007.

Report on Form 8-K, dated November 8, 2007, announced that its Board of Directors today declared an increase to the regular quarterly cash dividend from 18 cents (\$0.18) per share to 22 cents (\$0.22) per share, payable on January 2, 2008, to shareholders of record on December 7, 2007.

(c) See Item 15(a)(3) above.

(d) See Item 15(a)(2) above.

SIGNATURES

Pursuant to the requirements of the Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Eden Prairie, State of Minnesota, on February 29, 2008.

C.H. ROBINSON WORLDWIDE, INC.

By: /s/ Linda U. Feuss

Linda U. Feuss

Vice President, General Counsel and Secretary

Pursuant to the requirements of the Securities Exchange Act of 1934, this Report has been signed below by the following persons on behalf of the registrant and in the capacities indicated on February 29, 2008.

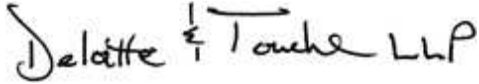
<u>Signature</u>	<u>Title</u>
<u>/s/ John P. Wiehoff</u> John P. Wiehoff	Chief Executive Officer and Chairman of the Board (Principal Executive Officer)
<u>/s/ Chad M. Lindbloom</u> Chad M. Lindbloom	Senior Vice President and Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)
<u>*</u> Steven L. Polacek	Director
<u>*</u> ReBecca Koenig Roloff	Director
<u>*</u> Robert Ezrilov	Director
<u>*</u> Gerald A. Schwalbach	Director
<u>*</u> Wayne M. Fortun	Director
<u>*</u> Brian P. Short	Director
<u>*</u> Michael W. Wickham	Director
<u>*</u> Kenneth E Keiser	Director

* By: /s/ Linda U. Feuss
Linda U. Feuss
Attorney-in-Fact

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of
C.H. Robinson Worldwide, Inc.
Eden Prairie, Minnesota

We have audited the consolidated financial statements of C.H. Robinson Worldwide, Inc. and subsidiaries (the "Company") as of December 31, 2007 and 2006, and for each of the three years in the period ended December 31, 2007, and the Company's internal control over financial reporting as of December 31, 2007, and have issued our reports thereon dated February 29, 2008 (which report expresses an unqualified opinion and includes an explanatory paragraph relating to the change in the Company's method of accounting for income taxes by adopting Financial Accounting Standards Board (FASB) Interpretation No. 48, *Accounting for Uncertainty in Income Taxes — an interpretation of FASB Statement No 109*, as discussed in Note 2 to the consolidated financial statements); such consolidated financial statements and reports are included in your 2007 Annual Report to Stockholders and are incorporated herein by reference. Our audits also included the consolidated financial statement schedule of the Company listed in Item 15. This consolidated financial statement schedule is the responsibility of the Company's management. Our responsibility is to express an opinion based on our audits. In our opinion, such consolidated financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, present fairly, in all material respects, the information set forth therein.

A handwritten signature in black ink that reads "Deloitte & Touche LLP". The signature is written in a cursive, flowing style.

Minneapolis, Minnesota
February 29, 2008

Schedule II. Valuation and Qualifying Accounts

Allowance for Doubtful Accounts

The transactions in the allowance for doubtful accounts for the years ended December 31, 2007, 2006, and 2005 were as follows (in thousands):

	December 31,	December 31,	December 31,
	2007	2006	2005
Balance, beginning of year	\$ 29,033	\$ 29,439	\$ 25,204
Provision	6,745	7,084	8,878
Write-offs	(7,755)	(7,490)	(4,643)
Balance, end of year	<u>\$ 28,023</u>	<u>\$ 29,033</u>	<u>\$ 29,439</u>

Index to Exhibits

Number	Description
*3.1	Certificate of Incorporation of the Company
3.2	Bylaws of the Company (Incorporated by reference to Exhibit 3.2 to the Registrant's Registration Statement on Form S-1, Registration No. 333-33731)
3.3	Certificate of Designation of Series A Junior Participating Preferred Stock of the Company (Incorporated by reference to Exhibit 3.3 to the Registrant's Registration Statement on Form S-1, Registration No. 333-33731)
4.1	Form of Certificate for Common Stock (Incorporated by reference to Exhibit 4.1 to the Registrant's Registration Statement on Form S-1, Registration No. 333-33731)
4.2	Amended and Restated Rights Agreement between the Company and Wells Fargo Bank, National Association (Incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K dated September 10, 2007)
†10.1	1997 Omnibus Stock Plan (as amended May 18, 2006) (Incorporated by reference to Appendix A to the Proxy Statement on Form DEF 14A filed on April 6, 2006)
†10.2	Form of Stock Option Agreement (Incorporated by reference to Exhibit 10.22 to the Registrant's Registration Statement on Form S-1, Registration No. 333-33731)
†10.3	C.H. Robinson Worldwide, Inc. Directors' Stock Plan (Incorporated by reference to Exhibit 10.21 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 1998)
*10.4	Form of Management-Employee Agreement (Key Employee)
*10.5	Form of Management Confidentiality and Noncompetition Agreement
10.6	Form of Management Confidentiality and Noncompetition Agreement (Incorporated by reference to Exhibit 10.21 to the Registrant's Registration Statement on Form S-1, Registration No. 333-33731)
†10.7	Management Bonus Plan (Incorporated by reference to Appendix B to the Proxy Statement on Form DEF 14A filed on April 15, 2005)
†10.8	Management Bonus Plan (Incorporated by reference to Exhibit 10.18 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 1999)
†10.9	Robinson Companies Nonqualified Deferred Compensation Plan (Incorporated by reference to Exhibit 4 to the Registrant's Registration Statement on Form S-8, Registration No. 333-47080 filed on September 29, 2000)
10.10	Robinson Companies Nonqualified Deferred Compensation Plan Trust Agreement, dated January 1, 2001, by and between C. H. Robinson Worldwide, Inc. and American Express Trust Company (Incorporated by reference to Exhibit 10.21 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2000)
†10.11	Award of Deferred Shares into the Robinson Companies Nonqualified Deferred Compensation Plan, dated December 21, 2000, by and between C. H. Robinson Worldwide, Inc. and John P. Wiehoff (Incorporated by reference to Exhibit 10.22 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2000)
†10.12	Form of Restricted Stock Award for U.S. Managerial Employees (Incorporated by reference to Exhibit 10.11 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2006)
*13	Selected pages of the Company's Annual Report to Stockholders for the year ended December 31, 2007
*21	Subsidiaries of the Company
*23.1	Consent of Deloitte & Touche LLP
*24	Powers of Attorney
*31.1	Certification of the Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
*31.2	Certification of the Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

<u>Number</u>	<u>Description</u>
*32.1	Certification of the Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
*32.2	Certification of the Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
†	Management contract or compensatory plan or arrangement required to be filed as an exhibit to Form 10-K pursuant to Item 15(c) of the Form 10-K Report
*	Filed herewith

**CERTIFICATE OF INCORPORATION
OF
C.H. ROBINSON WORLDWIDE, INC.**

To form a corporation pursuant to the Delaware General Corporation Law, the undersigned hereby certifies:

ARTICLE I

The name of the corporation is C.H. Robinson Worldwide, Inc.

ARTICLE II

The address of its registered office in the State of Delaware is Corporation Trust Center, 1209 Orange Street, City of Wilmington, County of New Castle, Delaware 19801. The name of its registered agent at such address is The Corporation Trust Company.

ARTICLE III

The purpose of the corporation is to engage in any lawful act or activity for which corporations may now or hereafter be organized under the Delaware General Corporation Law, as amended from time to time ("Delaware Law").

ARTICLE IV

The total number of shares which the Corporation is authorized to issue is 150,000,000 as follows: 130,000,000 shares of common stock, par value \$.10 per share (the "Common Stock"), and 20,000,000 shares of preferred stock, par value \$.10 per share (the "Preferred Stock").

The Preferred Stock may be issued from time to time by the board of directors as shares of one or more series. Subject to the provisions hereof and the limitations prescribed by law, the board of directors is expressly authorized, by adopting resolutions providing for the issuance of shares of any particular series and, if and to the extent from time to time required by law, by filing with the Delaware Secretary of State a certificate setting forth the resolutions so adopted pursuant to the Delaware Law, to establish the number of shares to be included in each such series and to fix the designation and relative powers, including voting powers, preferences, rights, qualifications, limitations and restrictions thereof relating to the shares of each such series. The authority of the board of directors with respect to each series shall include, but not be limited to, determination of the following:

- (i) the distinctive serial designation of such series and the number of shares constituting such series;

(ii) the annual dividend rate on shares of such series, if any, whether dividends shall be cumulative and, if so, from which date or dates;

(iii) whether the shares of such series shall be redeemable and, if so, the terms and conditions of such redemption, including the date or dates upon and after which such shares shall be redeemable, and the amount per share payable in case of redemption, which amount may vary under different conditions and at different redemption dates;

(iv) the obligation, if any, of the corporation to retire shares of such series pursuant to a sinking fund;

(v) whether shares of such series shall be convertible into, or exchangeable for, shares of stock of any other class or classes and, if so, the terms and conditions of such conversion or exchange, including the price or prices or the rate or rates of conversion or exchange and the terms of adjustment, if any;

(vi) whether the shares of such series shall have voting rights, in addition to any voting rights provided by law, and, if so, the terms of such voting rights;

(vii) the rights of the shares of such series in the event of voluntary or involuntary liquidation, dissolution or winding-up of the corporation; and

(viii) any other relative rights, powers, preferences, qualifications, limitations or restrictions thereof relating to such series.

The shares of Preferred Stock of any one series shall be identical with each other in all respects except as to the dates from and after which dividends thereon shall cumulate, if cumulative.

All shares of Common Stock shall be identical and shall entitle the holders thereof to the same rights and privileges. When and as dividends are declared on the Common Stock, whether payable in cash, in property or in securities of the corporation, the holders of the Common Stock shall be entitled to share equally, share for share, in such dividends. Upon any liquidation, dissolution or winding-up of the corporation, whether voluntary or involuntary, after the payment in full of all amounts to which the holders of the Preferred Stock shall be entitled, the remaining assets of the corporation to be distributed to the holders of the stock of the corporation shall be distributed ratably among the holders of the shares of Common Stock. The holders of shares of the Common Stock shall be entitled to vote on all matters to be voted on by the stockholders of the corporation. On all matters to be voted on by the holders of Common Stock, the holders shall be entitled to one vote for each share thereof held of record. Without the affirmative vote of the holders of record of 66-2/3% of all of the shares of the Common Stock outstanding and the approval of 66-2/3% of all of the directors of the corporation (with any fractional number of directors resulting from application of such percentage rounded up to the nearest whole number):

(a) The corporation shall not, directly or indirectly, consolidate with or merge into or with any other person or entity except that any subsidiary may consolidate with or merge into or with the corporation under the provisions of Section 253 of Delaware Law or into or with any wholly owned subsidiary of the corporation.

(b) The corporation shall not, directly or indirectly, convey, transfer, lease or otherwise dispose of all or substantially all of its properties and assets to any person or entity, whether in a single transaction or a series or related transactions, except that any subsidiary of the corporation may at any time or from time to time convey, transfer, lease or otherwise dispose of all or any of its properties and assets to the corporation or any wholly owned subsidiary of the corporation.

(c) The corporation shall not amend this Certificate of Incorporation in any manner that would permit a director to be removed from office other than for cause.

(d) The corporation shall not amend or otherwise modify or repeal any of the provisions of this Certificate of Incorporation.

The holders of Common Stock shall have no preemptive rights to subscribe to any or all additional issues of Common Stock or any securities of the corporation convertible into Common Stock.

ARTICLE V

The number of directors to constitute the whole board of directors shall be such number (not less than six nor more than nine) as shall be fixed from time to time by resolution of the board of directors adopted by such vote as may be required in the by-laws. The board of directors shall be divided into three classes as nearly equal in number as may be, with the term of office of one class expiring each year. The directors of the first class shall be elected to hold office for a term expiring at the annual meeting of stockholders in 1998, directors of the second class shall be elected to hold office for a term expiring at the next succeeding annual meeting in 1999, and directors of the third class shall be elected to hold office for a term expiring at the second succeeding annual meeting in 2000. Commencing in 1998, at each annual meeting of stockholders, successors to the directors whose terms shall then expire shall be elected to hold office for terms expiring at the third succeeding annual meeting of stockholders. In case of any vacancies, by reason of an increase in the number of directors or otherwise, each additional director may be elected by a majority of the directors then in office, even though less than a quorum of the board of directors, to serve until the end of the term he is elected to fill and until his successor shall have been elected and qualified in the class to which such director is assigned and for the term or remainder of the term of such class. Directors shall continue in office until others are chosen and qualified in their stead. When the number of directors is changed, any newly created directorships or any decrease in directorships shall be so assigned among the classes by a majority of the directors then in office, though less than a quorum, as to make all classes as nearly equal in number as may be feasible. No decrease in the number of directors shall shorten the term of any incumbent director.

ARTICLE VI

All actions required or permitted to be taken by the stockholders of the corporation must be effected at a duly called annual or special meeting of stockholders of the corporation and may not be effected by any consent in writing of such stockholders.

ARTICLE VII

In furtherance and not in limitation of the power conferred upon the board of directors by law, the board of directors shall have power to adopt, amend, alter and repeal from time to time the by-laws of the corporation by majority vote of all directors except that any provision of the by-laws requiring, for board action, a vote of greater than a majority of the board shall not be amended, altered or repealed except by such super-majority vote.

ARTICLE VIII

The corporation reserves the right to amend this Certificate of Incorporation in any manner provided herein or permitted by Delaware Law and all rights and powers conferred herein on stockholders, directors and officers, if any, are subject to this reserved power.

ARTICLE IX

A director of the corporation shall not be liable to the corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (i) for any breach of the director's duty of loyalty to the corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of the law, (iii) under Section 174 of Delaware Law, or (iv) for any transaction from which the director derived an improper personal benefit.

If the Delaware Law is hereafter amended to further eliminate or limit the liability of a director of a corporation, then a director of the corporation, in addition to the circumstances set forth herein, shall have no liability as a director (or such liability shall be limited) to the fullest extent permitted by the Delaware Law as so amended. No repeal or modification of the foregoing provisions of this Article IX nor, to the fullest extent permitted by law, any modification of law, shall adversely affect any right or protection of a director of the corporation existing at the time of such repeal or modification.

ARTICLE X

The corporation shall, to the full extent permitted by Delaware Law, indemnify each officer and director of the corporation and may, but shall not be obligated to, indemnify any employee or agent of the corporation who is not an officer or director of the corporation as follows:

(a) Right to Indemnification. Each person who was or is made a party or is threatened to be made a party to or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (hereinafter a "proceeding"), by reason of the fact that he or she is or was a director, officer, employee or agent of the corporation or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to an employee benefit plan (hereinafter an "indemnatee"), whether the basis of such proceeding is alleged action in an official capacity as a director, officer, employee or agent or in any other capacity while serving as a director, officer, employee or agent, shall or may, as applicable, be

indemnified and held harmless by the corporation to the fullest extent authorized by Delaware Law, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the corporation to provide broader indemnification rights than permitted prior thereto), against all expense, liability and loss (including attorneys' fees, judgments, fines, ERISA excise taxes or penalties and amounts paid in settlement) reasonably incurred or suffered by such indemnitee in connection therewith and such indemnification shall continue as to an indemnitee who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the indemnitee's heirs, executors and administrators; provided, however, that, except as provided in Paragraph (c) hereof with respect to proceedings to enforce rights to indemnification, the corporation shall indemnify any such indemnitee in connection with a proceeding (or part thereof) initiated by such indemnitee only if such proceeding (or part thereof) was authorized by the Board of Directors of the corporation.

(b) Right to Advancement of Expenses. The right to indemnification conferred in Paragraph (a) of this Article X shall include the right to be paid by the corporation the expenses incurred in defending any proceeding for which such right to indemnification is applicable in advance of its final disposition (hereinafter an "advancement of expenses"); provided, however, if Delaware Law so requires, an advancement of expenses incurred by an indemnitee in his or her capacity as a director or officer (and not in any other capacity in which service was or is rendered by such indemnitee, including, without limitation, service to an employee benefit plan) shall be made only upon delivery to the corporation of an undertaking (hereinafter an "undertaking"), by or on behalf of such indemnitee, to repay all amounts so advanced if it shall ultimately be determined by final judicial decision from which there is no further right to appeal (hereinafter a "final adjudication") that such indemnitee is not entitled to be indemnified for such expenses under this Article X or otherwise.

(c) Right of Indemnitee to Bring Suit. The rights to indemnification and to the advancement of expenses conferred in Paragraphs (a) and (b) of this Article X shall be contract rights. If a claim under Paragraph (a) or (b) of this Article X is not paid in full by the corporation within sixty days after a written claim has been received by the corporation, except in the case of a claim for an advancement of expenses, in which case the applicable period shall be twenty days, the indemnitee may at any time thereafter bring suit against the corporation to recover the unpaid amount of the claim. If successful in whole or in part in any such suit, or in a suit brought by the corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the indemnitee shall be entitled to be paid also the expense of prosecuting or defending such suit. In (i) any suit brought by the indemnitee to enforce a right to indemnification hereunder (but not in a suit brought by the indemnitee to enforce a right to an advancement of expenses) it shall be a defense for the corporation that, and (ii) in any suit by the corporation to recover an advancement of expenses pursuant to the terms of an undertaking the corporation shall be entitled to recover such expenses upon a final adjudication that, the indemnitee has not met any applicable standard for indemnification set forth in Delaware Law. Neither the failure of the corporation (including its board of directors, independent legal counsel, or its stockholders) to have made a determination prior to the commencement of such suit that the indemnitee has met the applicable standard of conduct set forth in Delaware Law

and that indemnification of the indemnitee is therefore proper in the circumstances, nor an actual determination by the corporation (including its board of directors, independent legal counsel, or its stockholders) that the indemnitee has not met such applicable standard of conduct, shall create a presumption that the indemnitee has not met the applicable standard of conduct or, in the case of such a suit brought by the indemnitee, be a defense of the corporation to such suit. In any suit brought by the indemnitee to enforce a right to indemnification or to an advancement of expenses hereunder, or by the corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the burden of proving that the indemnitee is not entitled to be indemnified, or to such advancement of expenses, under this Article X or otherwise shall be on the corporation.

(d) Non-Exclusivity of Rights. The rights to indemnification and to the advancement of expenses conferred in this Article X shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, this Certificate of Incorporation, by-law, agreement, vote of stockholders or of disinterested directors or otherwise.

(e) Insurance. The corporation shall have power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against such person and incurred by such person in any such capacity, or arising out of status as such, whether or not the corporation would have the power to indemnify such person against such liability under the provisions of Delaware Law.

ARTICLE XI

The name and mailing address of the incorporator is William B. Payne, Dorsey & Whitney LLP, 220 South Sixth Street, Minneapolis, Minnesota 55402.

Dated: August 11, 1997

/s/ William B. Payne

William B. Payne

**CERTIFICATE OF AMENDMENT TO
CERTIFICATE OF INCORPORATION OF
C.H. ROBINSON WORLDWIDE, INC.**

The undersigned being the Secretary of C.H. Robinson Worldwide, Inc., a Delaware corporation (the "Company"), does hereby certify as follows:

1. The name of the Company is C.H. Robinson Worldwide, Inc.

2. The undersigned hereby certifies that at a special meeting of the stockholders of the Company, duly called and held on October 14, 2005, the amendment to its Certificate of Incorporation set forth below was duly adopted in accordance with the provisions of Section 242 of the Delaware General Corporation Law, and that such amendment has not been subsequently modified or rescinded.

3. The first paragraph of Article IV of the Company's Certificate of Incorporation is hereby amended and restated in its entirety and substituting in lieu thereof new paragraphs of Article IV which shall read as follows ("the Amendment"):

" ARTICLE IV.

The total number of shares which the Corporation is authorized to issue is 500,000,000 as follows: 480,000,000 shares of common stock, par value \$0.10 per share (the "Common Stock"), and 20,000,000 shares of preferred stock, par value \$0.10 per share (the "Preferred Stock").

Effective at 5:00 p.m. (EDT) on October 14, 2005 (the "Effective Time"), all issued and outstanding shares of Common Stock ("Existing Common Stock") shall be and hereby are automatically subdivided and reclassified as follows: each share of Existing Common Stock shall be subdivided and reclassified (the "Stock Split") as two shares of issued and outstanding Common Stock ("New Common Stock"). The Corporation shall, through its transfer agent, provide certificates representing the New Common Stock to holders of Existing Common Stock in exchange for certificates representing Existing Common Stock. From and after the Effective Time, certificates representing shares of Existing Common Stock are hereby cancelled and shall represent only the right of the holders thereof to receive New Common Stock.

From and after the Effective Time, the term "New Common Stock" as used in this Article IV shall mean the Common Stock."

4. This amendment shall be effective as of 5:00 p.m. (EDT) on October 14, 2005.

The undersigned, being the Secretary of the Company, for purposes of amending its Certificate of Incorporation, pursuant to the General Corporation Law of the State of Delaware, acknowledges that it is her act and deed and that the facts stated herein are true, and has signed this instrument on October 14, 2005.

C.H. ROBINSON WORLDWIDE, INC.

By: _____
Linda U. Feuss
Secretary

C. H. ROBINSON WORLDWIDE, INC.
and Subsidiaries
MANAGEMENT-EMPLOYEE AGREEMENT
(Key Employee)

This Management-Employee Agreement, dated as of _____ (“Agreement”), is made and entered into between C. H. Robinson Worldwide, Inc., a Delaware corporation, and its subsidiaries (“Employer”) and _____ (“Key Employee”).

WHEREAS, Key Employee is currently employed by Employer in a position which both the Employer and Key Employee agree is of critical importance to the operation of Employer’s business; and

WHEREAS, as a condition of employment, Key Employee agrees to be bound by and conduct himself in accordance with this Agreement.

NOW, THEREFORE, in consideration of the mutual obligations incurred and benefits obtained hereunder, the sufficiency of which is hereby acknowledged, Employer and Key Employee agree as follows:

1. Employment. Employer hereby employs Key Employee, and Key Employee accepts such employment and agrees to perform services for Employer, upon the terms and conditions set forth in this Agreement.
2. Term. Employer and Key Employee mutually agree that this Agreement shall become effective when executed by Key Employee and shall remain in full force and effect until terminated in accordance with Section 6. Upon termination, Key Employee shall remain obligated to comply with all of the post-employment obligations contained in the Agreement, including, but not limited to, the restrictive covenants contained in Section 7 of this Agreement.
3. Performance of Duties. Key Employee agrees to serve Employer faithfully and to the best of Key Employee’s ability and to devote Key Employee’s full time, attention and efforts to the business and affairs of Employer during the term of Key Employee’s employment. Key Employee hereby confirms that Key Employee is under no contractual commitments inconsistent with Key Employee’s obligations set forth in this Agreement and that, during the term of this Agreement, Key Employee will not render or perform any services for any other corporation, firm, entity, or person that are inconsistent with the provisions of this Agreement or that would otherwise impair Key Employee’s ability to perform Key Employee’s duties hereunder.
4. Compensation.
 - 4.01 Base Salary. As compensation for all services to be rendered by Key Employee under this Agreement, Employer shall pay to Key Employee an annualized salary which shall be set on an annual basis in accordance with Employer’s standard practices and procedures. Key Employee’s salary shall be paid in accordance with Employer’s normal payroll procedures and policies, as such procedures and policies may be modified from time to time.
 - 4.02 Annual Bonus. Key Employee may also be eligible to receive an annualized bonus in an amount to be determined in the sole discretion of Employer’s management or the Compensation Committee of the Board of Directors of the Company, if applicable.
 - 4.03 Participation in Benefits. During the term of Key Employee’s employment by Employer, Key Employee shall be entitled to participate in the employee benefit plans offered generally by Employer to its employees, to the extent that Key Employee’s position, tenure, salary, health, and other qualifications make Key Employee eligible to participate. Key Employee’s participation in such benefit plans shall be subject to the terms of the applicable plans, as the same may be amended from time to time. Employer does not guarantee the adoption or continuance of any particular employee benefit plan during Key Employee’s employment, and nothing in this Agreement is intended to, or shall in any way restrict the right of Employer, to amend, modify or terminate any of its benefit plans during the term of Key Employee’s employment.

4.04 Equity Grants . Key Employee shall be eligible to participate in Employer's 1997 Omnibus Stock Plan and any successor plans. Grants made under Employer's 1997 Omnibus Stock Plan and any successor plans are made in the sole discretion of Employer. The nature and amount of any equity grants made by Employer to Key Employee shall be determined in the sole discretion of Employer's management or the Compensation Committee of the Board of Directors of the Company, if applicable. The terms and conditions of Key Employee's entitlement to any equity compensation shall be determined by the terms of the equity grant.

4.05 Expenses . In accordance with Employer's normal policies for expense reimbursement, Employer will reimburse Key Employee for all reasonable and necessary expenses incurred by Key Employee in the performance of Key Employee's duties under this Agreement, subject to the presentment of receipts or other documentation acceptable to Employer.

5. Other Employment Policies . As a condition precedent to Employer's hiring or continued employment of Key Employee and Employer's performance of his obligations hereunder, Key Employee agrees that he shall comply with all of the applicable policies, rules, or codes of conduct generally in effect for employees of Employer during the Term.

6. Termination .

6.01 Termination Due to Key Employee's Death or Total Disability . This Agreement shall terminate automatically in the event of Key Employee's death, or in the event of Key Employee's total disability which results in Key Employee's inability to perform the essential functions of Key Employee's position with or without reasonable accommodation, provided Key Employee has exhausted Key Employee's entitlement to any applicable leave, if Key Employee desires to take and satisfies all eligibility requirements for such leave.

6.02 Termination by Employer for Cause . Key Employee's employment pursuant to this Agreement shall terminate immediately in the event Employer shall determine, in its sole discretion, that there is "cause" to terminate Key Employee's employment, included but not limited to any of the following:

(i) Key Employee's material breach of any contractual obligation to Employer under the terms of this Agreement or any other agreement between Key Employee and Employer, or of any fiduciary duty to Employer;

(ii) Key Employee's indictment on or conviction for any crime involving moral turpitude or any felony;

(iii) Key Employee's failure to carry out any reasonable directive of Employer;

(iv) Key Employee's embezzlement or misappropriation of funds or other assets of Employer;

(v) Any failure by Key Employee to comply with any policy, rule or code of conduct generally applicable to Employer's employees or to Employer's management employees such as Key Employee; or

(vi) A demonstrated lack of commitment of Key Employee to Employer, or conduct by Key Employee which is detrimental to Employer, or Key Employee's failure to perform the assigned duties of his position at a level of individual performance adequate to Employer; provided that, Key Employee shall have thirty (30) days to cure any such lack of commitment or failure after Employer provides Key Employee written notice of the actions or omissions constituting the lack of commitment, detrimental conduct or failure.

6.03 Termination by Employer without Cause . Employer may immediately terminate Key Employee's employment at any time and for any reason.

6.04 Termination by Key Employee . Key Employee may terminate this Agreement at any time by giving fifteen (15) days written notice thereof to Employer. Upon notice of termination by Key Employee, Employer may at its option elect to have Key Employee cease to provide services immediately, provided that during such 15-day notice period, Key Employee shall be entitled to earn and be paid his base salary.

6.05 Effect of and Compensation Upon Termination.

A. If this Agreement is terminated in accordance with Section 6.01, 6.02, 6.03 or 6.04, Key Employee shall not be entitled to receive any additional compensation under this Agreement after the effective date of such termination.

B. Notwithstanding any other provision in this Agreement, should Key Employee's employment be terminated for any reason, he will not earn and will have no right to receive any compensation except as expressly provided in this Agreement or in the terms and conditions of a compensation plan or program expressly referenced herein.

C. Notwithstanding any termination of Key Employee's employment with Employer, Key Employee, in consideration of Key Employee's employment hereunder to the date of such termination, shall remain bound by the provisions of this Agreement which specifically relate to periods, activities or obligations upon or subsequent to the termination of Key Employee's employment, including, but not limited to, the covenants contained in Section 7 hereof.

6.06 Surrender of Records and Property. Upon termination of Key Employee's employment with Employer for any reason, Key Employee shall deliver promptly to Employer all records, manuals, books, blank forms, documents, letters, memoranda, notes, notebooks, reports, computer disks, computer software, computer programs (including source code, object code, on-line files, documentation, testing materials and plans and reports) designs, drawings, formulae, data, tables or calculations or copies thereof, which are the property of Employer or which relate in any way to the business, products, practices or techniques of Employer, and all other property, trade secrets and confidential information of Employer, including, but not limited to, all tangible, written, graphical, machine readable and other materials (including all copies) which in whole or in part contain any trade secrets or confidential information of employer which in any of these cases are in Key Employee's possession or under Key Employee's control.

7. Restrictive Covenants.

7.01 Noncompetition. In consideration of Key Employee's employment hereunder, and the significant financial benefits Key Employee will receive under the Employees' 1997 Omnibus Stock Plan, and any successor plans, Key Employee agrees that, during the "Restricted Period" (as hereinafter defined), Key Employee shall not, directly or indirectly, engage in any "Competing Business Activity" (as hereinafter defined), in any manner or capacity, including but not limited to as an advisor, principal, agent, consultant, partner, officer, director, shareholder, employee, or member of any association.

(i) Geographical Extent of Covenant. The obligations of Key Employee under this Section 7 shall apply anywhere within the continental United States.

(ii) Limitation on Covenant. Ownership by Key Employee, as a passive investment, of less than five percent of the outstanding shares of capital stock of any corporation listed on a national securities exchange or publicly traded in the over-the-counter market shall not constitute a breach of this Section 7.01.

(iii) Competing Business Activity. As used in this Section 7.01, "Competing Business Activity" shall mean any business activities that are competitive with the business conducted by Employer at or prior to the date of the termination of Key Employee's employment, or any prospective business activity or relationship of which Key Employee was aware prior to termination, including, but not limited to:

(a) freight contracting, freight brokerage, contract logistics, freight forwarding or backhauling, or custom house brokerage business; or

(b) any activities that are carried out by a business that competes directly or indirectly with Employer in the contracting, arranging, providing, procuring, furnishing or soliciting of distributors, freight contracting, freight brokerage, contract logistics, freight forwarding or backhauling, custom house brokerage or transportation services; or

- (c) any activity conducted by a business engaged in the transportation or logistics industries as a shipper, receiver or carrier; or
- (d) the provision of payment, financing, and information services to entities engaged in the transportation industry, or
- (e) the purchase, sale and sourcing of fresh fruits and vegetables.

7.02 Nonsolicitation, Non-hire and Noninterference. During the Restricted Period, Key Employee shall not (a) induce or attempt to induce any employee of Employer to leave the employ of Employer, or in any way interfere adversely with the relationship between any such employee and Employer; (b) induce or attempt to induce any employee of Employer to work for, render services to, provide advice to, or supply confidential business information or trade secrets of Employer to any entity engaged in a Competing Business Activity; (c) recruit, employ, or otherwise pay for services rendered by, any employee of Employer in any business enterprise with which Key Employee may be associated, connected or affiliated; or (d) induce or attempt to induce any customer, supplier, licensee, licensor or other business relation of Employer to cease doing business with Employer, or in any way interfere with the then existing business relationship between any such customer, supplier, licensee, licensor or other business relation and Employer.

7.03 Indirect Competition or Solicitation. Key Employee agrees that, during the Restricted Period, Key Employee will not, directly or indirectly, assist, solicit or encourage any other person in carrying out, directly or indirectly, any activity that would be prohibited by the provisions of this Section 7 if such activity were carried out by Key Employee, either directly or indirectly; and, in particular, Key Employee agrees that Key Employee will not, directly or indirectly, induce any employee of Employer to carry out, directly or indirectly, any such activity.

7.04 Notification of Employment. If at any time during the Restricted Period Key Employee accepts new employment or becomes affiliated with a third party, Key Employee shall immediately notify Employer of the identity and business of the new Employer or affiliation. Without limiting the foregoing, Key Employee's obligation to give notice under this Section 7.04 shall apply to any business ventures in which Key Employee proposes to engage, even if not with a third-party Employer (such as, without limitation, a joint venture, partnership or sole proprietorship). Key Employee hereby consents to Employer notifying any such new Employer or business venture of the terms of the covenants in this Section 7.04.

7.05 Restricted Period. As used in this Section 7, "Restricted Period" shall mean for the period between the Effective Date and two (2) years after the termination of Key Employee's employment with Employer for any reason (whether such termination is occasioned by Key Employee or Employer).

7.06 Set-Off Right. In the event Key Employee breaches any of the covenants set forth in this Section 7 or in Section 8, Key Employee acknowledges and agrees that Employer may set-off any loss, cost, damage, liability or expense (including, without limitation, lost profits and reasonable attorneys' fees and expenses) against amounts otherwise payable under this Agreement or any other agreement between Employer and its affiliates and Key Employee. Neither the exercise of nor failure to exercise such right of set-off or to give notice of a claim therefor will constitute an election of remedies or limit Employer in any manner in the enforcement of any other remedies available to it.

7.07 Liquidated Damages. In addition, because determining damages with complete precision is difficult in the case of a breach of a covenant under Section 7 or in Section 8, Key Employee hereby agrees that if Key Employee breaches any of the covenants contained in this agreement, Employer is entitled to damages in the amount of five times the Key Employee's Compensation for the most recent twelve month period of time. Compensation for this purpose shall include: salary, bonus, and an annualized amount for any equity or incentive compensation.

8. Confidential Information. In consideration for Employer's promises under this Agreement and because Key Employee's duties as a senior management employee will necessitate his having access to and being entrusted with confidential and proprietary information relating to Employer's business and customers, Key Employee agrees that during his employment with Employer and thereafter, Key Employee shall not disclose to a third party or use for his personal benefit Confidential Information of Employer. "Confidential Information" means all information written (or generated/stored on magnetic,

digital, photographic or other media) or oral, relating to any aspect of Employer's existing or reasonably foreseeable business which is disclosed to Key Employee or conceived, discovered or developed by Key Employee, and which is not generally known or proprietary to Employer. Confidential Information includes, without limitation, Employer's strategic and other business plans, designs, customers, suppliers, and Employer's marketing, accounting, merchandising, and information-gathering techniques and methods, and all accumulated data, listings, or similar recorded matter used or useful in food sales, freight contracting and freight forwarding and backhauling (all modes), and customs house brokerage operations, including but not limited to the customer and carrier lists, business forms, weekly loading lists, service contracts, all pricing information, computer programs, tariff information and marketing aids.

All Information disclosed to Key Employee or to which Key Employee has access during the period of this employment, for which there is any reasonable basis to believe is, or which appears to be treated by Employer as Confidential Information, shall be presumed to be Confidential Information under this Agreement. In addition, Key Employee shall comply with the terms of any Confidentiality Agreement by which Employer is bound to a third party. Key Employee's disclosure to attorneys, accountants and other advisors at the Employer's request, or in the performance of Key Employee's duties, shall not be treated as a violation of this Agreement.

9. Inventions.

9.01 Key Employee shall communicate to Employer as promptly and fully as practicable all Inventions (as defined below) which are (or were) conceived or reduced to practice by Key Employee (alone or jointly with others) (1) during Key Employee's employment with Employer, (2) within one (1) year following the termination of Key Employee's employment with Employer for any reason (and whether occasioned by Key Employee or Employer). Key Employee hereby assigns to Employer and/or its nominees, all of Key Employee's right, title, and interest in such Inventions, and all of Key Employee's right, title, and interest in any patents, copyrights, patent applications or copyright applications based thereon. Key Employee shall assist Employer and/or its nominees (without charge but at no expense to Key Employee) at any time and in every proper way to obtain for its and/or their own benefits, patents and copyrights for all such Inventions anywhere in the world and to enforce its and/or their rights in legal proceedings.

9.02 As used in this Section, the term "Invention" includes, but is not limited to, all inventions, discoveries, improvements, processes, developments, designs, know-how, data, computer programs and formulae, whether patentable or unpatentable or protectable by copyright, trademark, or other intellectual property law.

9.03 Any provision in this Section requiring Key Employee to assign Key Employee's rights in any Invention does not apply to an Invention which qualifies for exclusion under the provisions of Minnesota Statute Section 181.78. That section provides that the requirement to assign "does not apply to an invention for which no equipment, supplies, facility or trade secret information of the employer was used and which was developed entirely on the employee's own time, and (1) which does not relate (a) directly to the business of the employer or (b) to the employer's actual or demonstrably anticipated research or development, or (2) which does not result from any work performed by the employee for the employer." Key Employee understands that Key Employee bears the burden of proving that an Invention qualifies for exclusion under Minnesota Statute Section 181.78.

9.04 Notwithstanding any of the foregoing, Key Employee also assigns to Employer (or to any of its nominees) all rights which Key Employee may have or acquire in any Invention, full title to which is required to be in the United States by a contract between Employer and the United States or any of its agencies.

9.05 Key Employee hereby irrevocably designates and appoints Employer and each of its duly authorized officers and agents as Key Employee's agent and attorney-in-fact to act for and in Key Employee's behalf and stead to execute and file any document and to do all other lawfully permitted acts to further the prosecution, issuance, and enforcement of patents, copyrights and other proprietary rights with the same force and effect as if executed and delivered by Key Employee.

10. Miscellaneous.

10.01 Disputes. The Compensation Committee of Employer's Board of Directors, or its delegate, shall be the sole arbiter and judge regarding any disputes under this agreement.

10.02 Governing Law and Venue Selection. This Agreement is made under and shall be governed by and construed in accordance with the laws of the State of Minnesota without regard to conflicts of law principles thereof, or of any of the United States of America. The parties agree that any litigation in any way relating to this Agreement or to Key Employee's employment by Employer, including but not limited to the termination of this Agreement or of Key Employee's employment, will be venued in the State of Minnesota, Hennepin County District Court, or the United States District Court for the District of Minnesota. Key Employee and Employer hereby consent to the personal jurisdiction of these courts and waive any objection that such venue is inconvenient or improper.

10.03 Prior Agreements. This Agreement (including other agreements specifically mentioned in this Agreement) contains the entire agreement of the parties relating to the employment of Key Employee by Employer and the other matters discussed herein and supersedes all prior promises, contracts, agreements and understandings of any kind, whether express or implied, oral or written, with respect to such subject matter (including, but not limited to, any promise, contract or understanding, whether express or implied, oral or written, by and between Employer and Key Employee) and the parties hereto have made no agreements, representations or warranties relating to the subject matter of this Agreement which are not set forth herein or in the other agreements mentioned herein.

10.04 Withholding Taxes. Employer may take such action as it deems appropriate to insure that all applicable federal, state, city and other payroll, withholding, income or other taxes arising from any compensation, benefits or any other payments made pursuant to this Agreement. or any other contract, agreement or understanding which relates, in whole or in part, to Key Employee's employment with Employer or any Employer Affiliate, are withheld or collected from Key Employee.

10.05 Amendments. No amendment or modification of this Agreement shall be deemed effective unless made in writing and signed by Key Employee and Employer.

10.06 No Waiver. No term or condition of this Agreement shall be deemed to have been waived, nor shall there be any estoppel to enforce any provisions of this Agreement, except by a statement in writing signed by the party against whom enforcement of the waiver or estoppel is sought. Any written waiver shall not be deemed a continuing waiver unless specifically stated, shall operate only as to the specific term or condition waived, and shall not constitute a waiver of such term or condition for the future or as to any act other than as specifically set forth in the waiver.

10.07 Assignment. This Agreement shall not be assignable, in whole or in part, by any party without the written consent of the other party, except that Employer may, without the consent of Key Employee, assign its rights and obligations under this Agreement to any Employer affiliate or to any corporation, firm or other business entity with or into which Employer may merge or consolidate, or to which Employer may sell or transfer all or substantially all of its assets, or of which fifty percent (50%) or more of the equity investment and of the voting control is owned, directly or indirectly, by, or is under common ownership with, Employer. After any such assignment by Employer, Employer shall be discharged from all further liability hereunder and such assignee shall thereafter be deemed to be Employer for the purposes of all provisions of this Agreement including this Section 10.06.

10.08 Injunctive Relief. Key Employee acknowledges and agrees that the services to be rendered by Key Employee hereunder are of a special, unique and extraordinary character, that it would be difficult to replace such services and that any violation of Sections 6.06, 7, 8, or 9 hereof would be highly injurious to Employer and/or to any Employer Affiliate, and that it would be extremely difficult to compensate Employer and/or any Employer Affiliate fully for damages for any such violation. Accordingly, Key Employee specifically agrees that Employer or any Employer Affiliate, as the case may be, shall be entitled to temporary and permanent injunctive relief to enforce the provisions of Sections 6.06, 7, 8, or 9 hereof, and that such relief may be granted without the necessity of proving actual damages and without necessity of posting any bond. This provision with respect to injunctive relief shall not, however, diminish the right of Employer or any Employer Affiliate to claim and recover damages, or to seek and obtain any other relief available to it at law or in equity, in addition to injunctive relief.

10.09 Severability. To the extent any provision of this Agreement shall be determined to be invalid or unenforceable in any jurisdiction, such provision shall be deemed to be deleted from this Agreement as to that jurisdiction only, and the validity and enforceability of the remainder of such provision and of this Agreement shall be unaffected. In furtherance of and not in limitation of the foregoing, Key Employee expressly agrees that should the duration of, geographical extent of, or business activities covered by, any provision of this Agreement be in excess of that which is valid or enforceable under applicable law in a given jurisdiction, then such provision, as to such jurisdiction only, shall be construed to cover only that duration, extent or activities that may validly or enforceably be covered. Key Employee acknowledges the uncertainty of the law in this respect and expressly stipulates that this Agreement shall be construed in a manner that renders its provisions valid and enforceable to the maximum extent (not exceeding its express terms) possible under applicable law in each applicable jurisdiction. All gender references made herein are neutral, and references to "he," "himself," and "his" shall be deemed to mean "she," "herself," or "hers".

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date set forth in the first paragraph.

C. H. ROBINSON WORLDWIDE, INC.



By _____

Name: John Wichoff

Title: President and Chief Executive Officer

KEY EMPLOYEE:

C. H. ROBINSON WORLDWIDE, INC.
and Subsidiaries
CONFIDENTIALITY AND NONCOMPETITION AGREEMENT

_____, hereinafter referred to as “employee,” or “I,” or “me.”
(PRINT NAME)

I.
RECITALS

Employee wishes to be employed by C.H Robinson Worldwide, Inc., or one of its subsidiary or affiliated companies (“Company”) in a significant position involving customer or vendor contact, and access to the Company’s confidential and proprietary business information. Employee wishes to enter into and continue such employment with the potential of increased responsibility and knowledge about the Company’s affairs.

II.
DEFINITIONS

In this Agreement:

A. The “Company” means C.H. Robinson Worldwide, Inc., and all existing or future affiliated corporations including all subsidiaries, divisions and enterprises owned or controlled by those corporations.

B. “The Company Businesses” shall mean freight brokerage and contracting, contract logistics, freight forwarding, transportation logistics, transportation-related payment and information systems, custom house brokerage businesses, the purchase, sale and sourcing of fresh fruits and vegetables, and other businesses the Company may become involved in now or in the future during employee’s employment with Company (collectively referred to as the “Company Businesses”),

C. “Confidential Information” shall mean,

1. Company’s strategic and other business plans, designs, customer and carrier lists, and Company’s marketing, accounting, merchandising, and information-gathering techniques and methods, and all accumulated data, listings, or similar recorded matter used or useful in freight brokerage and contracting, contract logistics, freight forwarding, transportation logistics, transportation-related payment and information systems, custom house brokerage businesses, and/or the purchase, sale and sourcing of fresh fruits and vegetables including, but not limited to, the customer and carrier lists, business forms, weekly loading lists, service contracts, all pricing information, computer programs, tariff information and marketing aids.

2. All information disclosed to me, or to which I have access during the period of my employment, for which there is any reasonable basis to be believed is, or which appears to be treated by the Company as, Confidential Information, shall be presumed to be Confidential Information hereunder.

D. “Competing Business” means any business, firm, undertaking, company or organization, other than the Company, which:

1. is engaged in, or is about to become engaged in a business or businesses similar to the Company Businesses, or
2. regardless of the nature of its business, either competes directly or indirectly with the Company in any of the Company Businesses, or
3. any person, company or organization engaged in the produce or transportation industries as a shipper, receiver or carrier.

E. “Customer” means any person, company or organization that has employed or potentially could employ the Company’s services in any of the Company Businesses.

III.
NATURE OF EMPLOYEE'S ACTIVITIES

A. I am aware and acknowledge that the Company has developed a special competence in the Company Businesses, and has accumulated as proprietary information (not generally known to others) more and better information about shippers, carriers, truckers, trucking equipment, railroads, ocean carriers, foreign agents, customers, purchasing agents and similar matters which are of unique value in the conduct and growth of the Company's Businesses. This proprietary pool of information has enabled the Company to conduct the Company Businesses with unusual success and has thus afforded unusual job opportunities and potential to its employees.

B. In the course of my employment, I wish to be employed in a position or positions with the Company in which I may receive or contribute to Confidential Information. It is my desire to continue progressing in the Company in both sales, operations, management and customer-related capacities, and I recognize that optimum progression and specialization cannot take place unless Confidential Information relating to technology, processes, plans, development, activity, customers and the like is entrusted to me.

C. The Company may provide me with Confidential Information to permit me to carry out, perform, and fulfill my job responsibilities. I acknowledge that the Company may provide me with such Confidential Information, and I further acknowledge that in the course of carrying out, performing and fulfilling my responsibilities for the Company, I have been given Confidential Information relating to the Company's Businesses and customers, and I recognize that disclosure of any such Confidential Information to competitors of the Company or to the general public would be highly detrimental to the Company. I further acknowledge that, in the course of performing my obligations to the Company, I will be a representative of the Company to many of the Company's customers and, in some instances, may be the Company's sole and exclusive contact with a customer. In this capacity, I will be given significant responsibility for maintaining or enhancing the business relationship and/or goodwill of the Company with such customers.

IV.
PROTECTION OF BUSINESS

Therefore, in consideration of the Company's entrusting me with Confidential Information, in consideration of my employment by the Company and in consideration of the compensation to be paid to me from time to time during such employment,

I hereby agree as follows:

A. Except as may be required in the performance of my employment duties with the Company, I will never at any time use, disclose, copy or assist any other person or firm in the use, disclosure or copying of any Confidential Information.

B. Upon the termination of my employment with the Company, all records or copies of such Confidential Information in my possession, whether prepared by me or others, and regardless of how the same came into my possession, will be turned over to the Company by me.

C. For a period of two (2) years after the termination of my employment with the Company, however occasioned and for whatever reason, I will not:

1. Directly or indirectly solicit, sell or render services to or for the benefit of any Competing Business, including a business which I may own in whole or in part, with any customer or prospective customer of the Company with whom I worked or had regular contact, or on whose account I worked, at any time during the last two years of my employment with the Company; or

2. Recruit, hire or solicit any employee of the Company for employment with or on behalf of any Competing Business or attempt to interfere with the employment contracts or contract relationships between the Company and its other employees, or directly or indirectly cause or attempt to cause any employee of the Company to terminate employment with the Company.

3. Cause or attempt to cause any customer of the Company to divert, terminate, limit or in any manner modify or fail to enter into any actual or potential business relationship with the Company.

4. It is understood by me and agreed to by the Company that upon the termination of my employment hereunder, I will not be restricted territorially from competing with the Company so long as I comply with the provisions of Part IV herein.

5. It is further understood and agreed that the running of the two (2) year period of restriction set forth in Part IV C shall be tolled during any time period in which I violate the provisions of Part IV C.

D. I will devote my entire time, attention, and energies to the business of the Company and shall not, during the period of my employment, be engaged in any other business activity whether or not such business is pursued for gain, profit or other pecuniary advantage. This restriction, however, shall not be construed as preventing me from investing my assets in such form or manner as will not require any services on my part in the day-to-day operation of the affairs of the companies in which such investments are made.

V.

INVENTION

A. Employee shall communicate to Company as promptly and fully as practicable all Inventions (as defined below) which are (or were) conceived or reduced to practice by employee (alone or jointly with others) (1) during employee's employment with Company, (2) within one (1) year following the termination of employee's employment with Company for any reason (and whether occasioned by employee or Company). Employee hereby assigns to Company and/or its nominees, all of employee's right, title, and interest in such Inventions, and all of employee's right, title, and interest in any patents, copyrights, patent applications, or copyright applications based thereon. Employee shall assist Company and/or its nominees (without charge but at no expense to employee) at any time and in every proper way to obtain for its and/or their own benefits, patents and copyrights for all such Inventions anywhere in the world and to enforce its and/or their rights in legal proceedings.

B. As used in this Section, the term "Invention" includes, but is not limited to, all inventions, discoveries, improvements, processes, developments, designs, know-how, data, computer programs and formulae, whether patentable or unpatentable or protectable by copyright, trademark, or other intellectual property law.

C. Any provision in this Section requiring employee to assign employee's rights in any Invention does not apply to an Invention which qualifies for exclusion under the provisions of Minnesota Statute Section 181.78. That section provides that the requirement to assign "does not apply to an invention for which no equipment, supplies, facility or trade secret information of the employer was used and which was developed entirely on the employee's own time, and (1) which does not relate (a) directly to the business of the employer or (b) to the employer's actual or demonstrably anticipated research or development, or (2) which does not result from any work performed by the employee for the employer." Employee understands that employee bears the burden of proving that an Invention qualifies for exclusion under Minnesota Statute Section 181.78.

D. Notwithstanding any of the foregoing, employee also assigns to Company (or to any of its nominees) all rights which employee may have or acquire in any Invention, full title to which is required to be in the United States by a contract between Company and the United States or any of its agencies.

E. Employee hereby irrevocably designates and appoints Company and each of its duly authorized officers and agents as employee's agent and attorney-in-fact to act for and in employee's behalf and stead to execute and file any document and to do all other lawfully permitted acts to further the prosecution, issuance, and enforcement of patents, copyrights and other proprietary rights with the same force and effect as if executed and delivered by employee.

VI.

EXIT INTERVIEW

To ensure a clear understanding of this Agreement and my post-employment obligations to the Company, I agree to engage in an Exit Interview with the Company at a time and place designated by the Company. The Company, at its option, may elect to conduct the Exit Interview either at the Company's principal headquarters in Minneapolis, Minnesota, or through written correspondence, or by phone; provided, however, that the Company shall pay all reasonable travel and lodging expenses incurred by me in attending such Exit Interview if the Company requires my personal attendance.

VII.

INJUNCTIVE RELIEF

In the event of a breach or threatened breach of Part IV C above, the Company shall be entitled to a temporary and/or permanent injunction restraining such breach, and shall further be entitled to recover all attorney's fees reasonably incurred in establishing such violations of this Agreement; but nothing herein shall be construed as prohibiting the Company from pursuing any other remedy available to it for such breach or threatened breach.

VIII.
SEPARATE AND DIVISIBLE COVENANTS

The covenants contained in this Agreement are intended to be separate and divisible covenants, and, if for any reason, any one or more thereof shall be held to be invalid or unenforceable, in whole or in part, it is agreed that the same shall not be held to affect the validity or enforceability of any other covenant or part of this Agreement. The terms and period set forth in Part IV C 1 and Part IV C 2 shall be reduced to the maximum permitted by the law actually applied to determine the validity of each such paragraph.

IX.
GOVERNING LAW

I agree that all of my obligations hereunder shall be binding upon my heirs, beneficiaries, and legal representatives and that the law of the State of Minnesota shall govern as to the interpretation and enforceability of this Agreement. I understand that any legal action brought to enforce the terms of this Agreement shall be brought in Hennepin County District Court, State of Minnesota or the United States District Court for the District of Minnesota, and I hereby consent to the jurisdiction of those Courts.

Executed at Eden Prairie, Minnesota, this _____ day of _____, 200 ____.

By: C. H. ROBINSON WORLDWIDE, INC.,



President and Chief Executive Officer

EMPLOYEE:

SELECTED CONSOLIDATED FINANCIAL AND OPERATING DATA

C.H. Robinson Worldwide, Inc. and Subsidiaries

(Dollars in thousands, except per share data)

STATEMENT OF OPERATIONS DATA ⁽¹⁾

<u>For the years ended December 31</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Gross revenues	\$7,316,223	\$6,556,194	\$5,688,948	\$4,341,538	\$3,613,645
Gross profits	1,243,778	1,082,544	879,750	660,991	544,848
Income from operations	509,684	417,845	326,361	222,768	176,046
Net income	324,261	266,925	203,358	137,254	107,369
Net income per share					
Basic	\$ 1.90	\$ 1.56	\$ 1.20	\$.81	\$.64
Diluted	\$ 1.86	\$ 1.53	\$ 1.16	\$.79	\$.62
Weighted average number of shares outstanding (in thousands)					
Basic	170,493	170,888	170,052	169,228	168,774
Diluted	174,040	174,787	174,698	173,144	172,138
Dividends per share	\$.760	\$.570	\$.355	\$.255	\$.180

BALANCE SHEET DATAAs of December 31

Working capital	\$ 631,537	\$ 569,199	\$ 472,298	\$ 393,168	\$ 336,128
Total assets	1,811,307	1,631,693	1,395,068	1,080,696	908,149
Total long-term debt	—	—	—	—	—
Stockholders' investment	1,042,249	943,722	780,037	620,856	518,747

OPERATING DATAAs of December 31

Branches	218	214	196	176	158
Employees	7,332	6,768	5,776	4,806	4,112
Average gross profits per employee ⁽²⁾	\$ 177	\$ 172	\$ 166	\$ 149	\$ 137

(1) On October 14, 2005, the company's shareholders approved a 2-for-1 stock split. All share and per share amounts have been restated to reflect the retroactive effect of the stock split.

(2) Gross profits per employee is a key performance indicator used by management to analyze our productivity, to benchmark the financial performance of our branches, and to analyze impacts of technology and other investments in our business.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

C.H. Robinson Worldwide, Inc. and Subsidiaries

RESULTS OF OPERATIONS

The following table illustrates our gross profit margins by services and products:

For the years ended December 31,

	2007	2006	2005
Transportation	18.4%	17.8%	16.3%
Sourcing	7.7	7.9	8.2
Information Services	100.0	100.0	100.0
Total	17.0%	16.5%	15.5%

The following table summarizes our gross profits by service line:

For the years ended December 31,

(Dollars in thousands)

	2007	2006	Change	2005	Change
Gross profits:					
Transportation					
Truck	\$ 949,277	\$ 822,954	15.3%	\$666,605	23.5%
Intermodal	38,670	36,176	6.9	31,392	15.2
Ocean	43,530	37,150	17.2	29,182	27.3
Air	31,315	21,533	45.4	13,321	61.6
Miscellaneous	35,240	28,152	25.2	19,824	42.0
Total Transportation	1,098,032	945,965	16.1	760,324	24.4
Sourcing	100,220	94,229	6.4	81,459	15.7
Information Services	45,526	42,350	7.5	37,967	11.5
Total	1,243,778	1,082,544	14.9%	\$879,750	23.1%

The following table represents certain statements of operations data, shown as percentages of our gross profits:

For the years ended December 31,

	2007	2006	2005
Gross profits	100.0%	100.0%	100.0%
Selling, general, and administrative expenses:			
Personnel expenses	45.7	47.7	48.6
Other selling, general, and administrative expenses	13.4	13.7	14.3
Total selling, general, and administrative expenses	59.1	61.4	62.9
Income from operations	40.9	38.6	37.1
Investment and other income	1.2	1.1	0.7
Income before provision for income taxes	42.1	39.7	37.8
Provision for income taxes	16.0	15.0	14.7
Net income	26.1%	24.7%	23.1%

24 + C.H. Robinson Worldwide, Inc.

FORWARD-LOOKING INFORMATION

Our annual report, including the letter to our shareholders and this discussion and analysis of our financial condition and results of operations, contains certain “forward-looking statements.” These statements represent our expectations, beliefs, intentions, or strategies concerning future events and by their nature involve risks and uncertainties. Forward-looking statements include, among others, statements about our future performance, the continuation of historical trends, the sufficiency of our sources of capital for future needs, the effects of acquisitions, the expected impact of recently issued accounting pronouncements, and the outcome or effects of litigation. Risks that could cause actual results to differ materially from our current expectations include changes in market demand and pricing for our services, the impact of competition, changes in relationships with our customers, freight levels and our ability to source capacity to transport freight, our ability to source produce, the risks associated with litigation and insurance coverage, our ability to integrate acquisitions, the impacts of war, the risks associated with operations outside the United States, risks associated with the produce industry, including food safety and contamination issues, and changing economic conditions. Therefore, actual results may differ materially from our expectations based on these risks and uncertainties, including those described in the Business Description of our Form 10-K filed with the Securities and Exchange Commission for the year ended December 31, 2007.

OVERVIEW

OUR COMPANY. We are a global provider of multimodal transportation services and logistics solutions, operating through a network of branch offices in North America, Europe, Asia, and South America. We are a non-asset based transportation provider, meaning we do not own the transportation equipment that is used to transport our customers’ freight. We work with approximately 48,000 transportation companies worldwide, and through those relationships we select and hire the appropriate transportation providers to meet our customers’ needs. As an integral part of our transportation services, we provide a wide range of value added logistics services, such as supply chain analysis, freight consolidation, core carrier program management, and information reporting.

In addition to multimodal transportation services, we have two other logistics business lines: fresh produce sourcing and fee-based information services. Our Sourcing business is the buying, selling, and marketing of fresh produce. We purchase fresh produce through our network of produce suppliers and sell it to retail grocers and restaurant chains, produce wholesalers, foodservice and distributors. In the majority of cases, we also arrange the transportation of the produce we sell through our relationships with specialized transportation companies. Our Information Services business is our subsidiary, T-Chek Systems, Inc., which provides a variety of management and information services to motor carrier companies and to fuel distributors. Those services include funds transfer, driver payroll services, fuel management services, permit procurement, and fuel and use tax reporting.

OUR BUSINESS MODEL. We are a service company. We act principally to add value and expertise in the procurement and execution of transportation and logistics, including sourcing of produce products for our customers. Our gross revenues represent the total dollar value of services and goods we sell to our customers. Our gross profits are our gross revenues less the direct costs of transportation, products, and handling, including motor carrier, rail, ocean, air, and other costs, and the purchase price of the products we source. Our gross profits are the primary indicator of our ability to source, add value, and sell services and products that are provided by third parties, and we consider them to be our primary performance measurement. Accordingly, the discussion of our results of operations below focuses on the changes in our gross profits.

We keep our business model as variable as possible to allow us to be flexible and adapt to changing economic and industry conditions. We buy most of our transportation capacity and produce on a spot-market basis. We also keep our personnel and other operating expenses as variable as possible. Compensation, our largest operating expense, is performance-oriented and, for most employees in the branch network, based on the profitability of their individual branch office.

In addition, we do not have pre-committed targets for headcount growth. Our personnel decisions are decentralized. Our branch managers determine the appropriate number of employees for their offices, within productivity guidelines, based on their branch's volume of business. This helps keep our personnel expense as variable as possible with the business.

OUR BRANCH NETWORK. Our branch network is a major competitive advantage. Building local customer and carrier relationships has been an important part of our success, and our worldwide network of offices supports our core strategy of serving customers locally, nationally, and globally. Our branch offices help us penetrate local markets, provide face-to-face service when needed, and recruit contract carriers. Our branch network also gives us knowledge of local market conditions, which is important in the transportation industry because it is so dynamic and market-driven.

Our branches work together to complete transactions and collectively meet the needs of our customers. Approximately 30 percent of our truckload shipments are shared transactions between branches. For many of our significant customer relationships, we coordinate our efforts in one branch and rely on multiple branch locations to deliver specific geographic or modal needs. In addition, our methodology of providing services is very similar across all branches. Our North American branches have a common technology platform that they use to match customer needs with supplier capabilities, to collaborate with other branch locations, and to utilize centralized support resources to complete all facets of the transaction.

During 2007, we increased the size of our branch network by 4 branches, to 218. We opened three new branches and added one branch through acquisition. We are planning to open five to ten branches during 2008. Because we usually open new offices with only two or three employees, we do not expect them to make a material contribution to our financial results in the first few years of their operation.

OUR PEOPLE. Because we are a service company, our continued success is dependent on our ability to continue to hire and retain talented, productive people. Our headcount grew by 564 employees during 2007, including 40 employees added by acquisition. Branch employees act as a team in their sales efforts, customer service, and operations. A significant portion of our branch employees' compensation is performance-oriented, based on individual performance and the profitability of their branch. We believe this makes our sales employees more service-oriented, focused, and creative. In 2003, we implemented a new restricted stock program to better align our key employees with the interests of our shareholders, and to motivate and retain them for the long term. These restricted stock awards vest over a five year period based on the performance of the company, and have been awarded annually since 2003.

OUR CUSTOMERS. In 2007, we worked with approximately 29,000 customers, up from approximately 25,000 in 2006. We work with a wide variety of companies, ranging in size from Fortune 100 companies to small family businesses, in many different industries. Our customer base is very diverse. Our top 100 customers represented approximately 31 percent of our total gross profits, and our largest customer was approximately 3 percent of our total gross profits.

OUR CARRIERS. Our carrier base includes motor carriers, railroads (primarily intermodal service providers), air freight, and ocean carriers. In 2007, we increased our carrier base to approximately 48,000, up from approximately 45,000 in 2006. While our volume with many of these new providers may still be small, we believe the growth in our contract carrier network shows that new transportation providers continue to enter the industry, and that we are well positioned to continue to meet our customers' needs. Approximately 75 percent of our truckload shipments in 2007 were transported by motor carriers that had fewer than 100 tractors. In our truckload business, no single carrier represents more than one percent of our carrier capacity.

OUR GOALS. Since we became a publicly-traded company in 1997, our long-term compounded annual growth target has been 15 percent for gross profits, income from operations, and earnings per share. This goal was based on an analysis of our performance in the previous twenty years, during which our compounded annual growth rate was 15 percent. Although there have been periods where we have not achieved these goals, since 1997 we have exceeded this compounded growth goal in all three categories.

Our expectation is that over time, we will continue to achieve our long-term target of 15 percent growth, but that we will have periods in which we exceed that goal and periods in which we fall short. We expect to reach our long-term growth primarily through internal growth but acquisitions that fit our growth criteria and culture may also augment our growth. In 2007, we nearly met or exceeded our long-term growth goal in gross profits, income from operations, and earnings per share. Our gross profits grew 14.9 percent to \$1.2 billion. Our income from operations increased 22.0 percent to \$509.7 million and our diluted earnings per share increased 21.6 percent to \$1.86.

2007 COMPARED TO 2006

REVENUES. Gross revenues for 2007 were \$7.32 billion, an increase of 11.6% over \$6.56 billion in 2006. Gross profits in 2007 were \$1.24 billion, an increase of 14.9% over \$1.08 billion in 2006. This was the result of an increase in our Transportation gross profits of 16.1% to \$1.10 billion, an increase in our Sourcing gross profits of 6.4% to \$100.2 million, and an increase in our Information Services gross profits of 7.5% to \$45.5 million.

During 2007, our gross profit margin, or gross profits as a percentage of gross revenues, increased to 17.0% from 16.5% in 2006. Transportation gross profit margin increased to 18.4% in 2007 from 17.8% in 2006. Sourcing gross profit margin decreased to 7.7% in 2007 from 7.9% in 2006. Information Services is a fee-based business which generates 100% gross profit margin.

Transportation gross profits increased 16.1% to \$1.10 billion in 2007 from \$946.0 million in 2006. Transportation revenues are generated through several transportation services, including truck, intermodal, ocean, air, and miscellaneous services.

Truck gross profits, including less-than-truckload (LTL), increased 15.3% to \$949.3 million in 2007. This increase was generated by volume growth of over 10% and increased gross profit margins, partially offset by a rate decline of approximately 2%. This rate decline excludes the impact of higher fuel prices. Despite weakening demand for trucking services in the marketplace, we were able to capture additional market share and grow our volumes with existing customers and gain new customers. Our margins expanded due to more widely available capacity in the marketplace compared to 2006.

Intermodal gross profits increased 6.9% to \$38.7 million from \$36.2 million in 2006, due to an increase in volumes. Our volume growth was driven by cross-selling with existing C.H. Robinson customers and new customer growth.

Our ocean transportation gross profits increased 17.2% to \$43.5 million in 2007. Our growth was driven by an increase in volumes and an increase in our gross profit margins. Our volumes grew due to adding new customers and growth with existing customers. Gross profit margins expanded due to more widely available capacity in the marketplace.

Our air transportation gross profits increased 45.4% to \$31.3 million in 2007. The increase was driven by significant volume increases partially offset by a decline in our gross profit margins, due to changes in our geographic and cargo consolidation mix. Our air gross profits also included approximately \$2.1 million of domestic air gross profits from our previously-disclosed acquisition of LXSI Services, Inc. on July 13, 2007.

Miscellaneous transportation gross profits consist primarily of customs brokerage fees and transportation management fees. The increase of 25.2% to \$35.2 million in 2007 was driven by increases in transportation management business.

Sourcing gross profits increased 6.4% to \$100.2 million in 2007, driven by growth in our volumes, partially offset by a decrease in our Sourcing gross profit margins. Our Sourcing business is the buying and selling of fresh fruits and vegetables. For several years, we have actively sought to expand our Sourcing customer base, focusing on large retailers, restaurant chains, and foodservice providers. As a result, we continue to see the long-term trend of increases in volume and gross profits in our integrated relationships with these customers, offset by a decline in our business with produce wholesale customers. Our gross profit margin declined in 2007 primarily because of higher prices for certain commodities, related to weather and higher labor and fuel costs.

Information Services is comprised entirely of revenue generated by our subsidiary, T-Chek Systems. For 2007, Information Systems gross profits growth of 7.5% to \$45.5 million was driven primarily by volume growth in our core fuel card and cash advance services. In addition, our gross profit per transaction was up slightly due to the price of fuel. With certain merchants our fee is based on a percentage of the sale amount. Approximately 30 percent of the growth was related to other services, such as fleet card and carrier compliance services.

SELLING, GENERAL, AND ADMINISTRATIVE EXPENSES. Many of our selling, general, and administrative expenses are variable in relation to gross profits. However, we do gain leverage in certain expenses.

Personnel expenses increased by 10.1% to \$568.0 million in 2007, and decreased as a percentage of gross profits to 45.7% in 2007 from 47.7% in 2006. Personnel expenses account for nearly 80% of our total selling, general, and administrative expenses. Expenses related to our restricted stock program and various other incentive plans are variable, based on growth in our earnings. Our slower earnings growth in 2007 compared to 2006 resulted in a decrease in expense related to some of these incentive plans. This contributed to our personnel expenses growing slower than our gross profits.

We focus on keeping personnel expenses as variable as possible while looking for opportunities to be more efficient. Gross profits per employee increased 3.1% in 2007 over 2006. This increase was driven primarily by increased productivity and our slower headcount growth, relative to our gross profit growth.

Other selling, general, and administrative expenses for 2007 were \$166.1 million, an increase of 11.7% from \$148.8 million in 2006. As a percentage of gross profits, other selling, general, and administrative expenses decreased to 13.4% in 2007 compared to 13.7% in 2006. We strive to keep our expenses as variable as possible. With our revenue growth in 2007, we did gain leverage in our other selling, general, and administrative expenses.

INCOME FROM OPERATIONS. Income from operations increased 22.0% to \$509.7 million for 2007. This increase was primarily driven by the growth in our gross profits. Income from operations as a percentage of gross profits was 40.9% and 38.6% for 2007 and 2006.

INVESTMENT AND OTHER INCOME. Investment and other income increased 16.8% to \$13.8 million in 2007. Our portfolio yield increased slightly in 2007 from 2006.

PROVISION FOR INCOME TAXES. Our effective income tax rate was 38.1% for 2007 and 37.9% for 2006. The effective income tax rate for both periods is greater than the statutory federal income tax rate primarily due to state income taxes, net of federal benefit.

28 + C.H. Robinson Worldwide, Inc.

NET INCOME. Net income increased 21.5% to \$324.3 million for 2007. Basic net income per share increased 21.8% to \$1.90. Diluted income per share increased 21.6% to \$1.86 for 2007.

2006 COMPARED TO 2005

REVENUES. Gross revenues for 2006 were \$6.56 billion, an increase of 15.2% over \$5.69 billion in 2005. Gross profits in 2006 were \$1.08 billion, an increase of 23.1% over \$879.8 million in 2005. This was the result of an increase in Transportation gross profits of 24.4% to \$946.0 million, an increase in Sourcing gross profits of 15.7% to \$94.2 million, and an increase in Information Services gross profits of 11.5% to \$42.4 million.

During 2006, our gross profit margin, or gross profits as a percentage of gross revenues, increased to 16.5% from 15.5% in 2005. Transportation gross profit margin increased to 17.8% in 2006 from 16.3% in 2005. Sourcing gross profit margin decreased to 7.9% in 2006 from 8.2% in 2005. Information Services is a fee-based business which generates 100% gross profit margin.

Transportation gross profits increased 24.4% to \$946.0 million in 2006 from \$760.3 million in 2005. Transportation revenues are generated through several transportation services, including truck, intermodal, ocean, air, and miscellaneous services.

Truck gross profits, including less-than-truckload (LTL), increased 23.5% to \$823.0 million in 2006. This increase was generated by transaction volume growth, increased profit margin, and pricing increases. While demand for truck services increased in 2006 and we experienced volume growth of over 10% for the year in our truck business year-over-year, volume growth slowed as the year progressed. Our margins expanded as slowing demand in the overall truckload market created a looser truck market.

Intermodal gross profits increased 15.2% to \$36.2 million from \$31.4 million in 2005. This increase was driven by an increase in gross profit margins, offset by a decrease in volume. Our gross profit margin expanded due to rate increases and the elimination of some lower margin business.

In our international forwarding business, ocean gross profits increased 27.3% to \$37.2 million in 2006. Air gross profits increased 61.6% to \$21.5 million in 2006. During the third quarter of 2005, we acquired two freight forwarding companies based in Europe. In 2006, these acquisitions contributed approximately 45% of our growth in air and 10% of our growth in ocean.

Miscellaneous transportation gross profits consist of customs brokerage fees, transportation management fees, and other miscellaneous transportation related services. The increase of 42.0% to \$28.2 million in 2006 was driven by increases in transportation management fees and customs brokerage business.

Sourcing gross profits increased 15.7% to \$94.2 million in 2006. In mid-February 2005, we acquired three produce sourcing and distribution companies, collectively named "FoodSource." Excluding the impacts of this acquisition, our Sourcing gross profits would have increased approximately 9% in 2006. Our Sourcing business is the buying and selling of fresh fruits and vegetables. For several years, we have actively sought to expand our Sourcing customer base, focusing on large retailers, restaurant chains, and foodservice providers. As a result, we continue to see the long-term trend of increases in volume and gross profits in our integrated relationships with these customers, offset by a decline in our business with produce wholesale customers.

Information Services is comprised entirely of revenue generated by our subsidiary, T-Chek Systems. For 2006, Information Services gross profits increased by 11.5% to \$42.4 million due to transaction volume growth and an increase in pricing related to certain truck stop services.

SELLING, GENERAL, AND ADMINISTRATIVE EXPENSES. Many of our selling, general, and administrative expenses are variable in relation to gross profits. However, we do gain leverage in certain expenses especially when our gross profits grow faster than our long-term growth target of 15%.

Personnel expenses increased by 20.7% to \$515.9 million in 2006, and decreased as a percentage of gross profits to 47.7% in 2006 from 48.8% in 2005. Personnel expenses account for nearly 80% of our total selling, general, and administrative expenses. Expenses related to our restricted stock program and various other incentive plans are based on growth in our earnings. Our strong earnings growth during 2006 compared to 2005 resulted in an increase in expense related to some of these plans.

We focus on keeping personnel expenses as variable as possible while looking for opportunities to be more efficient. Gross profits per employee increased 3.6% in 2006 over 2005. This increase was driven primarily by transaction pricing increases.

Other selling, general, and administrative expenses for 2006 were \$148.8 million, an increase of 18.0% from \$126.1 million in 2005. As a percentage of gross profits, other selling, general, and administrative expenses decreased to 13.7% compared to 14.3% in 2005. We strive to keep our expenses as variable as possible. With our revenue growth in 2006, we did gain leverage in our other selling, general, and administrative expenses.

INCOME FROM OPERATIONS. Income from operations increased 28.0% to \$417.8 million for 2006. This increase was primarily driven by the growth in our gross profits. Income from operations as a percentage of gross profits was 38.6% and 37.1% for 2006 and 2005.

INVESTMENT AND OTHER INCOME. Investment and other income increased 85.3% to \$11.8 million in 2006. Our cash and cash equivalents as of December 31, 2006, increased \$118.0 million over the balance as of December 31, 2005, which contributed to our increased investment income. In addition, our portfolio yield also increased due to increases in short-term interest rates.

PROVISION FOR INCOME TAXES. Our effective income tax rate was 37.9% for 2006 and 38.9% for 2005. The decrease in the effective income tax rate is primarily due to the decline in our effective foreign tax rate and an increase in our tax-exempt municipal interest income. The effective income tax rate for both periods is greater than the statutory federal income tax rate primarily due to state income taxes, net of federal benefit.

NET INCOME. Net income increased 31.3% to \$266.9 million for 2006. Basic net income per share increased 30.0% to \$1.56 for 2006. Diluted net income per share increased 31.9% to \$1.53 for 2006.

LIQUIDITY AND CAPITAL RESOURCES

We have historically generated substantial cash from operations, which has enabled us to fund our growth while paying cash dividends and repurchasing stock. Cash and cash equivalents totaled \$338.9 million and \$348.6 million as of December 31, 2007 and 2006. Available-for-sale securities, consisting primarily of highly liquid investments, totaled \$115.8 million and \$124.8 million as of December 31, 2007 and 2006. Working capital at December 31, 2007 and 2006 was \$631.5 million and \$569.2 million.

Our first priority for our cash is growing the business, as we do require some working capital and a relatively small amount of capital expenditures to grow. We are continually looking for acquisitions to redeploy our cash, but those acquisitions must fit our culture and enhance our growth opportunities.

30 + C.H. Robinson Worldwide, Inc.

If our cash balance continues to increase and there are no significant attractive acquisition opportunities, we expect to return more of the cash to our shareholders through future dividends and share repurchases.

CASH FLOW FROM OPERATING ACTIVITIES. We generated \$308.4 million, \$343.4 million, and \$224.1 million of cash flow from operations in 2007, 2006, and 2005. During 2007, our cash flow from operations decreased 10.2% compared to a 21.5% increase in net income. The primary factor that caused this decrease in 2007 was the growth in our accounts receivables balance of 19.2% to \$911.8 million in 2007 from \$765.0 million in 2006, due to a slightly slower collection cycle from our customers.

CASH FLOW FROM INVESTING ACTIVITIES. We used \$55.7 million, \$81.2 million, and \$86.7 million of cash flow for investing activities in 2007, 2006, and 2005. Our investing activities consist primarily of cash paid for acquisitions and our capital expenditures.

We used cash of \$22.2 million, \$39.7 million, and \$60.2 million for acquisitions in 2007, 2006, and 2005. The amount paid in 2007 included \$9.8 million related to the closing of one acquisition and \$12.4 million related to earn-out payments and holdbacks from prior year acquisitions. As of December 31, 2007, we have approximately \$10.0 million of potential remaining earn-out payments and \$1.1 million of potential remaining purchase price holdbacks expected to be paid in 2008.

We also used \$43.7 million, \$43.3 million, and \$21.8 million of net capital expenditures in 2007, 2006, and 2005. We have invested in real estate in Chicago, Illinois, and Eden Prairie, Minnesota, related to office space in these cities, in which we have a high concentration of employees. We have spent \$21.1 million, \$22.5 million, and \$5.7 million in 2007, 2006, and 2005 on these facilities. The remaining capital expenditures of \$22.6 million, \$20.8 million, and \$16.1 million in 2007, 2006, and 2005 relate primarily to annual investments in information technology equipment to support our operating systems.

CASH FLOW FROM FINANCING ACTIVITIES. We used \$262.1 million, \$145.8 million, and \$69.8 million of cash flow for financing activities in 2007, 2006, and 2005. This was primarily quarterly dividends and share repurchases.

We used \$125.2 million, \$90.8 million, and \$51.5 million to pay cash dividends in 2007, 2006, and 2005, with the increase in 2007 due to a 38% increase in our quarterly dividend rate from \$0.13 per share in 2006 to \$0.18 per share in 2007.

We also used \$167.3 million, \$85.3 million, and \$38.8 million of cash flow on share repurchases in 2007, 2006, and 2005, with the increase in 2007 due to a 70% increase in the number of shares repurchased and an increase in the stock price related to those purchases. We will continue to use share repurchases as a variable way to return excess capital to shareholders. Our Board of Directors has currently authorized a stock repurchase plan that has approximately 9,937,000 shares remaining for purchase.

We have 3.5 million euros available under a line of credit at an interest rate of Euribor plus 45 basis points (5.21% at December 31, 2007). This discretionary line of credit has no expiration date. Our credit agreement contains certain financial covenants, but does not restrict the payment of dividends. We were in compliance with all covenants of this agreement as of December 31, 2007.

Assuming no change in our current business plan, management believes that our available cash, together with expected future cash generated from operations and the amount available under our line of credit, will be sufficient to satisfy our anticipated needs for working capital, capital expenditures, and cash dividends for all future periods. We also believe we could obtain funds under additional lines of credit on short notice, if needed.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Our consolidated financial statements include accounts of the company and all majority-owned subsidiaries. The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions. In certain circumstances, those estimates and assumptions can affect amounts reported in the accompanying consolidated financial statements and related footnotes. In preparing our financial statements, we have made our best estimates and judgments of certain amounts included in the financial statements, giving due consideration to materiality. We do not believe there is a great likelihood that materially different amounts would be reported related to the accounting policies described below. However, application of these accounting policies involves the exercise of judgment and use of assumptions as to future uncertainties and, as a result, actual results could differ from these estimates. Note 1 of the “Notes to Consolidated Financial Statements” includes a summary of the significant accounting policies and methods used in the preparation of our consolidated financial statements. The following is a brief discussion of our critical accounting policies and estimates.

REVENUE RECOGNITION. Gross revenues consist of the total dollar value of goods and services purchased from us by customers. Gross profits are gross revenues less the direct costs of transportation, products, and handling. We act principally as the service provider for these transactions and recognize revenue as these services are rendered or goods are delivered. At that time, our obligations to the transactions are completed and collection of receivables is reasonably assured. Emerging Issues Task Force (EITF) Issue No. 99-19, Reporting Revenue Gross as a Principal versus Net as an Agent, establishes the criteria for recognizing revenues on a gross or net basis. Most transactions in our Transportation and Sourcing businesses are recorded at the gross amount we charge our customers for the service we provide and goods we sell. In these transactions, we are the primary obligor, we are a principal to the transaction, we have all credit risk, we maintain substantially all risks and rewards, we have discretion to select the supplier, and we have latitude in pricing decisions.

Additionally, in our Sourcing business, we take loss of inventory risk during shipment and have general inventory risk. Certain transactions in customs brokerage, transportation management, and all transactions in Information Services are recorded at the net amount we charge our customers for the service we provide because many of the factors stated above are not present.

VALUATIONS FOR ACCOUNTS RECEIVABLE. Our allowance for doubtful accounts is calculated based upon the aging of our receivables, our historical experience of uncollectible accounts, and any specific customer collection issues that we have identified. The allowance of \$28.0 million as of December 31, 2007, decreased compared to the allowance of \$29.0 million as of December 31, 2006. We believe that the recorded allowance is sufficient and appropriate based on our customer aging trends, the exposures we have identified, and our historical loss experience.

GOODWILL. We manage and report our operations as one operating segment. Our branches represent a series of components that are aggregated for the purpose of evaluating goodwill for impairment on an enterprise-wide basis. In the case where we have an acquisition that we feel has not yet become integrated into our branch network component, we will evaluate the impairment of any goodwill related to that specific acquisition and its results. Based on our annual analysis in accordance with SFAS No. 142, we have determined that there is no indication of goodwill impairment as of December 31, 2007.

STOCK-BASED COMPENSATION. We account for share-based compensation in accordance with SFAS No. 123R, Share Based Payment. Under this standard, the fair value of each share-based payment award is established on the date of grant. For grants of restricted shares and restricted units, the fair value is established based on the market price on the date of the grant, discounted for post-vesting holding restrictions. The discounts have varied from 12% to 16% and are calculated

using the Black-Scholes option pricing model. For grants of options, we use the Black-Scholes option pricing model to estimate the fair value of share-based payment awards. The determination of the fair value of share-based awards is affected by our stock price and a number of assumptions, including expected volatility, expected life, risk-free interest rate and expected dividends.

RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

See Note 2 in the “Notes to Consolidated Financial Statements” for a discussion of the impact of recently issued accounting pronouncements on our financial condition and results of operations.

MARKET RISK

We had \$454.7 million of cash and investments on December 31, 2007, consisting of \$338.9 million of cash and cash equivalents and \$115.8 million of available-for-sale securities. Although these investments are subject to the credit risk of the issuer, we manage our investment portfolio to limit our exposure to any one issuer or industry. Substantially all of the cash equivalents are money market securities from domestic issuers. All of our available-for-sale securities are high-quality bonds that are exempt from U.S. federal income taxes. Because of the credit risk criteria of our investment policies and practices, the primary market risks associated with these investments are interest rate and liquidity risks. We do not use derivative financial instruments to manage interest rate risk or to speculate on future changes in interest rates. A rise in interest rates could negatively affect the fair value of our investments. We believe a reasonable near-term change in interest rates would not have a material impact on our future investment earnings due to the short-term nature of our investments. As of December 31, 2007 we had approximately \$50.5 million of auction rate securities classified as available-for-sale securities on our balance sheet. We made the decision during the fourth quarter of 2007 to sell or exit these at the next auction date. As of January 31, 2008, we had no investments in auction rate securities.

DISCLOSURES ABOUT CONTRACTUAL OBLIGATIONS AND COMMERCIAL CONTINGENCIES

The following table aggregates all contractual commitments and commercial obligations that affect our financial condition and liquidity position as of December 31, 2007:

Payments Due by Period (dollars in thousands)

	<u>Total</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>Thereafter</u>
Contractual Obligations							
Operating Leases ^(a)	\$105,628	\$22,216	\$20,773	\$17,533	\$13,500	\$9,033	\$ 22,573
Purchase Obligations ^(b)	10,878	4,564	3,937	2,264	113	—	—
Total	<u>\$116,506</u>	<u>\$26,780</u>	<u>\$24,710</u>	<u>\$19,797</u>	<u>\$13,613</u>	<u>\$9,033</u>	<u>\$ 22,573</u>

(a) We have certain facilities and equipment under operating leases.

(b) Purchase obligations include agreements for services that are enforceable and legally binding and that specify all significant terms. As of December 31, 2007, such obligations include telecommunications services and maintenance contracts.

We have no long-term debt or capital lease obligations. Long-term liabilities consist of noncurrent income taxes payable and the obligation under our non-qualified deferred compensation plan. Due to the uncertainty with respect to the timing of future cash flows associated with our unrecognized tax benefits at December 31, 2007, we are unable to make reasonably reliable estimates of the period of cash settlement with the respective taxing authority. Therefore, \$10.2 million of unrecognized tax benefits have been excluded from the contractual obligations table above. See Note 6 to the Consolidated Financial Statements for a discussion on income taxes. The obligation under our non-qualified deferred compensation plan has also been excluded from the above table as the timing of cash payment is uncertain. We also enter into air and ocean freight and produce purchase contracts which are all short-term in nature. These liabilities have been excluded from the table as the amount of any cash payment is uncertain.

CONSOLIDATED BALANCE SHEETS

C.H. Robinson Worldwide, Inc. and Subsidiaries

(In thousands, except per share data)

As of December 31,

	2007	2006
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 338,885	\$ 348,592
Available-for-sale securities	115,842	124,767
Receivables, net of allowance for doubtful accounts of \$28,023 and \$ 29,033	911,780	764,995
Deferred tax asset	7,184	7,614
Prepaid expenses and other	15,465	10,180
Total current assets	1,389,156	1,256,148
Property and equipment	179,688	145,262
Accumulated depreciation and amortization	(78,023)	(63,191)
Net property and equipment	101,665	82,071
Goodwill	278,739	261,766
Other intangible assets, net of accumulated amortization of \$14,741 and \$ 9,086	14,470	15,957
Deferred tax asset	16,013	6,668
Other assets	11,264	9,083
Total assets	<u>\$1,811,307</u>	<u>\$1,631,693</u>
LIABILITIES AND STOCKHOLDERS' INVESTMENT		
Current liabilities:		
Accounts payable	\$ 530,752	\$ 468,499
Outstanding checks	87,443	71,630
Accrued expenses –		
Compensation and profit-sharing contribution	101,926	98,408
Income taxes and other	37,498	48,412
Total current liabilities	757,619	686,949
Noncurrent income taxes payable	10,223	—
Nonqualified deferred compensation obligation	1,216	1,022
Total liabilities	<u>769,058</u>	<u>687,971</u>
Commitments and contingencies		
Stockholders' investment:		
Preferred stock, \$.10 par value, 20,000 shares authorized; no shares issued or outstanding	—	—
Common stock, \$.10 par value, 480,000 shares authorized; 174,221 and 174,161 shares issued, 170,822 and 172,656 outstanding	17,082	17,266
Additional paid-in capital	190,320	184,462
Retained earnings	1,002,964	807,983
Accumulated other comprehensive income (loss)	263	(202)
Treasury stock at cost (3,384 and 1,504 shares)	(168,380)	(65,787)
Total stockholders' investment	<u>1,042,249</u>	<u>943,722</u>
Total liabilities and stockholders' investment	<u>\$1,811,307</u>	<u>\$1,631,693</u>

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF OPERATIONS

C.H. Robinson Worldwide, Inc. and Subsidiaries

(In thousands, except per share data)

For the years ended December 31,

	2007	2006	2005
Gross revenues:			
Transportation	\$5,971,784	\$5,321,547	\$4,655,746
Sourcing	1,298,913	1,192,297	995,235
Information Services	45,526	42,350	37,967
Total gross revenues	<u>7,316,223</u>	<u>6,556,194</u>	<u>5,688,948</u>
Cost of transportation, products, and handling:			
Transportation	4,873,752	4,375,582	3,895,422
Sourcing	1,198,693	1,098,068	913,776
Total cost of transportation, products, and handling	<u>6,072,445</u>	<u>5,473,650</u>	<u>4,809,198</u>
Gross profits	1,243,778	1,082,544	879,750
Selling, general, and administrative expenses:			
Personnel	567,986	515,947	427,311
Other selling, general, and administrative expenses	166,108	148,752	126,078
Total selling, general, and administrative expenses	<u>734,094</u>	<u>664,699</u>	<u>553,389</u>
Income from operations	509,684	417,845	326,361
Investment and other income	13,830	11,843	6,392
Income before provision for income taxes	523,514	429,688	332,753
Provision for income taxes	199,253	162,763	129,395
Net income	<u>\$ 324,261</u>	<u>\$ 266,925</u>	<u>\$ 203,358</u>
Basic net income per share	\$ 1.90	\$ 1.56	\$ 1.20
Diluted net income per share	\$ 1.86	\$ 1.53	\$ 1.16
Basic weighted average shares outstanding	170,493	170,888	170,052
Dilutive effect of outstanding stock awards	3,547	3,899	4,646
Diluted weighted average shares outstanding	<u>174,040</u>	<u>174,787</u>	<u>174,698</u>

The accompanying notes are an integral part of these consolidated financial statements.

36 + C.H. Robinson Worldwide, Inc.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' INVESTMENT

C.H. Robinson Worldwide, Inc. and Subsidiaries

(In thousands, except per share data)

For the years ended December 31, 2007, 2006, and 2005

	Common Shares Outstanding ⁽¹⁾	Amount	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Stock	Total Stockholders' Investment
Balance, December 31, 2004	170,480	\$ 8,524	\$137,770	\$ 498,406	\$ 1,608	\$ (25,452)	\$ 620,856
Net income	—	—	—	203,358	—	—	203,358
Other comprehensive income -							
Unrealized gain on available-for-sale securities	—	—	—	—	3	—	3
Foreign currency translation adjustment	—	—	—	—	(3,512)	—	(3,512)
Comprehensive income	—	—	—	—	—	—	199,849
Two-for-one stock split ⁽¹⁾	—	8,524	(8,524)	—	—	—	—
Dividends declared, \$.355 per share	—	—	—	(61,213)	—	—	(61,213)
Stock issued for employee benefit plans	1,217	122	(14,743)	—	—	30,170	15,549
Stock issued for acquisitions	380	38	10,381	—	—	—	10,419
Issuance of restricted stock	2,178	218	(218)	—	—	—	—
Stock-based compensation expense	14	1	27,425	—	—	1,010	28,436
Excess tax benefit on deferred compensation and employee stock plans	—	—	4,983	—	—	—	4,983
Repurchase of common stock	(1,240)	(124)	—	—	—	(38,718)	(38,842)
Balance, December 31, 2005	173,029	17,303	157,074	640,551	(1,901)	(32,990)	780,037
Net income	—	—	—	266,925	—	—	266,925
Other comprehensive income -							
Foreign currency translation adjustment	—	—	—	—	1,699	—	1,699
Comprehensive income	—	—	—	—	—	—	268,624
Dividends declared, \$.57 per share	—	—	—	(99,493)	—	—	(99,493)
Stock issued for employee benefit plans	1,503	150	(34,195)	—	—	52,229	18,184
Issuance of restricted stock	48	5	6,858	—	—	—	6,863
Stock-based compensation expense	3	1	41,613	—	—	51	41,665
Excess tax benefit on deferred compensation and employee stock plans	—	—	13,112	—	—	—	13,112
Repurchase of common stock	(1,927)	(193)	—	—	—	(85,077)	(85,270)
Balance, December 31, 2006	172,656	17,266	184,462	807,983	(202)	(65,787)	943,722
Net income	—	—	—	324,261	—	—	324,261
Other comprehensive income -							
Unrealized gain on available-for-sale securities	—	—	—	—	8	—	8
Foreign currency translation adjustment	—	—	—	—	457	—	457
Comprehensive income	—	—	—	—	—	—	324,726
Cumulative adjustment for FIN48	—	—	—	2,553	—	—	2,553
Dividends declared, \$.76 per share	—	—	—	(131,833)	—	—	(131,833)
Stock issued for employee benefit plans	1,402	140	(50,674)	—	—	64,274	13,740
Issuance of restricted stock	33	3	5,892	—	—	—	5,895
Stock-based compensation expense	15	1	33,972	—	—	128	34,101
Excess tax benefit on deferred compensation and employee stock plans	—	—	16,668	—	—	—	16,668
Repurchase of common stock	(3,284)	(328)	—	—	—	(166,995)	(167,323)
Balance, December 31, 2007	170,822	\$17,082	\$190,320	\$1,002,964	\$ 263	\$(168,380)	\$1,042,249

The accompanying notes are an integral part of these consolidated financial statements.

- (1) On October 14, 2005, the company's shareholders approved a 2-for-1 stock split. All share and per share amounts have been restated to reflect the retroactive effect of the stock split.

CONSOLIDATED STATEMENTS OF CASH FLOWS

C.H. Robinson Worldwide, Inc. and Subsidiaries

(In thousands)

For the years ended December 31,

	2007	2006	2005
OPERATING ACTIVITIES			
Net income	\$ 324,261	\$ 266,925	\$ 203,358
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	27,366	23,932	18,500
Provision for doubtful accounts	6,745	7,084	8,878
Stock-based compensation	38,002	47,292	28,436
Deferred income taxes	(8,915)	(8,882)	(503)
Loss on sale/disposal of assets	309	80	177
Changes in operating elements, net of effects of acquisitions:			
Receivables	(153,232)	(55,489)	(150,788)
Prepaid expenses and other	(5,206)	(1,303)	(2,366)
Accounts payable and outstanding checks	70,456	57,590	78,857
Accrued compensation and profit-sharing contribution	5,506	5,044	31,527
Accrued income taxes and other	3,138	1,104	8,029
Net cash provided by operating activities	<u>308,430</u>	<u>343,377</u>	<u>224,105</u>
INVESTING ACTIVITIES			
Purchases of property and equipment	(43,713)	(43,243)	(21,824)
Sales of property and equipment	—	1,700	—
Cash paid for acquisitions, net of cash acquired	(22,220)	(39,724)	(60,153)
Purchases of available-for-sale securities	(204,020)	(119,864)	(114,696)
Sales/maturities of available-for-sale securities	214,299	118,838	113,747
Other	(68)	1,056	(3,748)
Net cash used for investing activities	<u>(55,722)</u>	<u>(81,237)</u>	<u>(86,674)</u>
FINANCING ACTIVITIES			
Proceeds from stock issued for employee benefit plans	13,740	18,184	15,549
Repurchase of common stock	(167,323)	(85,270)	(38,842)
Cash dividends	(125,183)	(90,837)	(51,458)
Excess tax benefit on stock-based compensation	16,668	12,078	4,983
Proceeds from short-term borrowings	23,559	25,984	7,066
Payments on short-term borrowings	(23,559)	(25,984)	(7,066)
Net cash used for financing activities	<u>(262,098)</u>	<u>(145,845)</u>	<u>(69,768)</u>
Effect of exchange rates on cash	(317)	1,669	(3,511)
Net increase (decrease) in cash and cash equivalents	<u>(9,707)</u>	<u>117,964</u>	<u>64,152</u>
Cash and cash equivalents, beginning of year	<u>348,592</u>	<u>230,628</u>	<u>166,476</u>
Cash and cash equivalents, end of year	<u>\$ 338,885</u>	<u>\$ 348,592</u>	<u>\$ 230,628</u>
Cash paid for income taxes	<u>\$ 190,517</u>	<u>\$ 163,103</u>	<u>\$ 121,168</u>
Cash paid for interest	<u>\$ 172</u>	<u>\$ 180</u>	<u>\$ 303</u>
Supplemental disclosure of noncash activities:			
Restricted stock awarded	\$ 16,011	\$ 14,014	\$ 79,840
Stock issued for acquisition	\$ —	\$ —	\$ 10,419

The accompanying notes are an integral part of these consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

C.H. Robinson Worldwide, Inc. and Subsidiaries

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION. C.H. Robinson Worldwide, Inc. and our subsidiaries (“the company,” “we,” “us,” or “our”) are a global provider of multimodal transportation services and logistics solutions through a network of 218 branch offices operating in North America, Europe, Asia, and South America. The consolidated financial statements include the accounts of C.H. Robinson Worldwide, Inc. and our majority owned and controlled subsidiaries. Our minority interests in subsidiaries are not significant. All intercompany transactions and balances have been eliminated in the consolidated financial statements.

USE OF ESTIMATES. The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. We are also required to disclose contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Our ultimate results could differ from those estimates.

REVENUE RECOGNITION. Gross revenues consist of the total dollar value of goods and services purchased from us by customers. Gross profits are gross revenues less the direct costs of transportation, products, and handling. We act principally as the service provider for these transactions and recognize revenue as these services are rendered or goods are delivered. At that time, our obligations to the transactions are completed and collection of receivables is reasonably assured. EITF Issue No. 99-19, Reporting Revenue Gross as a Principal versus Net as an Agent, establishes the criteria for recognizing revenues on a gross or net basis. Most transactions in our Transportation and Sourcing businesses are recorded at the gross amount we charge our customers for the service we provide and goods we sell. In these transactions, we are the primary obligor, we are a principal to the transaction, we have all credit risk, we maintain substantially all risks and rewards, we have discretion to select the supplier, and we have latitude in pricing decisions. Additionally, in our Sourcing business, we take loss of inventory risk during shipment and have general inventory risk. Certain transactions in customs brokerage, transportation management, and all transactions in Information Services are recorded at the net amount we charge our customers for the service we provide because many of the factors stated above are not present.

ALLOWANCE FOR DOUBTFUL ACCOUNTS. Accounts receivable are reduced by an allowance for amounts that may become uncollectible in the future. We continuously monitor payments from our customers and maintain a provision for uncollectible accounts based upon our customer aging trends, historical loss experience, and any specific customer collection issues that we have identified.

FOREIGN CURRENCY. Most balance sheet accounts of foreign subsidiaries are translated at the current exchange rate as of the end of the year. Statement of operations items are translated at average exchange rates during the year. The resulting translation adjustment is recorded as a separate component of comprehensive income in our statement of stockholders’ investment.

SEGMENT REPORTING AND GEOGRAPHIC INFORMATION. We have adopted the provisions of Statement of Financial Accounting Standards (SFAS) No. 131, *Disclosure About Segments of an Enterprise and Related Information*. SFAS No. 131 establishes accounting standards for segment reporting.

We operate in the transportation and logistics industry. We provide a wide range of products and services to our customers and carriers including transportation services, produce sourcing, freight consolidation, contract warehousing, and information services. Each of these is a significant component to optimizing the logistics solution for our customers.

These services are performed throughout our branch offices by the same group of people, as an integrated offering for which our customers are typically provided a single invoice. Our branches work together to complete transactions and collectively meet the needs of our customers. Over 30% of our truckload transactions are shared transactions between branches. For many of our significant customer relationships, we coordinate our efforts in one branch and rely on multiple branch locations to deliver specific geographic or modal needs. In addition, our methodology of providing services is very similar across all branches. Our North American branches have a common technology platform that they use to match customer needs with supplier capabilities, to collaborate with other branch locations, and to utilize centralized support resources to complete all facets of the transaction. Accordingly, our chief operating decision maker analyzes our business as a single segment relying on gross profits and operating income for each of our branch offices as the primary performance measures.

The following table presents our gross revenues (based on location of the customer) for the years ended December 31 and our long-lived assets as of December 31 by geographic regions (in thousands):

	2007	2006	2005
Gross revenues			
United States	\$6,731,158	\$6,066,186	\$5,269,526
Other locations	585,065	490,008	419,422
	<u>\$7,316,223</u>	<u>\$6,556,194</u>	<u>\$5,688,948</u>
	2007	2006	2005
Long-lived assets			
United States	\$ 119,283	\$ 99,096	\$ 82,475
Other locations	8,116	8,015	4,675
	<u>\$ 127,399</u>	<u>\$ 107,111</u>	<u>\$ 87,150</u>

CASH AND CASH EQUIVALENTS. Cash and cash equivalents consist primarily of highly liquid investments with an original maturity of three months or less. The carrying amount approximates fair value due to the short maturity of the instruments.

PREPAID EXPENSES AND OTHER. Prepaid expenses and other include such items as prepaid rent, software maintenance contracts, insurance premiums, other prepaid operating expenses, and inventories, consisting primarily of produce and related products held for resale.

PROPERTY AND EQUIPMENT. Property and equipment are recorded at cost. Maintenance and repair expenditures are charged to expense as incurred. Depreciation is computed using the straight-line method over the estimated lives of the assets of 3 to 30 years. Amortization of leasehold improvements is computed over the shorter of the lease term or the estimated useful lives of the improvements.

We recognized depreciation expense of \$18.4 million in 2007, \$16.5 million in 2006, and \$12.7 million in 2005. A summary of our property and equipment as of December 31 is as follows (in thousands):

	2007	2006
Furniture, fixtures, and equipment	\$108,909	\$ 92,950
Buildings	38,460	17,020
Corporate aircraft	9,000	9,000
Leasehold improvements	9,486	8,305
Land	13,374	13,374
Construction in progress	459	4,613
Less accumulated depreciation	(78,023)	(63,191)
Net property and equipment	<u>\$101,665</u>	<u>\$ 82,071</u>

INTANGIBLE ASSETS. Goodwill is the difference between the purchase price of a company and the fair market value of the acquired company's net identifiable assets. Other intangible assets include customer lists, carrier lists, and non-compete agreements. These intangible assets are being amortized using the straight-line method over their estimated lives, ranging from three to five years. Goodwill is no longer being amortized and is tested for impairment using a fair value approach. Goodwill is tested for impairment annually or more frequently if events warrant. Intangible assets are evaluated for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. See Note 4.

OTHER ASSETS. Other assets include such items as purchased and internally developed software, and the investments related to our nonqualified deferred compensation plan. We recognized amortization expense of purchased and internally developed software of \$3.1 million in 2007, \$3.4 million in 2006, and \$1.9 million in 2005. We amortize software using the straight-line method over three years.

A summary of our purchased and internally developed software as of December 31 is as follows (in thousands):

	2007	2006
Purchased software	\$ 17,759	\$ 14,333
Internally developed software	2,968	2,894
Less accumulated amortization	(12,985)	(11,604)
Net software	<u>\$ 7,742</u>	<u>\$ 5,623</u>

INCOME TAXES. Deferred taxes are recognized for the estimated taxes ultimately payable or recoverable. Changes in tax rates are reflected in the tax provision as they occur.

COMPREHENSIVE INCOME. Comprehensive income includes any changes in the equity of an enterprise from transactions and other events and circumstances from non-owner sources. Our two components of other comprehensive income are foreign currency translation adjustment and unrealized gains and losses from investments. They are presented on our consolidated statements of stockholders' investment.

STOCK-BASED COMPENSATION. We account for share-based compensation in accordance with SFAS No. 123R, *Share Based Payment*. Under this standard, the fair value of each share-based payment award is established on the date of grant. For grants of restricted shares and restricted units, the fair value is established based on the market price on the date of the grant, discounted for post-vesting holding restrictions. The discounts have varied from 12% to 16% and are calculated using the Black-Scholes option pricing model.

For grants of options, we use the Black-Scholes option pricing model to estimate the fair value of share-based payment awards. The determination of the fair value of share-based awards is affected by our stock price and a number of assumptions, including expected volatility, expected life, risk-free interest rate and expected dividends.

COMMON STOCK SPLIT. On October 14, 2005, our shareholders approved a two-for-one stock split. For shareholders of record as of the end of business on October 14, 2005, every share owned was exchanged for two shares of common stock. All prior period common shares and per share disclosures have been restated to reflect the split.

NOTE 2: RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

In July 2006, the Financial Accounting Standards Board (FASB) issued Interpretation No. 48, *Accounting for Uncertainty in Income Taxes—an Interpretation of FASB Statement No. 109* (FIN 48), which clarifies the accounting for uncertainty in tax positions. This Interpretation requires that our financial statements recognize the impact of a tax position, if that position is more likely than not to be sustained on audit, based on the technical merits of the position. We adopted FIN 48 on January 1, 2007. See Note 6.

In September 2006, the FASB issued Statement of Financial Accounting Standard (SFAS) No. 157, *Fair Value Measurements*. SFAS No. 157 defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles and expands disclosures about fair value measurements. This Statement applies to other accounting pronouncements that require or permit fair value measurements, the FASB having previously concluded in those accounting pronouncements that fair value is the relevant measurement attribute. Accordingly, this Statement does not require any new fair value measurements. In February 2008, the FASB issued Staff Position 157-2 which is a partial deferral of the effective date of SFAS No. 157 as it relates to nonfinancial assets and liabilities. We adopted SFAS No. 157 on January 1, 2008 for financial assets and liabilities. SFAS No. 157 will not have any impact on our financial statements. We believe we will be required to provide additional disclosures as a part of future financial statements.

In February 2007, the FASB issued SFAS No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities*. SFAS No. 159 gives us the irrevocable option to carry many financial assets and liabilities at fair values, with changes in fair value recognized in earnings. We adopted SFAS No. 159 on January 1, 2008. We have elected not to report any financial assets or liabilities at fair value under SFAS No. 159 on January 1, 2008.

In December 2007 the FASB issued SFAS No. 141R, *Business Combinations*. SFAS No. 141R establishes principles and requirements for how the acquirer of a business recognizes and measures in its financial statements the identifiable assets acquired, the liabilities assumed, and any noncontrolling interest in the acquiree. The statement also provides guidance for recognizing and measuring the goodwill acquired in the business combination and determines what information to disclose to enable users of the financial statement to evaluate the nature and financial effects of the business combination. SFAS No. 141R is effective for us as of January 1, 2009. Accordingly, any business combinations we engage in will be recorded and disclosed following existing GAAP until January 1, 2009. We expect SFAS No. 141R may have an impact on our consolidated financial statements when effective, but the nature and magnitude of the specific effects will depend upon the nature, terms and size of the acquisitions we consummate after the effective date. We are still assessing the impact of this standard on our future consolidated financial statements.

NOTE 3: AVAILABLE-FOR-SALE SECURITIES

Our investments consist of investment-grade marketable debt securities, auction rate preferred securities, and municipal auction rate notes. These investments, some of which have original maturities beyond one year, are classified as short-term based on their highly liquid nature and because these securities represent the investment of cash that is available for current operations. All are classified as available-for-sale and recorded at fair value. The carrying value of available-for-sale securities approximates fair market value due to interest rates that are reset frequently. As of December 31, 2007 and 2006, we had \$115.8 million and \$124.8 million in available-for-sale securities. Unrealized holding gains and losses are recorded, net of any tax effect, as a separate component of accumulated other comprehensive income. Unrealized gains and losses on available-for-sale securities were not material as of December 31, 2007 and 2006. The gross realized gains and losses on sales of available-for-sale securities were not material for the years ended December 31, 2007, 2006, and 2005.

As of December 31, 2007 we had approximately \$50.5 million of auction rate securities classified as available-for-sale securities on our balance sheet. We made the decision during the fourth quarter of 2007 to sell or exit these at the next auction date. As of January 31, 2008, we had no investments in auction rate securities.

The fair value of available-for-sale debt securities at December 31, 2007, by contractual maturity, is shown below (in thousands):

	Cost basis	Estimated fair value
Due in one year or less	\$ 10,201	\$ 10,360
Due after one year through five years	2,100	2,128
Due after five years through ten years	6,850	6,898
Due after 10 years	95,916	96,456
Total	<u>\$115,067</u>	<u>\$115,842</u>

NOTE 4: GOODWILL AND OTHER INTANGIBLE ASSETS

The change in the carrying amount of goodwill for the year ended December 31, 2007, is as follows (in thousands):

Balance December 31, 2006	\$261,766
Goodwill associated with acquisitions	14,373
Foreign currency impact	2,600
Balance December 31, 2007	<u>\$278,739</u>

During 2007 we added \$7.5 million of goodwill through our acquisition of LXSI Services, Inc. and \$9.3 million in the form of an earn-out payment related to a previous acquisition. Additions to goodwill were partially offset by a \$2.4 million purchase accounting adjustment to reflect the fair value of intangible assets acquired in 2006. As of December 31, 2007, we have approximately \$10.0 million of potential remaining earn-out payments related to previous acquisitions that we expect to pay in 2008.

In accordance with SFAS No. 142, we annually complete an impairment test on goodwill. This impairment test did not result in any impairment losses.

A summary of our other intangible assets as of December 31 is as follows (in thousands):

	<u>2007</u>	<u>2006</u>
Gross	\$ 29,211	\$25,043
Accumulated amortization	(14,741)	(9,086)
Net	<u>\$ 14,470</u>	<u>\$15,957</u>

Amortization expense for other intangible assets was \$5.7 million in 2007, \$4.8 million in 2006, and \$3.9 million in 2005. Estimated amortization expense for each of the five succeeding fiscal years based on the intangible assets at December 31, 2007, is as follows (in thousands):

2008	\$ 5,745
2009	5,570
2010	1,981
2011	1,001
2012	173
Total	<u>\$14,470</u>

NOTE 5: LINES OF CREDIT

We have 3.5 million euros available under a line of credit at an interest rate of Euribor plus 45 basis points (5.21% at December 31, 2007). This discretionary line of credit has no expiration date. Our credit agreement contains certain financial covenants, but does not restrict the payment of dividends. We were in compliance with all covenants of this agreement as of December 31, 2007.

44 + C.H. Robinson Worldwide, Inc.

NOTE 6: INCOME TAXES

C.H. Robinson Worldwide, Inc. and its 80% (or more) owned U.S. subsidiaries file a consolidated federal income tax return. We file unitary or separate state returns based on state filing requirements. With few exceptions, we are no longer subject to audits of U.S. federal, state and local, or non-U.S. income tax returns before 2003.

We adopted the provisions of FASB Interpretation No. 48, *Accounting for Uncertainty in Income Taxes*, on January 1, 2007. As a result of the implementation of Interpretation 48, we recognized a \$2.6 million decrease in the liability for unrecognized tax benefits, which was accounted for as an increase to the January 1, 2007 balance of retained earnings. A reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows (in thousands):

Balance at January 1, 2007	\$ 7,246
Additions based on tax positions related to the current year	2,808
Additions for tax positions of prior years	789
Reductions for tax positions of prior years	(620)
Settlements	—
Balance at December 31, 2007	<u><u>\$10,223</u></u>

As of December 31, 2007, we had \$10.2 million of unrecognized tax benefits, all of which would affect our effective tax rate if recognized. We are not aware of any tax positions for which it is reasonably possible that the total amount of unrecognized tax benefit will significantly increase or decrease in the next twelve months.

We recognize interest and penalties related to uncertain tax positions in the provision for income taxes. During the years ended December 31, 2007, 2006, and 2005, we recognized approximately \$1.0 million, \$0.6 million, and \$0.7 million in interest and penalties. We had approximately \$2.6 million and \$1.6 million for the payment of interest and penalties accrued within noncurrent taxes payable as of December 31, 2007 and 2006, respectively.

The components of the provision for income taxes consist of the following for the years ended December 31 (in thousands):

	2007	2006	2005
Tax provision:			
Federal	\$161,476	\$142,142	\$104,759
State	25,806	24,238	19,031
Foreign	10,663	6,135	6,108
	<u>197,945</u>	<u>172,515</u>	<u>129,898</u>
Deferred provision (benefit)	1,308	(9,752)	(503)
Total provision	<u><u>\$199,253</u></u>	<u><u>\$162,763</u></u>	<u><u>\$129,395</u></u>

A reconciliation of the provision for income taxes using the statutory federal income tax rate to our effective income tax rate for the years ended December 31 is as follows:

	<u>2007</u>	<u>2006</u>	<u>2005</u>
Federal statutory rate	35.0%	35.0%	35.0%
State income taxes, net of federal benefit	3.3	3.6	3.5
Stock-based compensation	0.1	0.2	0.4
Other	(0.3)	(0.9)	0.0
	<u>38.1%</u>	<u>37.9%</u>	<u>38.9%</u>

Deferred tax assets (liabilities) are comprised of the following at December 31 (in thousands):

	<u>2007</u>	<u>2006</u>
Deferred tax assets:		
Compensation	\$ 48,907	\$ 35,764
Receivables	10,290	10,584
Other	3,858	2,232
Deferred tax liabilities:		
Intangible assets	(29,558)	(24,136)
Prepaid assets	(6,534)	(5,533)
Long-lived assets	(2,514)	(3,552)
Other	(1,252)	(1,077)
Net deferred tax assets	<u>\$ 23,197</u>	<u>\$ 14,282</u>

Income tax expense considers amounts which may be needed to cover exposures for open tax years. We do not expect any material impact related to open tax years; however, actual settlements may differ from amounts accrued.

NOTE 7: CAPITAL STOCK AND STOCK AWARD PLANS

PREFERRED STOCK. Our Certificate of Incorporation authorizes the issuance of 20,000,000 shares of Preferred Stock, par value \$.10 per share. There are no shares of Preferred Stock outstanding. The Preferred Stock may be issued by resolution of our Board of Directors at any time without any action of the stockholders. The Board of Directors may issue the Preferred Stock in one or more series and fix the designation and relative powers. These include voting powers, preferences, rights, qualifications, limitations, and restrictions of each series. The issuance of any such series may have an adverse effect on the rights of holders of Common Stock and may impede the completion of a merger, tender offer, or other takeover attempt.

COMMON STOCK. Our Certificate of Incorporation authorizes 480,000,000 shares of Common Stock, par value \$.10 per share. Subject to the rights of Preferred Stock which may from time to time be outstanding, holders of Common Stock are entitled to receive dividends out of funds legally available, when and if declared by the Board of Directors, and to receive their share of the net assets of the company legally available for distribution upon liquidation or dissolution.

For each share of Common Stock held, stockholders are entitled to one vote on each matter to be voted on by the stockholders, including the election of directors. Holders of Common Stock are not entitled to cumulative voting; the holders of more than 50% of the outstanding Common Stock can elect all of any class of directors if they choose to do so. The stockholders do not have preemptive rights. All outstanding shares of Common Stock are fully paid and nonassessable.

STOCK AWARD PLANS. Effective January 1, 2006, we adopted SFAS 123R, *Share-Based Payment*. Under SFAS 123R, stock-based compensation cost is measured at the grant date based on the value of the award and is recognized as expense over the vesting period. We had previously adopted the fair value recognition provisions of SFAS 123 in January 2004, using the retroactive restatement method. Total compensation expense recognized in our statements of operations for stock based compensation awards was \$38.0 million in 2007, \$47.3 million in 2006, and \$34.7 million in 2005.

Our 1997 Omnibus Stock Plan allows us to grant certain stock awards, including stock options at fair market value and restricted shares and units, to our key employees and outside directors. A maximum of 28,000,000 shares can be granted under this plan; 11,310,000 shares were available for stock awards as of December 31, 2007, which cover stock options and restricted stock awards. Awards that expire or are cancelled without delivery of shares generally become available for issuance under the plans.

The contractual lives of all options as originally granted are 10 years. Options vest over a five-year period from the date of grant, with none vesting the first year and one quarter vesting each year after that. Recipients are able to exercise options using a stock swap which results in a new, fully-vested restoration option with a grant price established based on the date of the swap, and a remaining contractual life equal to the remaining life of the original option. Options issued to non-employee directors vest immediately. The fair value per option is established using the Black-Scholes option pricing model, with the resulting expense being recorded over the vesting period of the award. Other than restoration options, we have not issued any new stock options since 2003. As of December 31, 2007, approximately \$172,000 of unrecognized compensation related to stock options remains to be expensed.

The following schedule summarizes stock option activity in the plan.

	Shares	Weighted Average Exercise Price	Weighted Aggregate Intrinsic Value (in thousands)	Average Remaining Life (years)
December 31, 2006	5,360,758	\$ 13.62		
Grants	97,330	54.13		
Exercised	(1,160,223)	12.35		
Terminated	(9,253)	13.29		
Outstanding at December 31, 2007	<u>4,288,612</u>	<u>\$ 14.80</u>	<u>\$ 153,953</u>	<u>3.6</u>
Vested and expected to vest at December 31, 2007	<u>4,288,612</u>	<u>\$ 14.80</u>	<u>\$ 153,953</u>	<u>3.6</u>
Exercisable at December 31, 2007	<u>3,954,369</u>	<u>\$ 14.79</u>	<u>\$ 141,997</u>	<u>3.5</u>

The intrinsic value of options exercised during 2007, 2006, and 2005 was \$45.5 million, \$49.0 million, and \$21.1 million.

The fair value per option was estimated using the Black-Scholes option pricing model with the following assumptions:

	2007 Grants	2006 Grants	2005 Grants
Risk-free interest rate	4.5-4.7%	4.6-5.0%	2.5-4.3%
Dividend per share (quarterly amounts)	\$.18-.22	\$.13-.18	\$.08-.13
Expected volatility factor	26.7-31.2%	20.0-25.8%	19.9-23.3%
Expected option term	.5-6 years	1-6 years	2-8 years
Weighted average fair value per option	<u>\$ 12.02</u>	<u>\$ 10.28</u>	<u>\$ 10.89</u>

RESTRICTED STOCK GRANTS. We have awarded restricted shares and restricted units to certain key employees and non-employee directors. These restricted shares and restricted units are subject to certain vesting requirements over a five year period based on the operating performance of the company. The awards also contain restrictions on the awardees' ability to sell or transfer vested shares or units for a specified period of time. The fair value of these shares is established based on the market price on the date of grant discounted for post-vesting holding restrictions. The discount has ranged from 12% to 16% based on the different post-vesting holding restrictions. This discount was estimated using the Black-Scholes model. These grants are being expensed based on the terms of the awards.

The following table summarizes our nonvested performance-based restricted stock grants as of December 31, 2007:

	Number of Restricted	Weighted Average
	Shares and Units	Grant Date Fair Value
Nonvested at December 31, 2006	1,633,137	\$ 34.53
Granted	360,475	39.70
Vested	(781,333)	34.96
Cancelled	(31,371)	34.52
Nonvested at December 31, 2007	<u>1,180,908</u>	<u>\$ 35.79</u>

The fair value of restricted stock vested during 2007, 2006, and 2005 was \$27.3 million, \$33.0 million, and \$19.7 million.

We have also awarded restricted shares and units to certain key employees that vest primarily based on their continued employment. The value of these awards is established by the market price on the date of the grant and is being expensed over the vesting period of the award.

As of December 31, 2007, \$47.8 million of unrecognized compensation related to restricted stock grants remains to be expensed.

We have also issued to certain key employees restricted units which are fully vested upon issuance and contain restrictions on the awardees' ability to sell or transfer vested units for a specified period of time. The fair value of these shares is established using the same method discussed above. These grants have been expensed during the year they were earned by employees.

EMPLOYEE STOCK PURCHASE PLAN. Our 1997 Employee Stock Purchase Plan allows our employees to contribute up to \$10,000 of their annual cash compensation to purchase company stock. Purchase price is determined using the closing price on the last day of the quarter discounted by 15%. Shares are vested immediately. Employees purchased approximately 220,000, 206,000, and 238,000 shares of our Common Stock under this plan at an aggregate cost of \$9.5 million, \$8.3 million, \$6.1 million in 2007, 2006, and 2005.

SHARE REPURCHASE PROGRAMS. During 1999, the Board of Directors authorized a stock repurchase program that allows management to repurchase 8,000,000 shares for reissuance upon the exercise of employee stock options and other stock plans. We purchased 3,221,300 and 1,926,500 of our common stock for the treasury at an aggregate cost of \$163.9 million and \$85.3 million in 2007 and 2006 under this stock repurchase plan. There are no shares remaining for repurchase under this authorization.

During 2007, the Board of Directors authorized management to repurchase an additional 10,000,000 shares under the program for reissuance upon the exercise of employee stock options and other stock plans. We purchased 62,700 shares of our common stock for the treasury at an aggregate cost of \$3.4 million under this stock repurchase program in 2007. There are 9,937,300 shares remaining for repurchase under this program.

NOTE 8: COMMITMENTS AND CONTINGENCIES

EMPLOYEE BENEFIT PLANS. We participate in a defined contribution profit-sharing and savings plan which qualifies under section 401(k) of the Internal Revenue Code and covers all eligible employees. Annual profit-sharing contributions are determined by our Board of Directors, in accordance with the provisions of the plan. We can also elect to make matching contributions to the plan at the discretion of our Board of Directors. Profit-sharing plan expense, including matching contributions, was approximately \$31.2 million in 2007, \$28.1 million in 2006, and \$26.6 million in 2005.

NONQUALIFIED DEFERRED COMPENSATION PLAN. The Robinson Companies Nonqualified Deferred Compensation Plan provides certain employees the opportunity to defer a specified percentage or dollar amount of their cash and stock compensation. Participants may elect to defer up to 100% of their cash compensation. The accumulated benefit obligation was \$1.2 million and \$1.3 million as of December 31, 2007 and 2006, respectively. We have purchased investments to fund the future liability. The investments had an aggregate market value of \$1.2 million as of December 31, 2007 and \$1.3 million as of December 31, 2006, and are included in other assets in the consolidated balance sheets. In addition, all restricted shares granted but not yet delivered are also held within this plan.

LEASE COMMITMENTS. We lease certain facilities and equipment under operating leases. Lease expense was \$26.9 million for 2007, \$22.2 million for 2006, and \$19.4 million for 2005.

Minimum future lease commitments under noncancelable lease agreements in excess of one year as of December 31, 2007, are as follows (in thousands):

2008	\$ 22,216
2009	20,773
2010	17,533
2011	13,500
2012	9,033
Thereafter	22,573
Total	<u>\$105,628</u>

LITIGATION. As we previously disclosed, during 2002 we were named as a defendant in two lawsuits brought by a number of present and former employees. The first lawsuit alleged a hostile working environment, unequal pay, promotions, and opportunities for women, and failure to pay overtime ("FLSA"). The second lawsuit alleged a failure to pay overtime. The plaintiffs in both lawsuits sought unspecified monetary and non-monetary damages and class action certification.

On March 31, 2005, the judge issued an order denying class certification for the hostile working environment claims, and allowing class certification for certain claims of gender discrimination in pay and promotion. The judge also granted our motions for summary judgment as to the hostile working environment claims of ten of the named plaintiffs, and dismissed those claims. The gender discrimination class claims and the remaining two hostile work environment claims were settled on April 11, 2006, and subsequently approved by the Court on September 18, 2006. The settlement was within our insurance coverage limits, and was fully funded by the insurance carriers.

50 + C.H. Robinson Worldwide, Inc.

The settlement of the gender discrimination class claims did not include the overtime pay lawsuits, or the claims of putative class members who subsequently filed individual EEOC charges after the denial of class status on March 31, 2005. 54 of those EEOC claimants filed lawsuits. Forty-three of those suits have been settled or dismissed. The settlement amount was not material to our financial position or results of operations. We are vigorously defending the remaining 11 lawsuits.

Although the gender class settlement was fully funded by the insurance carriers, those carriers reserved the right to seek a court ruling that a portion of the settlement was not covered under their policies, and also to dispute payment of certain defense costs incurred in that litigation. Insurance coverage litigation between us and one of our insurance carriers concerning these issues and insurance coverage for the individual lawsuits has been pending in Minnesota State Court. Recent court rulings have determined that the gender class settlement payment was appropriately covered under applicable policies, and that the insurance carrier has a duty to reimburse reasonable defense costs in the gender class action and all but two of the individual lawsuits, and to indemnify C.H. Robinson in all but two of the individual lawsuits. This ruling is subject to appeal.

With respect to the FLSA overtime claims, the judge issued an order granting in full our Motion to Decertify the FLSA collective action on September 26, 2006. The judge retained jurisdiction over the named plaintiffs' FLSA overtime claims and dismissed the claims of the opt-in plaintiffs, without prejudice to their right to bring their own claims in separate lawsuits in appropriate venues. Approximately 525 of the dismissed opt-in plaintiffs either filed or joined in lawsuits asserting individual FLSA claims for failure to pay overtime. Approximately 37 of those individuals have filed voluntary dismissals of their claims. We have reached an agreement to settle all of the remaining lawsuits. This agreement was approved by the Court on February 20, 2008. The settlement amount was not material to our financial position or results of operations.

We are not subject to any other pending or threatened litigation other than routine litigation arising in the ordinary course of our business operations, none of which is expected to have a material adverse effect on our financial condition, results of operations, or cash flows.

NOTE 9: ACQUISITIONS

In July 2007, we acquired certain assets of LXSI Services, Inc. ("LXSI"), a third party domestic air and expedited services provider based in Los Angeles, California. The purchase price was \$9.75 million. The results of operations and financial condition of this acquisition have been included in our consolidated financial statements since its acquisition date. Goodwill recognized in this transaction amounted to \$7.5 million. Other intangible assets related to the acquisition amounted to \$1.6 million. All goodwill and other intangible assets related to this acquisition are tax deductible over 15 years. Our results of operations were not materially impacted by this acquisition.

NOTE 10: SUPPLEMENTARY DATA (UNAUDITED)

Our results of operations for each of the quarters in the years ended December 31, 2007 and 2006 are summarized below (in thousands, except per share data).

2007	March 31	June 30	September 30	December 31
Gross revenues:				
Transportation	\$1,300,418	\$1,511,173	\$1,537,660	\$1,622,533
Sourcing	308,297	357,062	315,755	317,799
Information Services	10,610	11,491	11,735	11,690
Total gross revenues	<u>1,619,325</u>	<u>1,879,726</u>	<u>1,865,150</u>	<u>1,952,022</u>
Cost of transportation, products, and handling:				
Transportation	1,037,991	1,240,085	1,261,106	1,334,570
Sourcing	284,404	328,743	290,848	294,698
Total cost of transportation, products, and handling	<u>1,322,395</u>	<u>1,568,828</u>	<u>1,551,954</u>	<u>1,629,268</u>
Gross profits	296,930	310,898	313,196	322,754
Income from operations	115,189	129,794	131,828	132,873
Net income	\$ 72,965	\$ 82,299	\$ 83,743	\$ 85,254
Basic net income per share	\$.43	\$.48	\$.49	\$.50
Diluted net income per share	\$.42	\$.47	\$.48	\$.49
Basic weighted average shares outstanding	171,183	170,942	170,274	169,591
Dilutive effect of outstanding stock awards	3,705	3,258	3,075	4,678
Diluted weighted average shares outstanding	<u>174,888</u>	<u>174,200</u>	<u>173,349</u>	<u>174,269</u>
2006	March 31	June 30	September 30	December 31
Gross revenues:				
Transportation	\$1,215,909	\$1,363,246	\$1,394,979	\$1,347,413
Sourcing	273,422	326,853	307,384	284,638
Information Services	9,784	10,898	11,128	10,540
Total gross revenues	<u>1,499,115</u>	<u>1,700,997</u>	<u>1,713,491</u>	<u>1,642,591</u>
Cost of transportation, products, and handling:				
Transportation	992,942	1,130,324	1,151,063	1,101,253
Sourcing	251,116	300,054	284,082	262,816
Total cost of transportation, products, and handling	<u>1,244,058</u>	<u>1,430,378</u>	<u>1,435,145</u>	<u>1,364,069</u>
Gross profits	255,057	270,619	278,346	278,522
Income from operations	92,434	103,918	111,118	110,375
Net income	\$ 58,114	\$ 66,594	\$ 70,390	\$ 71,827
Basic net income per share	\$.34	\$.39	\$.41	\$.42
Diluted net income per share	\$.33	\$.38	\$.40	\$.41
Basic weighted average shares outstanding	171,219	171,215	170,925	170,555
Dilutive effect of outstanding stock awards	4,048	3,983	3,851	3,549
Diluted weighted average shares outstanding	<u>175,267</u>	<u>175,198</u>	<u>174,776</u>	<u>174,104</u>

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of C.H. Robinson Worldwide, Inc.
Eden Prairie, Minnesota

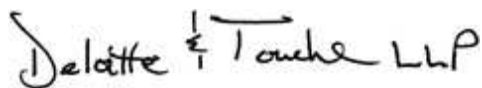
We have audited the accompanying consolidated balance sheets of C.H. Robinson Worldwide, Inc. and subsidiaries (the "Company") as of December 31, 2007 and 2006, and the related consolidated statements of operations, stockholders' investment, and cash flows for each of the three years in the period ended December 31, 2007. These financial statements are the responsibility of the Company'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, such consolidated financial statements present fairly, in all material respects, the financial position of C.H. Robinson Worldwide, Inc. and subsidiaries as of December 31, 2007 and 2006, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2007, in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 2 to the consolidated financial statements, effective January 1, 2007, the Company changed its method of accounting for income taxes by adopting Financial Accounting Standards Board Interpretation No. 48, *Accounting for Uncertainty in Income Taxes — an interpretation of FASB Statement No. 109*.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Company's internal control over financial reporting as of December 31, 2007, based on the criteria established in *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 29, 2008, expressed an unqualified opinion on the Company's internal control over financial reporting.

A handwritten signature in black ink that reads "Deloitte & Touche LLP". The signature is written in a cursive, flowing style.

Minneapolis, Minnesota
February 29, 2008

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of C.H. Robinson Worldwide, Inc.:

C.H. Robinson Worldwide, Inc. and Subsidiaries

Eden Prairie, Minnesota

We have audited the internal control over financial reporting of C.H. Robinson Worldwide, Inc. and subsidiaries (the “Company”) as of December 31, 2007, based on criteria established in *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission. As described in Management’s Report on Internal Control, management excluded from its assessment the internal control over financial reporting at LXSI Services Inc., which was acquired on July 13, 2007, and whose financial statements constitute less than 1% of net and total assets, respectively, less than 1% of revenues, and less than 1% of net income of the consolidated financial statement amounts as of and for the year ended December 31, 2007. Accordingly, our audit did not include the internal control over financial reporting at LXSI Services Inc. The Company’s management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management’s Report on Internal Control. Our responsibility is to express an opinion on the Company’s internal control over financial reporting based on our audit.

We conducted our audit 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 effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

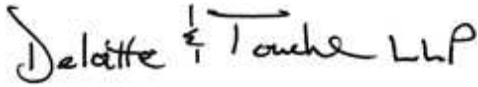
A company’s internal control over financial reporting is a process designed by, or under the supervision of, the company’s principal executive and principal financial officers, or persons performing similar functions, and effected by the company’s board of directors, management, and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2007, based on the criteria established in *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

54 + C.H. Robinson Worldwide, Inc.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated financial statements as of and for the year ended December 31, 2007, of the Company and our report dated February 29, 2008, expressed an unqualified opinion on those financial statements and included an explanatory paragraph relating to the change in the Company's method of accounting for income taxes by adopting Financial Accounting Standards Board Interpretation No. 48, *Accounting for Uncertainty in Income Taxes — an interpretation of FASB Statement No. 109*, as discussed in Note 2 to the consolidated financial statements.



Minneapolis, Minnesota
February 29, 2008

MANAGEMENT'S REPORT ON INTERNAL CONTROL

C.H. Robinson Worldwide, Inc. and Subsidiaries

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rules 13a-15(f). All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on our evaluation under the framework in Internal Control — Integrated Framework, our management concluded that our internal control over financial reporting was effective as of December 31, 2007.

During the third quarter, we acquired LXSI Services, Inc. which is not included in our assessment of the effectiveness of our internal control over financial reporting. As a result, management's conclusion regarding the effectiveness of our internal control over financial reporting does not extend to this company.

The effectiveness of our internal control over financial reporting as of December 31, 2007, has been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their report which is included herein.



John P. Wiehoff
Chief Executive Officer
and Chairman of the Board

Chad M. Lindbloom
Senior Vice President
and Chief Financial Officer

CORPORATE AND SHAREHOLDER INFORMATION

C.H. Robinson Worldwide, Inc. and Subsidiaries

BOARD OF DIRECTORS

John P. Wiehoff, 46
Chief Executive Officer and
Chairman of the Board
C.H. Robinson Worldwide, Inc.
Director since 2001.

Robert Ezrilov, 63
Cogel Management Company
Director since 1995.

Wayne M. Fortun, 59
President and
Chief Executive Officer
Hutchinson Technology, Inc.
Director since 2001.

Kenneth E. Keiser, 56
President and
Chief Operating Officer
Pepsi Americas Inc.
Director since 2005.

Steven L. Polacek, 48
Chief Administrative Officer
and Chief Financial Officer
Opus Corporation
Director since 2007.

ReBecca Koenig Roloff, 53
Chief Executive Officer
YWCA of Minneapolis
Director since 2004.

Gerald A. Schwalbach, 63
Chairman of the Board
Spensa Development
Group, LLC
Director since 1997.

Brian P. Short, 58
Chief Executive Officer
Leamington Co.
Director since 2002.

Michael W. Wickham, 61
Retired Chairman of the Board
Roadway Corporation
Director since 2004.

CORPORATE OFFICERS

* John P. Wiehoff, 46
Chief Executive Officer
and Chairman of the Board

* James E. Butts, 52
Senior Vice President

Molly M. DuBois, 37
Vice President

* Linda U. Feuss, 51
Vice President,
General Counsel,
and Secretary

Bryan D. Foe, 40
Vice President, T-Chek

Laura Gillund, 47
Vice President,
Human Resources

James V. Larsen, 55
Vice President

* James P. Lemke, 41
Senior Vice President

* Chad M. Lindbloom, 43
Senior Vice President and
Chief Financial Officer

Thomas K. Mahlke, 36
Vice President and
Chief Information Officer

Timothy P. Manning, 43
Vice President

Christopher J. O'Brien, 40
Vice President

Troy A. Renner, 43
Treasurer and
Assistant Secretary

Daniel W. Ryan, 35
Vice President

* Scott A. Satterlee, 39
Senior Vice President

Jeffrey W. Scovill, 38
Vice President,
International Forwarding

* Mark A. Walker, 50
Senior Vice President

Steven M. Weiby, 41
Vice President

* Executive officer for purposes of the rules and regulations of the Securities and Exchange Commission.

TRADING OF COMMON STOCK

The common stock of C.H. Robinson Worldwide, Inc. trades on the NASDAQ National Market under the symbol CHRW.

<u>2007</u>	<u>High</u>	<u>Low</u>
Fourth Quarter	\$55.50	\$45.01
Third Quarter	55.57	45.54
Second Quarter	58.19	47.39
First Quarter	54.67	42.11
<u>2006</u>	<u>High</u>	<u>Low</u>
Fourth Quarter	\$45.67	\$39.44
Third Quarter	55.18	41.75
Second Quarter	53.56	42.06
First Quarter	50.44	35.55

COMMON STOCK 2008 DIVIDEND DATES

Expected Record:	Expected Payment:
March 7	April 1
June 6	July 1
September 5	October 1
December 5	January 2, 2009

INVESTOR RELATIONS CONTACT

Angela K. Freeman
Director of Investor Relations
952-937-7847
angie.freeman@chrobinson.com

ANNUAL MEETING

The annual meeting of stockholders is scheduled for May 15, 2008, 1:00 p.m. U.S. Central Time.

SEC FILINGS

Copies of the Annual Report on Form 10-K, filed with the Securities and Exchange Commission, are available to stockholders without charge on request from C.H. Robinson Worldwide, Inc., 14701 Charlson Road, Eden Prairie, Minnesota 55347-5088, attention Angela K. Freeman, and are also available on our Web site, www.chrobinson.com.

INDEPENDENT AUDITORS

Deloitte & Touche LLP – Minneapolis, Minnesota

LEGAL COUNSEL

Dorsey & Whitney LLP – Minneapolis, Minnesota

TRANSFER AGENT & REGISTRAR

Wells Fargo Bank Minnesota, N.A.
South St. Paul, Minnesota
(800) 468-9716

SUBSIDIARIES OF C.H. ROBINSON WORLDWIDE, INC.

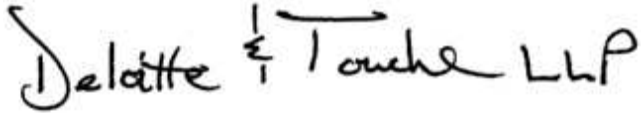
The following is a list of subsidiaries of the Company as of December 31, 2007, omitting some subsidiaries which, considered in aggregate, would not constitute a significant subsidiary.

<u>Name</u>	<u>Where incorporated</u>
C.H. Robinson International, Inc.	Minnesota, USA
C.H. Robinson Worldwide Chile, S.A.	Chile
C.H. Robinson Venezuela, C.A.	Venezuela
Spica Servicios Logísticos, C.A.	Venezuela
R.C. Aduanas, C.A.	Venezuela
C.H. Robinson de Mexico, S.A. de C.V.	Mexico
C.H. Robinson Company (Canada) Ltd.	Canada
C.H. Robinson Company	Delaware, USA
C.H. Robinson Company, Inc.	Minnesota, USA
CHR Aviation LLC	Minnesota, USA
Robinson Holding Company	Minnesota, USA
Wagonmaster Transportation Co.	Minnesota, USA
T-Chek Systems, Inc./Les Sytemes T-Chek, Inc.	Minnesota, USA
C.H. Robinson Worldwide Foundation	Minnesota, USA
C.H. Robinson Worldwide Logistics (Dalian) Co. Ltd	China
C.H. Robinson Worldwide (Hong Kong) Ltd	Hong Kong
C.H. Robinson Worldwide Argentina, S.A.	Argentina
C.H. Robinson Worldwide Logistica Brasil Ltda	Brazil
C.H. Robinson Czech Republic s.r.o.	Czech Republic
C.H. Robinson France SAS	France
C.H. Robinson Worldwide GmbH	Germany

C.H. Robinson Hungary, LLC (C.H. Robinson Hungaria Kft)	Hungary
Robinson Italia S.r.l.	Italy
C.H. Robinson International Italy, SRL	Italy
C.H. Robinson Europe B.V.	Netherlands
C.H. Robinson Poland Sp. z.o.o.	Poland
C.H. Robinson Iberica SL	Spain
C.H. Robinson (UK) Ltd	England
C.H. Robinson Worldwide Freight India Private Limited	India
C.H. Robinson Worldwide S.A. DE C.V	Mexico
C.H. Robinson Belgium Bvba	Belgium
C.H Robinson Worldwide (Shanghai) Co Ltd	China
C.H. Robinson Worldwide Singapore Pte. Ltd	Singapore

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the Registration Statements No. 333-53047, No. 333-41027, No. 333-41899, No. 333-47080, No. 333-67718, and No. 333-110396 on Form S-8 of our reports dated February 29, 2008, relating to the financial statements and financial statement schedule of C.H. Robinson Worldwide, Inc. and subsidiaries (the "Company") (which report expresses an unqualified opinion and includes an explanatory paragraph relating to the change in the Company's method of accounting for income taxes by adopting Financial Accounting Standards Board Interpretation No. 48, *Accounting for Uncertainty in Income Taxes — an interpretation of FASB Statement No. 109*, as discussed in Note 2 to the consolidated financial statements) and the effectiveness of internal control over financial reporting, appearing in or incorporated by reference in the Annual Report on Form 10-K of C.H. Robinson Worldwide, Inc. for the year ended December 31, 2007.

A handwritten signature in black ink that reads "Deloitte & Touche LLP". The signature is written in a cursive, flowing style.

Minneapolis, Minnesota
February 29, 2008

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints each of John P. Wiehoff and Linda U. Feuss (with full power to act alone), as his or her true and lawful attorneys-in-fact and agent, with full power of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities, to sign the Annual Report on Form 10-K of C.H. Robinson Worldwide, Inc. for the fiscal year ended December 31, 2007, and any and all amendments to said Annual Report, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, and to file the same with such other authorities as necessary, granting unto said attorneys-in-fact and agents full power and authority to do and perform each and every act and thing requisite or necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agent, or their substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, this Power of Attorney has been signed by the following persons on the dates indicated.

<u>Signature</u>	<u>Date</u>
_____ /s/ ReBecca Koenig Roloff ReBecca Koenig Roloff	February 29, 2008
_____ /s/ Robert Ezrilov Robert Ezrilov	February 29, 2008
_____ /s/ Gerald A. Schwalbach Gerald A. Schwalbach	February 29, 2008
_____ /s/ Steven L. Polacek Steven L. Polacek	February 29, 2008
_____ /s/ Wayne M. Fortun Wayne M. Fortun	February 29, 2008
_____ /s/ Kenneth E. Keiser Kenneth E. Keiser	February 29, 2008
_____ /s/ Brian P. Short Brian P. Short	February 29, 2008
_____ /s/ Michael W. Wickham Michael W. Wickham	February 29, 2008

**Certification of Chief Executive Officer
pursuant to Section 302 of the
Sarbanes-Oxley Act of 2002**

I, John P. Wiehoff, certify that:

1. I have reviewed this annual report on Form 10-K of C.H. Robinson Worldwide, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

February 29, 2008

Signature	<u>/s/ J OHN P. W IEHOFF</u>
Name:	John P. Wiehoff
Title:	Chief Executive Officer

**Certification of Chief Financial Officer
pursuant to Section 302 of the
Sarbanes-Oxley Act of 2002**

I, Chad M. Lindbloom, certify that:

1. I have reviewed this annual report on Form 10-K of C.H. Robinson Worldwide, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

February 29, 2008

Signature	<u>/s/ CHAD M. L INDBLOOM</u>
Name:	Chad M. Lindbloom
Title:	Chief Financial Officer

**CERTIFICATION PURSUANT TO
18 U.S.C. §1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of C.H. Robinson Worldwide, Inc. (the “Company”) on Form 10-K for the period ended December 31, 2007 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, John P. Wiehoff, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ J OHN P. W IEHOFF

John P. Wiehoff
Chief Executive Officer

February 29, 2008

**CERTIFICATION PURSUANT TO
18 U.S.C. §1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of C.H. Robinson Worldwide, Inc. (the "Company") on Form 10-K for the period ended December 31, 2007 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Chad M. Lindbloom, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ CHAD M. L INDBLOOM

Chad M. Lindbloom
Chief Financial Officer

February 29, 2008