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, 2002

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	**41-1883630**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
8100 Mitchell Road, Eden Prairie, Minnesota	**55344-2248**
(Address of principal executive offices)	(Zip Code)

(952) 937-8500
(Registrant’s telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act: None

Securities registered pursuant to Section 12(g) of the Act: Common Stock, par value $.10 per share
Preferred Share Purchase Rights

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 an accelerated filer (as defined by Rule 12b-2 of the Act).
Yes ☑ No ☐

The aggregate market value of voting stock held by non-affiliates of the registrant as of June 28, 2002 (the last business day of the registrant’s most recently completed second fiscal quarter) was approximately $2,524,893,000 (based on the last sale price of such stock as quoted on The NASDAQ National Market ($33.53) on such date).

As of March 7, 2003, the number of shares outstanding of the registrant’s Common Stock, par value $.10 per share, was 84,571,837.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Registrant’s Annual Report to Stockholders for the year ended December 31, 2002 (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 6, 2003 (the “Proxy Statement”), are incorporated by reference in Part III.

PART I

ITEM 1. BUSINESS

Overview

Founded in 1905, C.H. Robinson Worldwide, Inc. (“the Company”, “we”, “us”, or “our”) is one of the largest third-party logistics companies in North America with 2002 gross revenues of $3.3 billion. We are a global provider of multimodal transportation services and logistics solutions operating through a network of 150 offices in North America, South America, Europe, and Asia. Through contracts with approximately 20,000 motor carriers, we maintain the single largest network of motor carrier capacity in North America and are one of the largest third-party providers of intermodal services in the United States. In addition, we regularly provide air, ocean, and customs services. As an integral part of our transportation services, we provide a wide range of value-added logistics services, such as fresh produce sourcing, freight consolidation, and information reporting. During 2002, we handled approximately 2.7 million shipments for more than 15,000 customers ranging from Fortune 100 companies to small businesses in a wide variety of industries.

We have developed global multimodal transportation and distribution networks to provide seamless logistics services worldwide. As a result, we have the capability of managing all aspects of the supply chain on behalf of our customers. As a non-asset based transportation provider, we focus on seeking solutions that work for our customers rather than on asset utilization, using established relationships with motor carriers, railroads (primarily intermodal service providers), air freight and ocean carriers.

Throughout our 98-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. Due to the time-sensitive nature and quality requirements of the shipments, fresh produce represents a unique logistics challenge, and the distribution and transportation costs are significant. We have developed a network of produce sources and maintain access to specialized equipment and transportation modes designed to ensure timely delivery of uniform quality produce. In response to demand from large grocery retailers and food service distributors, we have developed our own brand of produce, The Fresh 1 ®, and entered into licensing agreements for national brand names. The produce for these brands is sourced through various relationships and packed to order through contract packing agreements.

Our business philosophy has accounted for our strong historical results and has positioned us for continued growth. Our principal competitive advantage is our large decentralized branch network, staffed by approximately 2,700 salespersons. These branch employees are in close proximity to both customers and carriers, which facilitates quick responses to customers’ changing needs. Branch employees act as a team in both marketing our services and providing these services to individual customers. We compensate our branch employees principally on the basis of individual performance and their branch’s profitability, which in our opinion produces a more service-oriented, focused, and creative sales force. We believe our employees continue to hold substantial amounts of our Common Stock.

We were reincorporated in Delaware in 1997 as the successor to a business existing, in various legal forms, since 1905. Our Common Stock began trading on The NASDAQ National Market under the symbol “CHRW” on October 15, 1997. Certain stockholders sold 24,330,310 shares of our Common Stock to the public pursuant to a registered public offering, the proceeds of which were paid entirely to the selling stockholders. Prior to such date, there was no established public trading market for our Common Stock.

In October 2000, our Board of Directors declared a two-for-one stock split, effected in the form of a 100% stock dividend, paid on December 1, 2000 to stockholders of record on November 10, 2000. This was our first stock split since our initial public offering.

In January 2002, we acquired the ongoing operations and certain assets of Smith Terminal Transportation Services, Inc., which did business as FTS, a privately held, non-asset based third-party provider of transportation and logistics services, located in Miami, Florida. FTS had annual gross revenues of approximately $27 million in 2001.

Our corporate office is located at 8100 Mitchell Road, Eden Prairie, Minnesota 55344-2248, 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, or furnish it to, the Securities and Exchange Commission.

Logistics Services

As a global, third-party logistics company, we provide multimodal transportation and related logistics services, sourcing, and fee-based information services.

We seek to establish long-term relationships with our customers in order to provide logistics solutions that reduce or eliminate inefficiencies in customers’ supply chains. Whenever appropriate, we analyze the customer’s current transportation rate structures, modes of shipping, and carrier selection. We may also examine the customer’s warehousing, picking procedures, loading, unloading, and dock scheduling procedures, as well as packaging and pallet configuration procedures. We then evaluate how these procedures interact with shipping, manufacturing, and customer service. Upon completion of an initial analysis, we propose solutions that allow the customer to streamline operating procedures and contain costs, while improving the management of its supply chain. Our branch employees remain involved with the customer throughout the analysis and implementation of the proposed solution. In the course of providing day-to-day transportation services, branch employees offer further logistics analysis and solutions as the employees become more familiar with the customer’s daily operations and the nuances of its supply chain. Our ultimate goal is to assist the customer in managing its entire supply chain while being the customer’s key provider of individual transportation services.

Multimodal Transportation Services

On a day-to-day basis, customers communicate their freight needs, typically on a load-by-load basis, to us by means of a telephone call, fax transmission, Internet, e-mail, or EDI message to the branch office salesperson responsible for the particular customer. All appropriate information about each load is entered into our operating system. With the help of information provided by the operating system, a salesperson then determines the appropriate mode of transportation for the load and selects a carrier or carriers, based upon the salesperson’s knowledge of the carrier’s service capability, equipment availability, freight rates, and other relevant factors. A salesperson then communicates with the carrier’s dispatch office to confirm a price for the transportation and the carrier’s commitment to provide the transportation. At this point, the salesperson provides the carrier information to the customer, together with our sales price, which is intended to provide a profit to us for the totality of services performed for the customer. By accepting the customer’s order, we become legally responsible for transportation of the load from origin to destination. The carrier’s contract is with us, not the customer, and we are responsible for prompt payment of carrier charges. We are also responsible to our customer for any claims for damage to freight while in transit or performance. In most cases, we receive reimbursement from the carrier for these claims.

As a result of our logistics capabilities, many customers look to us to 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 whereby we agree to handle a specified number of loads usually to specified destinations, such as from the customer’s plant to a distribution center, at specific rates, but subject to seasonal variation. Most of our rate commitments are for periods of one year or less. To meet our obligations under these customer contracts, we may obtain advance commitments from one or more carriers to transport the contracted loads for the length of our customer contract.

As part of our customer focus, we offer a wide range of logistics services on a worldwide basis to assure timely, efficient, and cost effective delivery through the use of one or more transportation modes. These logistics services include: transportation management (price and modal comparisons and selection; shipment consolidation and optimization; improvement of operating and shipping procedures and claims management); minimization of storage (through cross-docking and other flow-through operations); logistics network and location analysis to optimize the entire supply chain; tracking and tracing; reverse logistics and other special needs; management information; and analysis of a customer’s risk and claims management practices. We will evaluate a customer’s core carrier program by establishing a program to measure and monitor key quality standards for those core carriers. Many of these services are bundled with underlying transportation services and are not typically separately priced, but instead are reflected as a part of the cost of transportation services provided by us on a transactional basis pursuant to continuing customer relationships. In addition to these transportation services, we may supply sourcing, contract warehousing, consulting, and other services, for which we are separately compensated.

We are capable of arranging all modes of transportation services on a worldwide basis:

- Truck — Through our contracts with approximately 25,000 motor carriers, we maintain access to dry vans, temperature-controlled units, and flatbeds. We offer both time-definite and expedited truck transportation. In many instances we will consolidate partial loads for several customers into full truckloads.
- Less Than Truckload (“LTL”) — LTL transportation involves the shipment of small package, single or multiple pallet, up to and including full trailer-load freight. We focus on pallet to partial load freight, although we handle any size shipment. Through contracts with motor carriers and our Internet-based operating system, we consolidate both freight and freight information to provide shippers with single source tracking and tracing capability.
- Intermodal — Intermodal transportation involves the shipment of trailers or containers by a combination of truck, rail and/or ship in a coordinated manner. We provide intermodal service by both rail and ship, arrange local pickup and delivery (known as drayage) through local motor carriers, and provide temperature-controlled double-stacked intermodal containers. We also have intermodal marketing contracts with railroads, which give us access to additional trailers and containers.
- Ocean — As an indirect 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, primarily internationally.

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

Transportation Gross Profits
(in thousands)

	Year Ended December 31,				
	1998	**1999**	**2000**	**2001**	**2002**
Truck(1)	$164,186	$202,877	$313,650	$347,991	$361,353
Intermodal	6,671	10,738	14,422	16,119	21,111
Ocean	10,215	11,476	16,337	16,345	17,007
Air	3,427	2,858	3,555	2,699	3,068
Miscellaneous(2)	5,298	5,899	7,177	7,286	8,772
Total	$189,797	$233,848	$355,141	$390,440	$411,311

(1) Includes LTL gross profits.

(2) Consists of customs clearance (Automated Brokerage Interface (ABI) and Automated Clearing House (ACH) capabilities with the U.S. Customs Service), warehousing, and other miscellaneous services.

Transportation accounted for approximately 85% of our gross profits in each of 2002, 2001, and 2000.

As we have emphasized integrated logistics solutions, our relationships with many customers have become broader and we have become business partners with our customers, responsible for a greater portion of their supply chain management. Customers may be served by specially created teams and through several branches. Our multimodal transportation services are provided to numerous international customers through our worldwide branch network. The "Notes to Consolidated Financial Statements" present the allocation of our gross revenues from domestic and foreign customers for the years ended December 31, 2002, 2001, and 2000 and our long-lived assets as of December 31, 2002 and 2001, in the United States and in foreign locations.

Sourcing

Throughout our 98-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 quickly packaged, transported within tight timetables in temperature controlled equipment and distributed quickly to replenish high turnover inventories maintained by wholesalers, food service companies and retailers. In most 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. Our sourcing business is with produce wholesalers, who purchase produce in relatively large quantities through us and resell the produce to grocery retailers, restaurants and other resellers of food, food service companies, and with retail grocery store chains and other multistore retailers.

During the past seven years, we have actively sought to expand our food sourcing customer base by focusing on the large multistore retailers. As these retailers have expanded through store openings and industry consolidation, their traditional methods of produce sourcing and store-level distribution, which relied principally on regional or even local purchases from wholesalers, have become inefficient. Our logistics and perishable commodities sourcing expertise can improve the retailers' produce purchasing as well as assure uniform quality from region to region and store to store. We provide just-in-time replenishment services to retailers. We introduced our proprietary The Fresh 1 ® brand of produce in 1989, which includes a wide range of uniform quality, top grade fruits and vegetables purchased from various domestic and international growers. Since 1998, we have entered into new sourcing programs, including licensing agreements for major national brands, that have expanded our market presence and sourcing capabilities with respect to both product lines and nationally recognized brand names.

Sourcing accounted for approximately 10% of our gross profits in each of 2002, 2001, and 2000.

Information Services

A subsidiary of C.H. Robinson, T-Chek Systems, Inc. provides motor carrier customers with funds transfer and driver payroll services, fuel management services, fuel and use tax reporting, and on-line access to custom-tailored information management reports, all through the use of its proprietary automated system. This system enables 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 5% of our gross profits in each of 2002, 2001, and 2000.

Organization

To allow us to stay close to customers and markets, we have created and continue to expand a network of 150 offices supported by executives and services in a central corporate office.

Branch Network

Branch salespersons are responsible for developing new business, receiving and processing orders from specific customers and customers located in the area served by the branch, and contracting with carriers to provide the transportation requested. In addition to routine transportation, salespersons are often called upon to handle customers' unusual, seasonal, and emergency needs. Shipments to be transported by truck are almost always contracted at the branch level, and branches cooperate with each other to cover loads. Some branches may rely on expertise in other branches when contracting LTL, intermodal, international and air shipments.

Salespersons in the branches both sell to and service their customers. Sales opportunities are identified through our database, industry directories, referrals by existing customers, and leads generated by branch office personnel through knowledge of their local and regional markets. Each branch is also responsible for locating and contracting with carriers.

As of December 31, 2002, our branch salespersons represented 69.5% of our total work force and all branch employees, including support staff, represented 85.8% of our work force. At December 31, 2002, the number of salespersons per branch ranged from two to approximately 360.

Branch Expansion. We expect to continue to add branch offices as management determines that a new branch may contribute to continued growth, and as branch salespersons develop the capability to manage a new branch. Additional branches are often opened within a territory previously served by another branch, such as within major cities, as the volume of business in a particular area warrants opening a separate branch. Capital required to open a new branch is modest, involving a lease for a small amount of office space, communication links and often employee compensation guaranties for a short time.

Branch Employees. For almost two decades, new branch salespersons have been hired through a profiling system using standardized tests to measure an applicant against the traits determined by us to be those of our successful employees. These common traits facilitate cooperative efforts necessary for the success of each office. Applicants are recruited from across North America, South America, Europe, and Asia, typically have college degrees, and some have business experience, not necessarily within the transportation industry. We are highly selective in determining to whom we offer employment.

Newly hired branch employees receive on-the-job training at the branch level, which ranges from six months to a year and emphasizes development of the necessary skills and customer service philosophy to become productive members of a branch team. We believe most salespersons become productive employees in a matter of weeks. After gaining approximately a year of experience, each salesperson attends our national training session to receive additional training and foster relationships between branches.

Employees at the branch level form a team, which is enhanced by our incentive compensation system. Under this system, part of the cash compensation of most branch managers and salespersons is dependent on the profitability of the particular branch or business unit. For any calendar year, branch managers and salespersons 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 contribution. For 2002, incentive-based cash compensation averaged approximately 30% of branch salespersons’ total cash compensation, 71% of branch managers’ total cash compensation and 64% of officers’ total cash compensation. Branch employees can earn significant individual incentive compensation based on achieving individual and branch growth goals, and contributions that depend on our overall profitability and other factors in our Profit Sharing Plan. In connection with establishing new branches and other special circumstances, 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 other employees who have significant responsibilities are eligible to participate in our amended 1997 Omnibus Stock Plan. Employees at all levels, after a qualifying period of employment, are eligible to participate in the our Employee Stock Purchase Plan.

Individual salespersons benefit both through the growth and profitability of individual branches and by achieving individual goals, and are motivated by the opportunity to become branch managers, assistant managers or department managers. All branch salespersons are full time employees.

Executive Officers

Under our decentralized business structure, branch managers report directly to, and receive guidance and support from, a small group of 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 concerning logistics, develop new services and applications to be offered to customers, and provide broad market analysis.

The executive officers serve at the discretion of the Board of Directors and are chosen annually by the Board of Directors. Set forth below are the names, ages and positions of the executive officers.

Name	Age	Position
John P. Wiehoff	41	Chief Executive Officer, President and Director
Barry W. Butzow	56	Senior Vice President and Director
James E. Butts	47	Vice President
Laura Gillund	42	Vice President, Human Resources
Owen P. Gleason	51	Vice President, General Counsel and Secretary
James V. Larsen	49	Vice President
James P. Lemke	35	Vice President, Produce
Chad M. Lindbloom	38	Vice President and Chief Financial Officer
Timothy P. Manning	38	Vice President
Joseph J. Mulvehill	49	Vice President, International
Paul A. Radunz	46	Vice President and Chief Information Officer
Michael T. Rempe	49	Vice President, Produce
Scott A. Satterlee	34	Vice President
Mark A. Walker	45	Vice President
Steven M. Weiby	36	Vice President
Troy A. Renner	37	Treasurer and Assistant Secretary
Thomas K. Mahlke	31	Corporate Controller

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 the Company since December 2001. He was Senior Vice President and Chief Financial Officer from July 1998 to December 1999. Previous positions with the Company include Treasurer and Corporate Controller. Prior to that, he was employed by Arthur Andersen LLP. He holds a Bachelor of Science degree from St. John’s University.

Barry W. Butzow has been a Vice President of the Company since 1984 and a director since 1986. In October 1998, he was named a Senior Vice President. He began employment with the Company in 1969. He holds a Bachelor of Arts degree from Moorhead State University.

James E. Butts has been a Vice President of the Company since April 2002. Previous positions with the Company include Transportation Manager at the Chicago South and Detroit branches. Mr. Butts has been with Robinson since 1978. Mr. Butts holds a Bachelor of Arts degree from Wayne State University.

Laura Gillund joined the Company in August 2002. Before coming to Robinson, she was the senior vice president of human resources at Wells Fargo Home Mortgage, Inc. for seven years. Ms. Gillund holds a Bachelor of Arts degree in International Relations from the University of Minnesota and a Masters degree in Industrial Relations from the University of Minnesota.

Owen P. Gleason has been Vice President, General Counsel and Secretary of the Company since 1990 and served as corporate counsel since 1978. Mr. Gleason was also a director of the Company from 1986 until 2001. Mr. Gleason holds a law degree from Oklahoma City University and a Bachelor’s Degree from Ripon College.

James V. Larsen has been a Vice President since July 1999. Prior to that, he was an executive of Preferred Translocation Systems, which he founded in 1986 and which was acquired by the Company in July 1998. He served as Vice President of Sales and later as President of Preferred Translocation Systems.

James P. Lemke has been a Vice President, Produce since January 2003. Prior to that, he served as the vice president and manager of the Corporate Procurement and Distribution Services division. Mr. Lemke joined the Company in 1989. Mr. Lemke holds a Bachelors of Arts degree in International Relations from the University of Minnesota.

Chad M. Lindbloom has been Vice President and Chief Financial Officer since December 1999. From June 1998 until December 1999, he served as Corporate Controller. Mr. Lindbloom joined the Company in 1990. Mr. Lindbloom holds a Bachelor of Science degree and a Masters of Business Administration from the Carlson School of Management at the University of Minnesota.

Timothy P. Manning has been a Vice President since December 1999. Previous positions with the Company include Transportation Manager in the St. Louis branch office, and in October 1998, Mr. Manning was named Director of Operations. Mr. Manning joined the Company in 1989. Mr. Manning holds a Bachelor of Science degree from the University of Minnesota.

Joseph J. Mulvehill has been Vice President, International since 1998. Previous positions within the Company include Manager of the Miami branch office from 1982 to 1998. Mr. Mulvehill joined the Company in 1975. Mr. Mulvehill holds a Bachelor of Arts degree from the University of St. Thomas.

Paul A. Radunz has been a Vice President and Chief Information Officer of the Company since October 2001. Prior to joining the Company, he served as Senior Vice President and Chief Information Officer of GE Card Services and GE Capital Fleet Services. Mr. Radunz has a Bachelor of Arts degree from St. Olaf College.

Michael T. Rempe has been Vice President, Produce since 1994, after starting with the Company in 1989 as Director of Produce Merchandising. Prior to that, he held several senior positions in the retail grocery industry. Mr. Rempe attended Indiana University Purdue University at Indianapolis.

Scott A. Satterlee has been a Vice President since February 2002. Additional positions with the Company include Director of Operations and Manager of the Salt Lake City branch office. Mr. Satterlee joined the Company in 1991. Mr. Satterlee holds a Bachelor of Arts degree from the University of St. Thomas.

Mark A. Walker has been a Vice President since December 1999. Additional positions with the Company include Chief Information Office from December 1999 to October 2001, President of T-Chek Systems LLC and President of Payment & Logistics Services LLC. Mr. Walker joined the Company in 1980. Mr. Walker holds a Bachelor of Sciences degree from Iowa State University and a Masters of Business Administration from the University of St. Thomas.

Steven M. Weiby has been a Vice President since January 2003. Additional positions with the Company include Director of Business Development and Manager of the Hartford office. Mr. Weiby joined the Company in 1988. Mr. Weiby holds a Bachelor of Arts degree from Carleton College and a Masters of Business Administration from the University of Connecticut.

Troy A. Renner has been Treasurer of the Company since June 1998, and Tax Director since 1995. Prior to that, he was employed as a tax manager by Arthur Andersen LLP. Mr. Renner holds a Bachelor of Science and a law degree from the University of Minnesota.

Thomas K. Mahlke has been Corporate Controller of the Company since December 1999. Mr. Mahlke joined the Company in November 1997 as Accounting Manager. Prior to that, he was employed as a supervisory senior accountant by Arthur Andersen LLP. Mr. Mahlke holds a Bachelor of Accountancy degree from the University of North Dakota.

Employees

As of December 31, 2002, we had a total of 3,814 employees, substantially all of whom are full-time employees and approximately 3,271 of whom were located in our branch offices. Corporate services such as accounting, information systems, legal, marketing communications, human resources, credit support, and claims support are provided centrally. We believe that our compensation and benefit plans are among the most competitive in the industry and that our relationship with employees is good.

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 the customer with a full range of logistics services. We serve over 15,000 customers worldwide, ranging from Fortune 100 companies to small businesses in a wide variety of industries. During 2002, no customer accounted for more than 8% of gross revenues or 4% of gross profits. In recent years, revenue growth has been achieved through the growth and consolidation of customers, expansion of the services provided by us and an increase in the number of customers served.

We believe that decentralization allows salespersons 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 11 years with us), branches are given significant latitude in pursuing opportunities and committing our resources to serve 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 are capable of providing. We have begun placing increased emphasis on national sales and marketing support to enhance branch capabilities. Increasingly, branches call on executives, a national 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 Carriers

We seek to establish long-term relationships with carriers in order to assure dependable services, favorable pricing, and carrier availability during peak shipping periods and periods of undercapacity. To strengthen and maintain these relationships, our salespersons regularly communicate with carriers serving their region and seek to assist carriers with equipment utilization, reduction of empty miles, and equipment repositioning. We have a policy of prompt payment and provide centralized claims management on behalf of various shippers. Many smaller carriers effectively consider us as their sales and marketing department.

As of December 31, 2002, we had contracts with approximately 25,000 motor carriers (providing access to temperature controlled vans, dry vans and flatbeds). Those carriers include 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 purchased truckload cost in 2002. We qualify each motor carrier to assure that it is properly licensed and insured and has the resources to provide the necessary level of service on a dependable basis. Our motor carrier contracts require that the carrier commit to a minimum number of shipments, issue invoices only to and accept payment solely from us, and permit us to withhold payment to satisfy previous claims or shortages. Carrier contracts also establish transportation rates that can be modified by issuance of an individual load confirmation. As of December 31, 2002, we also had intermodal marketing contracts with railroads, including all of the major North American railroads, giving us access to additional trailers and containers. Our contracts with railroads govern 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.

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 and shippers’ own transportation departments. We also buy and sell transportation services from and to companies with which we compete.

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

- our large decentralized branch network which enables our salespersons to gain significant knowledge about individual customers, carriers and the local and regional markets they serve, and to provide superior customer service based on that knowledge,
- our technology,
- 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

To handle the large number of daily transactions and to accommodate our decentralized branch system, we have designed an extensive communications and information system. Employees are linked with each other and with customers and carriers by telephone, facsimile, Internet, e-mail, and/or EDI to communicate requirements and availability, to confirm and bill orders and, through our Internet sites CHRWonline and CHRWtrucks.com, to contract loads or equipment and track and trace shipments. Customers and carriers also have access to our systems through the Internet. We have developed our own proprietary operating systems that help salespersons service customer orders, select the optimal modes of transportation, build and consolidate loads, and select routes, all based on customer-specific service parameters. Systems also make load data visible to the entire sales team as well as customers and carriers, enabling the salespersons to select carriers and track loads in progress, and automatically provide visible alerts to any arising problems. Our proprietary operating systems use data captured from daily transactions to generate various management reports which are available to our logistics customers to provide information on traffic patterns, product mix, and production schedules, and enable customers to analyze their own customer base, transportation expenditure trends, and the impact on out-of-route and out-of-stock costs.

Government Regulation

The transportation industry has been subject to legislative and regulatory changes that have affected the economics of the industry by requiring changes in operating practices or influencing the demand for, and cost of providing, transportation services. We cannot predict the effect, if any, that future legislative and regulatory changes may have on the transportation industry.

We are subject to licensing and regulation as a transportation provider and are licensed by the Department of Transportation ("DOT") as a broker in arranging for the transportation of property by motor vehicle. The DOT prescribes qualifications for acting in this capacity, including certain surety bonding requirements. We provide 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 subject to regulation by the Federal Maritime Commission as an ocean freight forwarder and maintain a non-vessel operating common carrier bond. We operate as an indirect air cargo carrier subject to economic regulation by the DOT and provide customs brokerage services as a customs broker under a license issued by the United States Customs Service of the Department of Treasury.

We source fresh produce under a license issued by the United States Department of Agriculture. Other sourcing and distribution activities may be subject to various federal and state food and drug statutes and regulations. Our T-Chek operations have recently become subject to federal and state money transfer regulations as a result of the law changes under the USA PATRIOT Act of 2001.

Although Congress enacted legislation in 1994 that substantially preempts the authority of states to exercise economic regulation of motor carriers and brokers of freight, we continue to be subject to a variety of vehicle registration and licensing 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 or, in the event of serious violation, suspension or revocation of operating authority as well as increased claims liability.

Risk Management and Insurance

We generally assume full value cargo risk to our customers in our truck and intermodal operations, unless stipulated contractually otherwise. We subrogate our losses against the motor or rail carrier with the transportation responsibilities. We require all motor carriers participating in our contract program to carry at least $750,000 in general liability insurance and $25,000 in cargo insurance. Many carriers carry insurance limits exceeding these minimums. Railroads, which are generally self-insured, provide limited common carrier liability protection, generally up to $250,000 per shipment. For both truck and rail transportation, higher coverage is available to the customer on a load-by-load basis at an additional price.

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 policy to protect us against catastrophic losses that may not be recovered from the responsible carrier. We also carry various liability policies, including auto and general liability, with a $100 million umbrella.

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 has led to recalls of products, and tort claims have been brought by consumers of allegedly affected produce. Because we are a seller of produce, we may have legal responsibility arising from sales of produce. While we carry product liability coverage under our general liability and umbrella policies, settlement of class action claims is often costly, and we cannot assure that our liability coverage will be adequate and will continue to be available. In addition, in connection with any recall, we may be required to bear the cost of repurchasing, transporting, and destroying any allegedly contaminated product, for which we are not insured. Any recall or allegation of contamination could affect our reputation, particularly of our The Fresh 1 ® brand. Loss due to spoilage (including the need for disposal) is also a routine part of the sourcing business.

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," "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 U.S.; 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 in Exhibit 99.1 to this Form 10-K.

ITEM 2. PROPERTIES

We lease approximately 67,000 square feet of office space in Eden Prairie, Minnesota as our corporate headquarters. Our corporate headquarters lease expires in 2005. We lease approximately 16,000 square feet of additional office space in Eden Prairie, Minnesota as the operating headquarters for our subsidiary, T-Chek Systems.

All of our 150 branch offices are leased from third parties under leases with initial terms ranging from three to ten years. Our branch offices range in space from 1,000 to 79,000 square feet. The following table lists our largest US branch offices:

City/State	Approximate Square Feet
Chicago, IL	79,000
Eden Prairie, MN	40,000
Southfield, MI	15,206
Des Plaines, IL	14,725
Willowbrook, IL	11,352
Coralville, IA	10,071
Oak Brook, IL	9,861
College Park, GA	9,317
Tampa, FL	8,721
Paulsboro, NJ	7,979
Cordova, TN	7,276
Grand Rapids, MI	7,074
Brooklyn Center, MN	6,603
Knoxville, TN	6,577
Miami, FL	6,292
Montvale, NJ	6,207
Independence, OH	6,043
Woburn, MA	5,871
Overland Park, KS	5,821

We also lease approximately 490,000 square feet of warehouse space throughout the United States. The following table lists our largest warehouses:

City/State	Approximate Square Feet
Omaha, NE	130,000
La Vergne, TN	70,000
Bollingbrook, IL	70,000
Aurora, CO	55,700
Medley, FL	53,300
Rochester, NY	40,800

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

Along with T-J Transport, Inc., a carrier hired by us, we and others were named as defendants in three wrongful death lawsuits stemming from a multi-vehicle accident in 1999. The plaintiffs, representing the estates of the deceased, asserted liability based on the alleged negligence of the defendants. All three of these lawsuits have been settled.

We settled the first of the three cases on January 3, 2003. Our insurance carriers had issued letters potentially denying coverage for some or all of the categories of possible damages. We believe our insurance carriers subsequently failed to discharge their good faith obligation to settle the lawsuit. We contributed $4.25 million as part of a complete settlement of our liability in the first lawsuit, while reserving our rights to proceed against our insurers. We filed a separate lawsuit against two of our insurance carriers, alleging wrongful conduct in the defense and settlement of the first case and demanding reimbursement of the $4.25 million contribution that we made.

Our insurance carriers settled the second and third lawsuits in February and March 2003 without contribution from us.

On October 2, 2002, we were named as a defendant in a lawsuit filed in the United States District Court for the District of Minnesota by a number of our present and former female employees. The lawsuit alleges a hostile working environment, unequal pay, promotions and opportunities for women and failure to pay overtime. The plaintiffs seek unspecified monetary and non-monetary damages and class action certification. We deny all allegations and are vigorously defending the suit. Currently, the amount of any possible loss to us cannot be estimated; however, an unfavorable result could have a material adverse effect.

On November 7, 2002, we were named as a defendant in a lawsuit filed in the United States District Court for the District of Minnesota by a number of our former employees. The lawsuit alleges systematic failure by us to pay for overtime hours worked by our male employees under the federal Fair Labor Standards Act (FLSA). The suit seeks payment of the overtime wages earned, as well as double damages and other relief, on behalf of the plaintiffs and potential collective members who join in the lawsuit. We deny all allegations and are vigorously defending the suit. Currently, the amount of any possible loss to us cannot be estimated; however, an unfavorable result could have a material adverse effect.

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

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

No matters were submitted to a vote of security holders during the fourth quarter of the year ended December 31, 2002.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

Our Common Stock began trading on The NASDAQ National Market under the symbol "CHRW" on October 15, 1997. Certain of our stockholders sold 24,330,310 shares of our Common Stock to the public pursuant to a registered public offering, the proceeds of which were paid entirely to the selling stockholders. Prior to such date, there was no established public trading market for the Company's Common Stock. On October 24, 2000, our Board of Directors declared a two-for-one stock split, effected in the form of a 100% stock dividend. The new shares were distributed on December 1, 2000 to shareholders of record as of the close of business on November 10, 2000. All share and per share amounts in this Form 10-K have been restated to reflect our stock split.

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.

2002	**Low**	**High**
Fourth Quarter	$25.840	$32.860
Third Quarter	25.830	33.630
Second Quarter	31.140	35.400
First Quarter	27.900	33.830

2001	Low	High
Fourth Quarter	$25.780	$30.290
Third Quarter	25.140	31.600
Second Quarter	22.820	31.280
First Quarter	22.938	32.250

On March 7, 2003, the closing sales price per share of our Common Stock as quoted on The NASDAQ National Market was $31.33 per share. On March 7, 2003, there were approximately 375 holders of record and approximately 11,300 beneficial owners of our Common Stock. In conjunction with our initial public offering, our Board of Directors authorized a stock repurchase plan under which up to 2,000,000 shares of our Common Stock may be repurchased from time to time through open market transactions, block purchases, tender offers, private transactions, accelerated share repurchase programs or otherwise. We purchased approximately 433,300 shares of our Common Stock in 2002 under this plan. During 1999, the Board of Directors authorized a second stock repurchase plan, allowing for the repurchase of 4,000,000 shares. No shares have been repurchased under this plan. We intend to fund such repurchases with internally generated funds.

We declared quarterly dividends during 2001 for an aggregate of $0.21 per share, and quarterly dividends during 2002 for an aggregate of $0.26 per share. We have declared a quarterly dividend of $0.08 per share payable to shareholders of record as of March 7, 2003, payable on April 1, 2003. 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.

ITEM 6. SELECTED FINANCIAL DATA

Selected consolidated financial and operating data on page 6 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 7 through 11 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 11 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 12 through 22 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

Change in Independent Auditors on page 24 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.

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.

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

(a) Equity Compensation Plans

The following table summarizes share and exercise price information about our equity compensation plans as of December 31, 2002.

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]	3,919,519	20.65	7,711,934
Equity compensation plans not approved by security holders	—	—	—
Total	3,919,519	20.65	7,711,934

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, 36,551 shares remain available under our Directors' Stock Plan and 3,339,066 shares remain available under our Employee Stock Purchase Plan. Under our 1997 Omnibus Stock Plan, 4,336,317 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 "Certain Transactions" in the Proxy Statement is incorporated in this Form 10-K by reference.

ITEM 14. CONTROLS AND PROCEDURES

(a) Evaluation of disclosure controls and procedures.

Under the supervision and with the participation of management, including our Chief Executive Officer and Chief Financial Officer, an evaluation was carried out of the effectiveness of the design and operation of our disclosure controls and procedures as of a date (the “Evaluation Date”) within the 90-day period prior to the filing of this Annual Report on Form 10-K. Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that, as of the Evaluation Date, our disclosure controls and procedures are effective to ensure that information we are required to disclose in our filings with the Securities and Exchange Commission under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported, within the time periods specified in the Commission’s rules and forms.

(b) Changes in internal controls.

Subsequent to the date of management’s evaluation, there were no significant changes made in our internal controls or in other factors that could significantly affect these controls.

PART IV

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

(a) (1) Financial Statements.

Our consolidated financial statements listed in the accompanying Index to Consolidated Financial Statements at page F-1, on pages 12 through 15 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.

(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

Number	Description
3.1	Certificate of Incorporation of the Company (Incorporated by reference to Exhibit 3.1 to the Registrant’s Registration Statement on Form S-1, Registration No. 333-33731)
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	Form of Rights Agreement between the Company and Norwest Bank Minnesota, National Association (Incorporated by reference to Exhibit 4.2 to the Registrant’s Registration Statement on Form S-1, Registration No. 333-33731)

†10.1	1997 Omnibus Stock Plan (as amended May 1, 2001) (Incorporated by reference to Exhibit 10.1 to the Registrant’s Quarterly Report on Form 10-Q for the quarter ended June 30, 2001)
†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 between the Company and each of D.R. Verdoorn and Barry Butzow (Incorporated by reference to Exhibit 10.5 to the Registrant’s Registration Statement on Form S-1, Registration No. 333-33731)
†10.5	Form of Management—Employee Agreement entered into by Gregory Goven and Michael Rempe (Incorporated by reference to Exhibit 10.6 to the Registrant’s Registration Statement on Form S-1, Registration No. 333-33731)
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	Master Equipment Lease Agreement, dated August 19, 1994, between Wagonmaster Transportation Company and AT&T Commercial Finance Corporation (Incorporated by reference to Exhibit 10.10 to the Registrant’s Registration Statement on Form S-1, Registration No. 333-33731)
10.8	Keep-Well Agreement, dated August 19, 1994, between C.H. Robinson, Inc., Wagonmaster Transportation Company and AT&T Commercial Finance Corporation (Incorporated by reference to Exhibit 10.11 to the Registrant’s Registration Statement on Form S-1, Registration No. 333-33731)
†10.9	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)
10.10	Asset Purchase Agreement dated November 18, 1999, by and among the Company, C.H. Robinson Company, American Backhaulers, Inc., Paul L. Loeb, the Paul L. Loeb Family Trust and the Jodi Sue Loeb Family Trust (Incorporated by reference to Exhibit 2 to the Registrant’s Current Report on Form 8-K dated December 28, 1999)
†10.11	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)
10.12	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)
†10.13	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)
*13	Selected pages of the Company’s Annual Report to Stockholders for the year ended December 31, 2002

16.1	Letter from Arthur Andersen LLP to the Securities and Exchange Commission dated June 18, 2002 (incorporated by reference to Exhibit 16.1 to the Registrant's Current Report on Form 8-K dated June 20, 2002)
*21	Subsidiaries of the Company
*23.1	Consent of Deloitte & Touche LLP
*23.2	Notice Regarding Consent of Arthur Andersen LLP
24	Powers of Attorney (included on signature page of this Report)
*99.1	Cautionary Statement for Purposes of the "Safe Harbor" Provisions of the Private Securities Litigation Reform Act of 1995
*99.2	Certification of the Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
*99.3	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

(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 23, 2002, filed in connection with our release of earnings for the three months ended September 30, 2002

Report on Form 8-K, dated November 14, 2002, filed in connection with the certifications of our Chief Executive Officer and Chief Financial Officer pursuant to Section 906 of the Sarbanes Oxley Act of 2002

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

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

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

The following financial statements of the Company and its subsidiaries required to be included in Item 15(a)(1) are listed below:

C.H. ROBINSON WORLDWIDE, INC. AND SUBSIDIARIES

Consolidated Financial Statements (incorporated by reference under Item 8 of Part II from pages 12 through 24 of our Annual Report to Stockholders for the year ended December 31, 2002):

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 March 17, 2003.

C.H. ROBINSON WORLDWIDE, INC.

By: /s/ Owen P. Gleason

Owen P. Gleason
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 March 17, 2003.

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints John P. Wiehoff and Owen P. Gleason (with full power to act alone), as his or her true and lawful attorneys-in-fact and agents, with full powers of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities, to sign any and all amendments to the Annual Report on Form 10-K of C.H. Robinson Worldwide, Inc., and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, 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 attorneys-in-fact and agents, or their substitute or substitutes, lawfully do or cause to be done by virtue hereof.

Signature	Title
/s/ John P. Wiehoff John P. Wiehoff	Chief Executive Officer, President and Director (Principal Executive Officer)
/s/ Chad M. Lindbloom Chad M. Lindbloom	Vice President and Chief Financial Officer (Principal Financial Officer)
/s/ Thomas K. Mahlke Thomas K. Mahlke	Corporate Controller (Principal Accounting Officer)
/s/ D.R. Verdoorn D.R. Verdoorn	Chairman of the Board
/s/ Barry W. Butzow Barry W. Butzow	Senior Vice President and Director
/s/ Robert Ezrilov Robert Ezrilov	Director
/s/ Gerald A. Schwalbach Gerald A. Schwalbach	Director
/s/ Gregory D. Goven Gregory D. Goven	Director
/s/ Wayne M. Fortun Wayne M. Fortun	Director
/s/ Brian P. Short Brian P. Short	Director

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 annual 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 annual report;

3. Based on my knowledge, the financial statements, and other financial information included in this annual 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 annual report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and have:

   a) designed such disclosure controls and procedures 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 annual report is being prepared;

   b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this annual report (the "Evaluation Date"); and

   c) presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

   a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this annual report whether there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: March 17, 2003

/s/ John P. Wiehoff

John P. Wiehoff
President and 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 annual 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 annual report;

3. Based on my knowledge, the financial statements, and other financial information included in this annual 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 annual report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and have:

   a) designed such disclosure controls and procedures 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 annual report is being prepared;

   b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this annual report (the "Evaluation Date"); and

   c) presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

   a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this annual report whether there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: March 17, 2003

/s/ Chad M. Lindbloom

Chad M. Lindbloom
Chief Financial Officer

INDEPENDENT AUDITORS' REPORT

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

We have audited the consolidated financial statements of C.H. Robinson Worldwide, Inc. (the Company) as of and for the year ended December 31, 2002 and have issued our report thereon dated January 31, 2003 (March 13, 2003 as to the litigation settlements described in Note 8), which expresses an unqualified opinion and includes explanatory paragraphs relating to the adoption of Statement of Financial Accounting Standards (SFAS) No. 142, *Goodwill and Other Intangible Assets*, described in Note 3. Such financial statements and report are included in your 2002 Annual Report to Stockholders and are incorporated herein by reference. Our audit also included the financial statement schedule of the Company listed in Item 15(a)(2). This financial statement schedule is the responsibility of the Company's management. Our responsibility is to express an opinion based on our audit. The consolidated financial statements and financial statement schedule of the Company for the years ended December 31, 2001 and 2000, were audited by other auditors who have ceased operations and whose reports dated February 4, 2002, expressed an unqualified opinion on those financial statements and financial statement schedule. In our opinion, such financial statement schedule, when considered in relation to the basic consolidated financial statements for the year ended December 31, 2002 taken as a whole, presents fairly in all material respects the information set forth therein.

/s/ Deloitte & Touche LLP

Minneapolis, Minnesota
January 31, 2003 (March 13, 2003 as to the litigation settlements described in Note 8)

THIS IS A COPY OF A PREVIOUSLY ISSUED REPORT

The following report is a copy of a report previously issued by Arthur Andersen LLP. This report has not been reissued by Arthur Andersen LLP nor has Arthur Andersen LLP provided a consent to the inclusion of its report in this Annual Report.

To C.H. Robinson Worldwide, Inc.:

We have audited in accordance with auditing standards generally accepted in the United States, the consolidated financial statements included in C.H. Robinson Worldwide, Inc.'s annual report to shareholders incorporated by reference in this Form 10-K, and have issued our report thereon dated February 4, 2002. Our audit was made for the purpose of forming an opinion on those statements taken as a whole. The accompanying schedule is the responsibility of the company's management and is presented for purposes of complying with the Securities and Exchange Commission's rules and is not part of the basic financial statements. The schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, fairly states in all material respects the financial data required to be set forth therein in relation to the basic financial statements taken as a whole.

/s/ Arthur Andersen

Minneapolis, Minnesota
February 4, 2002

C.H. Robinson Worldwide, Inc.

Schedule II. Valuation and Qualifying Accounts

Allowance for Doubtful Accounts

The transactions in the allowance for doubtful accounts for the years ended December 31, 2002, 2001 and 2000 were as follows (in thousands):

	December 31, 2002	December 31, 2001	December 31, 2000
Balance, beginning of year	$ 23,011	$ 22,712	$ 18,280
Provision	5,807	9,043	7,940
Write-offs	(4,663)	(8,744)	(3,508)
Balance, end of year	$ 24,155	$ 23,011	$ 22,712

Index to Exhibits

Number	Description
3.1	Certificate of Incorporation of the Company (Incorporated by reference to Exhibit 3.1 to the Registrant’s Registration Statement on Form S-1, Registration No. 333-33731)
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	Form of Rights Agreement between the Company and Norwest Bank Minnesota, National Association (Incorporated by reference to Exhibit 4.2 to the Registrant’s Registration Statement on Form S-1, Registration No. 333-33731)
†10.1	1997 Omnibus Stock Plan (as amended May 1, 2001) (Incorporated by reference to Exhibit 10.1 to the Registrant’s Quarterly Report on Form 10-Q for the quarter ended June 30, 2001)
†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 between the Company and each of D.R. Verdoorn and Barry Butzow (Incorporated by reference to Exhibit 10.5 to the Registrant’s Registration Statement on Form S-1, Registration No. 333-33731)
†10.5	Form of Management—Employee Agreement entered into by Gregory Goven and Michael Rempe (Incorporated by reference to Exhibit 10.6 to the Registrant’s Registration Statement on Form S-1, Registration No. 333-33731)
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	Master Equipment Lease Agreement, dated August 19, 1994, between Wagonmaster Transportation Company and AT&T Commercial Finance Corporation (Incorporated by reference to Exhibit 10.10 to the Registrant’s Registration Statement on Form S-1, Registration No. 333-33731)
10.8	Keep-Well Agreement, dated August 19, 1994, between C.H. Robinson, Inc., Wagonmaster Transportation Company and AT&T Commercial Finance Corporation (Incorporated by reference to Exhibit 10.11 to the Registrant’s Registration Statement on Form S-1, Registration No. 333-33731)
†10.9	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)
10.10	Asset Purchase Agreement dated November 18, 1999, by and among the Company, C.H. Robinson Company, American Backhaulers, Inc., Paul L. Loeb, the Paul L. Loeb Family Trust and the Jodi Sue Loeb Family Trust (Incorporated by reference to Exhibit 2 to the Registrant’s Current Report on Form 8-K dated December 28, 1999).
†10.11	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)

Number	Description
10.12	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)
†10.13	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)
*13	Selected pages of the Company's Annual Report to Stockholders for the year ended December 31, 2002
16.1	Letter from Arthur Andersen LLP to the Securities and Exchange Commission dated June 18, 2002 (incorporated by reference to Exhibit 16.1 to the Registrant's Current Report on Form 8-K dated June 20, 2002)
*21	Subsidiaries of the Company
*23.1	Consent of Deloitte & Touche
*23.2	Notice Regarding Consent of Arthur Andersen LLP.
24	Powers of Attorney (included on signature page of this Report)
*99.1	Cautionary Statement for Purposes of the "Safe Harbor" Provisions of the Private Securities Litigation Reform Act of 1995
*99.2	Certification of the Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
*99.3	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

SELECTED CONSOLIDATED FINANCIAL AND OPERATING DATA

C.H. Robinson Worldwide, Inc. and Subsidiaries

(Dollars in thousands, except per share data)

STATEMENT OF OPERATIONS DATA

For the years ended December 31

	2002	2001	2000	1999	1998
Gross revenues	**$3,294,473**	$3,090,072	$2,882,175	$2,261,027	$2,038,139
Gross profits [(1)]	**483,778**	456,572	419,343	293,283	245,666
Income from operations	**156,580**	134,274	117,008	83,828	68,443
Net income	**96,325**	83,992	71,242	53,349	43,015
Net income per share [(2)]					
Basic	**$ 1.14**	$ 1.00	$ .84	$ .65	$ .52
Diluted	**$ 1.12**	$ .98	$ .83	$ .64	$ .52
Weighted average number of shares outstanding [(2)] (in thousands)					
Basic	**84,368**	84,374	84,529	82,456	82,432
Diluted	**85,757**	85,774	85,717	83,006	82,618
Dividends per share [(2)]	**$ .260**	$ .210	$ .170	$ .145	$ .125

BALANCE SHEET DATA

(as of December 31)

Working capital	**$ 245,098**	$ 179,687	$ 113,988	$ 67,158	$ 135,245
Total assets	**777,151**	683,490	644,207	522,661	409,116
Total long-term debt	**–**	–	–	–	–
Stockholders' investment	**425,830**	355,815	297,016	246,767	169,518

OPERATING DATA

(as of December 31)

Branches	**150**	139	137	131	120
Employees	**3,814**	3,770	3,677	3,125	2,205
Average gross profits per employee	**$ 128**	$ 123	$ 122	$ 120	$ 119

(1) Gross profits are determined by deducting the direct costs of transportation, products, and handling from gross revenues. See "Management's Discussion and Analysis of Financial Condition and Results of Operations." Prior to 2001, gross profits were referred to as net revenues in our consolidated financial statements, our company materials, and reports filed with the Securities and Exchange Commission.

(2) On October 24, 2000, the Company's Board of Directors declared a two-for-one stock split effected in the form of a 100% stock dividend distributed on December 1, 2000, to shareholders of record as of November 10, 2000. All share and per share amounts have been restated to reflect the retroactive effect of the stock split.

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

FORWARD LOOKING INFORMATION

Our annual report, including 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, 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, and changing economic conditions. Therefore, actual results may differ materially from our expectations based on these and other risks and uncertainties, including those described in Exhibit 99.1 to our Form 10-K filed with the Securities and Exchange Commission for the year ended December 31, 2002.

GENERAL

We are a global provider of multimodal transportation services and logistics solutions operating through a network of 150 branch offices in North America, South America, Europe, and Asia. Gross revenues represent the total dollar value of services and goods we sell to our customers. Our costs of transportation, products, and handling include the direct costs of transportation, including motor carrier, rail, ocean, air, and other costs, and the purchase price of the products we source. We act principally as a service provider to add value and expertise in the procurement and execution of these services for our customers. Our gross profits (gross revenues less the direct costs of transportation, products, and handling) are the primary indicator of our ability to source, add value, and resell services and products that are provided by third parties, and are considered by management to be our primary performance measurement. Accordingly, the discussion of results of operations below focuses on the changes in our gross profits. Prior to 2001, gross profits were

RESULTS OF OPERATIONS

The following table summarizes our gross profits by service line:

For the years ended December 31, (Dollars in thousands)	**2002**	2001	Change	2000	Change
Gross profits:					
Transportation					
Truck	**$361,353**	$347,991	3.8%	$313,650	10.9%
Intermodal	**21,111**	16,119	31.0	14,422	11.8
Ocean	**17,007**	16,345	4.1	16,337	0.0
Air	**3,068**	2,699	13.7	3,555	(24.1)
Miscellaneous	**8,772**	7,286	20.4	7,177	1.5
Total Transportation	**411,311**	390,440	5.3	355,141	9.9
Sourcing	**46,536**	45,154	3.1	43,793	3.1
Information Services	**25,931**	20,978	23.6	20,409	2.8
Total	**$483,778**	$456,572	6.0%	$419,343	8.9%

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

For the years ended December 31,	**2002**	2001	2000
Gross profits	**100.0%**	100.0%	100.0%
Selling, general, and administrative expenses:			
Personnel expenses	**48.9**	49.3	48.9
Other selling, general, and administrative expenses	**18.7**	21.3	23.2
Total selling, general, and administrative expenses	**67.6**	70.6	72.1
Income from operations	**32.4**	29.4	27.9
Investment and other income	**0.2**	0.9	0.2
Income before provision for income taxes	**32.6**	30.3	28.1
Provision for income taxes	**12.7**	11.9	11.1
Net income	**19.9%**	18.4%	17.0%

referred to as net revenues in our consolidated financial statements, our company materials, and reports filed with the Securities and Exchange Commission.

In the transportation industry, results of operations generally show a seasonal pattern as customers reduce shipments during and after the winter holiday season. In recent years, our income from operations has been lower in the first quarter than in the other three quarters, but it has not had a significant impact on our results of operations or our cash flows in recent years. Also, inflation has not materially affected our operations due to the short-term, transactional basis of our business. However, we cannot fully predict the impact seasonality and inflation may have in the future.

2002 COMPARED TO 2001

REVENUES. Gross revenues for 2002 were $3.29 billion, an increase of 6.6% over $3.09 billion for 2001. Gross profits for 2002 were $483.8 million, an increase of 6.0% over $456.6 million for 2001. This was the result of an increase in Transportation gross profits of 5.3% to $411.3 million, an increase in Sourcing gross profits of 3.1% to $46.5 million, and an increase in Information Services gross profits of 23.6% to $25.9 million. Our gross profits increased at a different rate than our gross revenues due primarily to our mix of business. The gross profit margin, or gross profits as a percentage of gross revenues, varies by service line. Information Services has the highest gross profit margin, followed by Transportation, and finally Sourcing.

Transportation gross profits were 85.0% of our total gross profits for the year and grew 5.3% in 2002. Transportation revenues are generated through several transportation mode services, including truck, intermodal, ocean, air, and miscellaneous services.

Truck gross profits, including less-than-truckload (LTL), grew 3.8% due to transaction volume increases. Gross profit margin on the truck business decreased slightly for the year, primarily due to rising costs of capacity.

Intermodal gross profits grew 31.0%. Our growth in intermodal volumes was driven by shippers’ focus on cost savings and our aggressive sales efforts to further penetrate the market.

Gross profits in air and ocean combined increased 5.4% for the year. Our gross profits decreased with many of our large ocean and air customers in 2002 due to their business activity and shipping patterns. These decreases were offset by growth with other existing and new customers.

Miscellaneous transportation revenue consists of customs brokerage fees, transportation management fees, warehouse and cross-dock services, and other miscellaneous transportation related services. The increase of 20.4% for the year was driven by an increase in both customs brokerage business and in transportation management fees.

Sourcing gross profits increased 3.1%. Our Sourcing business is primarily the buying and selling of fresh fruits and vegetables. We are experiencing a transition in the customer base of our Sourcing business. Our volumes and gross profits with large retailers are increasing, but are being offset with the trend of less volume with our traditional produce wholesaler customers.

Information Services gross profits increased 23.6%. Information Services is comprised entirely of our subsidiary, T-Chek Systems. T-Chek’s growth is due primarily to transaction growth and changes in industry pricing, including increases in the fees charged to truck stops.

SELLING, GENERAL, AND ADMINISTRATIVE EXPENSES. Many of our selling, general, and administrative expenses are variable in relation to gross profits.

Personnel expenses accounted for 72.3% of total selling, general, and administrative expenses in 2002. Personnel expenses were $236.7 million for 2002, an increase of 5.2% over $225.0 million for 2001. Personnel expenses as a percentage of gross profits decreased to 48.9% for 2002 compared to 49.3% for 2001. Our variable cost model in the branch network allows us to manage variable personnel expense while leveraging our corporate personnel expenses.

Other selling, general, and administrative expenses for 2002 were $90.5 million, a decrease of 7.0% over $97.3 million for 2001. As a percentage of gross profits, other selling, general, and administrative expenses decreased to 18.7% for 2002 compared to 21.3% for 2001. In 2002, we had notable declines in communications costs, travel expenses, bad debt, and amortization. Our telecommunications costs decreased partially due to usage levels and partially due to lower rates. Our bad debt expense declined in 2002 due to our strict customer credit approval process and diligent collection efforts by our branches. Amortization of certain intangible assets was eliminated due to new accounting rules in 2002, which reduced amortization expense by $5.1 million.

In 2002, we recorded a charge of $4.3 million related to a lawsuit settlement, covering the first of three wrongful death lawsuits stemming from an accident in 1999. We filed a claim seeking reimbursement of this settlement from our insurance carriers. Our insurance carriers settled the remaining two lawsuits in 2003 without a contribution from us.

INCOME FROM OPERATIONS. Income from operations was $156.6 million for 2002, an increase of 16.6% over $134.3 million for 2001. Income from operations as a percentage of gross profits was 32.4% and 29.4% for 2002 and 2001.

INVESTMENT AND OTHER INCOME. Investment and other income was $1.3 million for 2002, a decrease of 67.5% from $4.1 million for 2001. In 2002, we experienced a significant decline in earnings on our investments due to lower interest rates. In 2001, we realized $1.9 million from unusual items comprised of $1.5 million from a gain on sale of a corporate aircraft to a related party (see Note 7 to the consolidated financial statements), and approximately $400,000 from interest income related to settlement of IRS matters.

PROVISION FOR INCOME TAXES. The effective income tax rate was 39.0% for 2002 and 39.3% for 2001. 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 was $96.3 million, an increase of 14.7% over $84.0 million for 2001. Basic net income per share increased 14.0% to $1.14 for 2002 compared to $1.00 for 2001. Diluted net income per share increased by 14.3% to $1.12 for 2002 compared to $0.98 for 2001.

2001 COMPARED TO 2000

REVENUES. Gross revenues for 2001 were $3.09 billion, an increase of 7.2% over $2.88 billion for 2000. Gross profits for 2001 were $456.6 million, an increase of 8.9% over $419.3 million for 2000. This was a result of an increase in Transportation gross profits of 9.9% to $390.4 million, an increase in Sourcing gross profits of 3.1% to $45.2 million, and an increase in Information Services gross profits of 2.8% to $21.0 million. Our gross profits increased at a different rate than our gross revenues due primarily to our mix of business. The gross profit margin, or gross profits as a percentage of gross revenues, varies by service line. Information Services has the highest gross profit margin, followed by Transportation, and finally Sourcing.

Transportation gross profits were 85.5% of our total gross profits and grew 9.9% in 2001. Transportation revenues are generated through several transportation mode services, including truck, intermodal, ocean, air, and miscellaneous services.

Truck gross profits, including LTL, grew 10.9% due to transaction volume increases. Our gross profit per transaction was flat for the year. Gross profit margin on the truck business increased slightly for the year, primarily due to the mix of services provided. Our LTL business and short-haul business typically have a higher gross profit margin than our truckload business.

Intermodal gross profits grew 11.8%. Our intermodal gross profit growth was driven by shippers’ focus on cost savings and their increased trust in railroad service levels.

Gross profits in air, ocean, and miscellaneous (primarily customs brokerage) decreased a total of 2.7% in 2001. Our business with many of our large international clients was down due to their decreased volumes in the lanes we handled for them.

Sourcing gross profits increased 3.1%. We continued to see the trend of reduced volumes with our traditional business with produce wholesalers, which was offset by increases in volumes and gross profits with large retailers.

Information Services gross profits increased 2.8%. By the end of 2001, T-Chek Systems-related revenues made up 100% of our Information Services gross profits. T-Chek gross profits increased 12.1% for the year. T-Chek’s growth was negatively impacted by the slowdown in the U.S. truckload market because it generates fees when its customers buy fuel, and many carriers were having difficult times financially. Through the first half of 2001, our subsidiary Payment & Logistics Services, Inc. provided freight payment services to shippers. We completed a one-year phase-out of this business in June 2001.

SELLING, GENERAL, AND ADMINISTRATIVE EXPENSES. Many of our selling, general, and administrative expenses are variable in relation to gross profits.

Personnel expenses accounted for 69.8% of total selling, general, and administrative expenses in 2001. Personnel expenses were $225.0 million for 2001, an increase of 9.7% over $205.1 million for 2000. Personnel expenses as a percentage of gross profits increased to 49.3% for 2001 compared to 48.9% for 2000. The bulk of our variable compensation is bonuses that are based on pre-tax, pre-bonus profit. Bonus expense for 2001 as a percentage of pre-tax, pre-bonus profit remained relatively consistent with 2000; however, our pre-tax, pre-bonus profit increased as a percentage of gross profit, which contributed to the increase of personnel expenses as a percentage of gross profit.

Other selling, general, and administrative expenses for 2001 were $97.3 million, an increase of 0.1% over $97.2 million for 2000. As a percentage of gross profits, other selling, general, and administrative expenses decreased to 21.3% for 2001 compared to 23.2% for 2000. In 2001, we had notable declines in communications costs, travel expenses, and contractor costs. Our communications costs decreased due to lower usage and due to lower rates. The events of September 11 and our emphasis on expense control contributed to a reduction in travel spending. Additionally, contractor costs for IT development related to the integration of systems from acquisitions continued to decline.

INCOME FROM OPERATIONS. Income from operations was $134.3 million for 2001, an increase of 14.8% over $117.0 million for 2000. Income from operations as a percentage of gross profits was 29.4% and 27.9% for 2001 and 2000.

INVESTMENT AND OTHER INCOME. Investment and other income was $4.1 million for 2001, an increase of 446.5% from $0.8 million for 2000. This increase was partially the result of higher cash and investment balances in 2001 compared to 2000. In addition, we realized $1.9 million from unusual items comprised of $1.5 million from a gain on sale of a corporate aircraft to a related party (see Note 7 to the consolidated financial statements) and approximately $400,000 from interest income related to settlement of IRS matters.

PROVISION FOR INCOME TAXES. The effective income tax rate was 39.3% for 2001 and 39.5% for 2000. 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 was $84.0 million for 2001, an increase of 17.9% over $71.2 million for 2000. Basic net income per share increased by 19.0% to $1.00 for 2001 compared to $0.84 for 2000. Diluted net income per share increased by 18.1% to $0.98 compared to $0.83 for 2000.

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 $133.0 million and $115.7 million as of December 31, 2002 and 2001. Working capital at December 31, 2002 and 2001 was $245.1 million and $179.7 million. We have had no long-term debt for the last five years and have no material commitments for future capital expenditures. We have not experienced a material business or financial impact with the conversion to the euro.

We generated $114.1 million, $74.5 million, and $74.5 million of cash flow from operations in 2002, 2001, and 2000. This was due to net income generated, adjusted primarily for non-cash expenses, and the net change in accounts receivable and accounts payable. We completed a one-year phase-out of our freight payment services subsidiary in June 2001. The phase-out had a negative $23.2 million impact on our operating cash flow during 2001. At December 31, 2000, this business had $25.4 million in payables and $2.2 million in receivables.

We used $70.2 million, $12.7 million, and $24.1 million of cash flow for investing activities in 2002, 2001, and 2000. During 2002, we purchased approximately $45.2 million in debt securities. These securities are made up of high-quality, short-term bonds. In January 2002, we acquired the operating assets and certain liabilities of Smith Terminal Transportation Services (FTS) for $16.0 million.

We had $7.3 million, $12.1 million, and $15.1 million of net capital expenditures in 2002, 2001, and 2000. In August 2001, we acquired a new corporate aircraft for $9.0 million and sold our existing aircraft to our Chairman D.R. Verdoorn and another party for $5.0 million. We believe the terms were no less favorable than what we could have received from an unaffiliated third party, as measured by comparable sales transactions around the date of the sale. Our gain on the sale was $1.5 million. We have no ongoing contractual or other outstanding commitments related to this transaction. In 2000, we spent a significant amount on IT infrastructure upgrades.

We used $25.8 million, $25.4 million, and $20.1 million of cash flow for financing activities in 2002, 2001, and 2000. This was primarily quarterly cash dividends and share repurchases for our employee stock plans. We declared a $0.08 per share dividend payable on April 1, 2003 to shareholders of record as of March 7, 2003.

We have 3.05 million euros available under a line of credit at an interest rate of Euribor plus 45 basis points (3.35% at December 31, 2002). This discretionary line of credit has no expiration date and was previously denominated in French francs. During 2002, we borrowed 10.6 million euros, or $10.2 million, all of which was repaid during the year. As of December 31, 2002, the outstanding balance was zero. As of December 31, 2001, the outstanding balance was 6.8 million French francs, or $923,000, which was included in income taxes and other accrued expenses. 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, 2002.

During the third quarter of 2001, we terminated a $40.0 million line of credit that had an interest rate of LIBOR plus 60 basis points. In April 2001, we borrowed $9.0 million, all of which was repaid the following business day. During 2000, we had gross borrowings on this facility of $210.5 million, all of which was repaid by June 2000. The maximum outstanding balance during 2001 was $9.0 million and during 2000 was $14.0 million. We believe we could obtain a similar line of credit on short notice if needed.

We have certain facilities, equipment, and automobiles under operating leases. Lease expense was $17.2 million for 2002, $17.5 million for 2001, and $18.2 million for 2000. Minimum future lease commitments under noncancelable lease agreements in excess of one year as of December 31, 2002 are as follows (in thousands):

2003	$12,280
2004	10,283
2005	6,489
2006	3,048
2007	1,597
Thereafter	21

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.

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 of America requires management to make estimates and assumptions in certain circumstances that affect amounts reported in the accompanying consolidated financial statements and related footnotes. In preparing our financial statements, management has made its 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 the more significant accounting estimates and the policies surrounding them.

VALUATIONS FOR ACCOUNTS RECEIVABLE. The allowance for doubtful accounts on accounts receivable is one of our most critical accounting estimates, due to the fact that accounts receivable is the largest asset on our balance sheet. This estimate is 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 was $24.2 million as of December 31, 2002, an increase of 5.0% over $23.0 million in 2001. Net accounts receivable for that same period increased 5.7%. As a percentage of net accounts receivable, the allowance has remained consistent (6.2% for both 2002 and 2001). Management believes that the recorded allowance is sufficient and appropriate based on the exposures identified and our historical experience.

VALUATION OF GOODWILL. We manage and report our operations as one operating segment. Our branches represent a series of homogenous reporting units that are aggregated for the purpose of analyzing goodwill for impairment, thus goodwill is evaluated for impairment on an enterprise wide basis. Based on the substantial excess of our market capitalization over our book value, management has determined that there is no indication of goodwill impairment at December 31, 2002.

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 $178.2 million of cash and investments on December 31, 2002, consisting of $133.0 million of cash and cash equivalents and $45.2 million of available-for-sale securities. Substantially all of the cash equivalents are money market securities from domestic issuers. All of our available-for-sale securities are high-quality, short-term bonds. Because of the credit risk criteria of our investment policies, the primary market risk associated with these investments is interest rate risk. 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.

CONSOLIDATED BALANCE SHEETS

C.H. Robinson Worldwide, Inc. and Subsidiaries

(In thousands, except per share data)

As of December 31,	**2002**	2001
ASSETS		
Current assets:		
Cash and cash equivalents	**$132,999**	$115,741
Available-for-sale securities	**45,227**	–
Receivables, net of allowance for doubtful accounts of $24,155 and $23,011	**391,670**	370,378
Deferred tax asset	**14,579**	12,164
Prepaid expenses and other	**4,097**	4,932
Total current assets	**588,572**	503,215
Property and equipment	**70,749**	66,387
Accumulated depreciation and amortization	**(44,273)**	(35,467)
Net property and equipment	**26,476**	30,920
Goodwill, net of accumulated amortization of $10,703	**152,970**	140,751
Other intangible assets, net of accumulated amortization of $3,285 and $2,603	**4,327**	4,107
Other assets	**4,806**	4,497
Total assets	**$777,151**	$683,490
LIABILITIES AND STOCKHOLDERS' INVESTMENT		
Current liabilities:		
Accounts payable	**$275,157**	$267,708
Accrued expenses–		
Compensation and profit-sharing contribution	**39,533**	32,098
Income taxes and other	**28,784**	23,722
Total current liabilities	**343,474**	323,528
Deferred tax liability	**6,280**	3,241
Nonqualified deferred compensation obligation	**1,567**	906
Total liabilities	**351,321**	327,675
Commitments and contingencies		
Stockholders' investment:		
Preferred stock, $.10 par value, 20,000 shares authorized; no shares issued or outstanding	**–**	–
Common stock, $.10 par value, 130,000 shares authorized; 85,042 and 85,008 shares issued, 84,506 and 84,457 outstanding	**8,451**	8,446
Additional paid-in-capital	**96,687**	99,551
Retained earnings	**345,080**	270,711
Deferred compensation	**(6,316)**	(6,247)
Accumulated other comprehensive loss	**(2,439)**	(1,592)
Treasury stock at cost (536 and 551 shares)	**(15,633)**	(15,054)
Total stockholders' investment	**425,830**	355,815
Total liabilities and stockholders' investment	**$777,151**	$683,490

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,	**2002**	2001	2000
Gross revenues	**$3,294,473**	$3,090,072	$2,882,175
Cost of transportation, products, and handling	**2,810,695**	2,633,500	2,462,832
Gross profits	**483,778**	456,572	419,343
Selling, general, and administrative expenses:			
Personnel	**236,673**	224,997	205,111
Other selling, general, and administrative expenses	**90,525**	97,301	97,224
Total selling, general, and administrative expenses	**327,198**	322,298	302,335
Income from operations	**156,580**	134,274	117,008
Investment and other income	**1,334**	4,099	750
Income before provision for income taxes	**157,914**	138,373	117,758
Provision for income taxes	**61,589**	54,381	46,516
Net income	**$ 96,325**	$ 83,992	$ 71,242
Basic net income per share	**$ 1.14**	$ 1.00	$ .84
Diluted net income per share	**$ 1.12**	$ .98	$ .83
Basic weighted average shares outstanding	**84,368**	84,374	84,529
Dilutive effect of outstanding stock awards	**1,389**	1,400	1,188
Diluted weighted average shares outstanding	**85,757**	85,774	85,717

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

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' INVESTMENT

C.H. Robinson Worldwide, Inc. and Subsidiaries

(In thousands, except per share data)
For the years ended December 31, 2002, 2001, and 2000

	Common Shares Outstanding	Amount	Additional Paid-in Capital	Retained Earnings	Deferred Compen-sation	Accumulated Other Com-prehensive Loss	Treasury Stock	Total Stockholders' Investment
Balance, December 31, 1999	42,284	$4,228	$ 98,958	$147,586	$ –	$ (1,053)	$ (2,952)	$ 246,767
Net income	–	–	–	71,242	–	–	–	71,242
Other comprehensive income–								
Foreign currency translation adjustment	–	–	–	–	–	4	–	4
Comprehensive income	–	–	–	–	–	–	–	71,246
Cash dividends, $.170 per share	–	–	–	(14,365)	–	–	–	(14,365)
Stock dividend	42,284	4,228	(4,228)	–	–	–	–	–
Stock issued for employee benefit plans	181	18	(168)	–	–	–	3,400	3,250
Issuance of restricted stock	237	24	6,976	–	(7,000)	–	–	–
Reduction of deferred compensation	–	–	–	–	20	–	–	20
Tax benefit on deferred compensation and employee stock plans	–	–	33	–	–	–	–	33
Repurchase of common stock	(365)	(36)	–	–	–	–	(9,899)	(9,935)
Balance, December 31, 2000	84,621	8,462	101,571	204,463	(6,980)	(1,049)	(9,451)	297,016
Net income	–	–	–	83,992	–	–	–	83,992
Other comprehensive income–								
Foreign currency translation adjustment	–	–	–	–	–	(543)	–	(543)
Comprehensive income	–	–	–	–	–	–	–	83,449
Cash dividends, $.210 per share	–	–	–	(17,744)	–	–	–	(17,744)
Stock issued for employee benefit plans	310	31	(2,887)	–	–	–	8,059	5,203
Reduction of deferred compensation	–	–	–	–	733	–	–	733
Tax benefit on deferred compensation and employee stock plans	–	–	867	–	–	–	–	867
Repurchase of common stock	(474)	(47)	–	–	–	–	(13,662)	(13,709)
Balance, December 31, 2001	84,457	8,446	99,551	270,711	(6,247)	(1,592)	(15,054)	355,815
Net income	–	–	–	96,325	–	–	–	96,325
Other comprehensive income–								
Unrealized gains on available-for-sale securities	–	–	–	–	–	12	–	12
Foreign currency translation adjustment	–	–	–	–	–	(859)	–	(859)
Comprehensive income	–	–	–	–	–	–	–	95,478
Cash dividends, $.260 per share	–	–	–	(21,956)	–	–	–	(21,956)
Stock issued for employee benefit plans	448	45	(4,936)	–	–	–	12,599	7,708
Issuance of restricted stock	34	3	987	–	(990)	–	–	–
Reduction of deferred compensation	–	–	–	–	921	–	–	921
Tax benefit on deferred compensation and employee stock plans	–	–	1,085	–	–	–	–	1,085
Repurchase of common stock	(433)	(43)	–	–	–	–	(13,178)	(13,221)
Balance, December 31, 2002	84,506	$8,451	$ 96,687	$345,080	$(6,316)	$ (2,439)	$(15,633)	$ 425,830

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

CONSOLIDATED STATEMENTS OF CASH FLOWS

C.H. Robinson Worldwide, Inc. and Subsidiaries

(In thousands)

For the years ended December 31,	**2002**	2001	2000
OPERATING ACTIVITIES			
Net income	**$ 96,325**	$ 83,992	$ 71,242
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	**14,029**	19,136	17,318
Provision for doubtful accounts	**5,807**	9,043	7,940
Deferred compensation expense	**921**	733	20
Deferred income taxes	**624**	11,356	(513)
Loss (gain) on sale/disposal of assets	**546**	(997)	298
Changes in operating elements, net of effects of acquisitions:			
Receivables	**(22,985)**	(24,468)	(90,136)
Prepaid expenses and other	**845**	(777)	496
Accounts payable	**4,453**	(19,067)	52,875
Accrued compensation and profit-sharing contribution	**7,431**	(1,358)	5,286
Accrued income taxes and other	**6,143**	(3,141)	9,664
Net cash provided by operating activities	**114,139**	74,452	74,490
INVESTING ACTIVITIES			
Purchases of property and equipment	**(7,325)**	(17,101)	(15,491)
Sales of property and equipment	**–**	5,000	360
Cash paid for acquisitions, net of cash acquired	**(15,995)**	–	(5,898)
Purchases of available-for-sale securities	**(45,209)**	–	–
Other	**(1,714)**	(573)	(3,066)
Net cash used for investing activities	**(70,243)**	(12,674)	(24,095)
FINANCING ACTIVITIES			
Proceeds from stock issued for employee benefit plans	**7,708**	5,203	3,250
Repurchase of common stock	**(13,221)**	(13,709)	(9,935)
Cash dividends	**(20,266)**	(16,900)	(13,438)
Net cash used for financing activities	**(25,779)**	(25,406)	(20,123)
Effect of exchange rates on cash	**(859)**	(543)	3
Net increase in cash and cash equivalents	**17,258**	35,829	30,275
Cash and cash equivalents, beginning of year	**115,741**	79,912	49,637
Cash and cash equivalents, end of year	**$132,999**	$115,741	$ 79,912
Cash paid for income taxes	**$ 54,813**	$ 45,653	$ 39,096
Cash paid for interest	**$ 31**	$ 160	$ 151
Supplemental disclosure of noncash activities:			
Restricted stock awarded	**$ 990**	$ –	$ 7,000

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
C.H. Robinson Worldwide, Inc. and Subsidiaries

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION – C.H. Robinson Worldwide, Inc. and its Subsidiaries ("the Company," "we," "us," or "our") is a global provider of multimodal transportation services and logistics solutions through a network of 150 branch offices operating in North America, South America, Europe, and Asia. The consolidated financial statements include the accounts of C.H. Robinson Worldwide, Inc. and its majority owned and controlled subsidiaries. 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 of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and 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. Ultimate results could differ from those estimates.

REVENUE RECOGNITION – Gross revenues consist of the total dollar value of goods and services purchased 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 and goods are delivered. At that time, our obligations to the transactions are completed and collection of receivables is reasonably assured. Our gross profits are considered by management to be our primary performance measurement. 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. Prior to 2001, gross profits were referred to as net revenues in our consolidated financial statements, our company materials, and reports filed with the Securities and Exchange Commission.

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 historical 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 third party logistics industry. We provide a wide range of products and services to our customers and carriers including transportation services, product 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 provided a single invoice. As a result, discrete selling, general, and administrative expenses associated with the gross profits of each service line are not available. Accordingly, our chief operating decision makers analyze 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):

	2002	2001	2000
Gross revenues			
United States	**$3,154,902**	$2,960,241	$2,754,292
Other locations	**139,571**	129,831	127,883
	$3,294,473	$3,090,072	$2,882,175

	2002	2001
Long-lived assets		
United States	**$ 33,332**	$ 38,136
Other locations	**2,277**	1,388
	$ 35,609	$ 39,524

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.

AVAILABLE-FOR-SALE SECURITIES – Our investments consist of investment-grade marketable debt securities, all of which are classified as available-for-sale and recorded at fair value. Unrealized holding gains and losses are recorded, net of any tax effect, as a separate component of accumulated other comprehensive income.

PREPAID EXPENSES AND OTHER – Prepaid expenses and other include such items as prepaid rent, software maintenance contracts, 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 straight-line methods over the estimated lives of the assets of three to 15 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 $11,323,000 in 2002, $11,578,000 in 2001, and $9,864,000 in 2000.

A summary of our property and equipment as of December 31 is as follows (in thousands):

	2002	2001
Furniture, fixtures, and equipment	**$ 56,491**	$ 52,051
Corporate aircraft	**9,000**	9,000
Leasehold improvements	**5,258**	5,336
Less accumulated depreciation	**(44,273)**	(35,467)
Net property and equipment	**$ 26,476**	$ 30,920

INTANGIBLE ASSETS – Goodwill is the difference between the purchase price of a company and the fair market value of the acquired company's net assets. Other intangible assets, with either indefinite or definite lives, consist of assets purchased through acquisitions. These assets include customer lists, carrier lists, employee lists, and non-compete agreements. Intangible assets with definite lives are being amortized using the straight-line method over their estimated lives, ranging from three to ten years. Other intangible assets with indefinite lives, including goodwill, are no longer being amortized. See Note 3.

OTHER ASSETS – Other assets includes such items as purchased and internally developed software, the investment related to our nonqualified deferred compensation plan, and other. We recognized amortization expense of purchased and internally developed software of $2,022,000 in 2002, $1,953,000 in 2001, and $1,786,000 in 2000. Amortization expense is computed using straight-line methods over three years.

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

	2002	2001
Purchased software	**$ 7,349**	$ 7,219
Internally developed software	**2,471**	1,295
Less accumulated amortization	**(7,272)**	(5,457)
Net software	**$ 2,548**	$ 3,057

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 nonowner sources. Our two components of comprehensive income are foreign currency translation adjustment and unrealized gains and losses from investments. They are presented on our consolidated statements of stockholders' investment.

RECLASSIFICATIONS - Certain reclassifications have been made to the fiscal 2001 and 2000 financial statements to conform to the presentation used in the fiscal 2002 financial statements. The reclassifications had no effect on stockholders' investment or net income as previously reported.

2. RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

In June 2001, the Financial Accounting Standards Board (FASB) issued SFAS No. 143, Accounting for Asset Retirement Obligations, which is effective January 1, 2003. SFAS No. 143 requires entities to record the fair value of a liability for an asset retirement obligation in the period in which it is incurred. The adoption of this statement on January 1, 2003 did not have an effect on our historical consolidated results of operations, financial position, or cash flows.

In September 2001, the FASB issued SFAS No. 144, Accounting for the Impairment or Disposal of Long-Lived Assets, which addresses financial accounting and reporting for the impairment or disposal of long-lived assets. While SFAS No. 144 supersedes SFAS No. 121, Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of, it retains many of the fundamental provisions of that statement. The adoption of this standard on January 1, 2002 did not have an effect on our historical consolidated results of operations, financial position, or cash flows.

In July 2002, the FASB issued SFAS No. 146, Accounting for Costs Associated with Exit or Disposal. This statement addresses financial accounting and reporting for costs associated with exit or disposal activities and nullifies Emerging Issues Task Force (EITF) Issue No. 94-3, Liability Recognition for Certain Employee Termination Benefits and Other Costs to Exit an Activity (including Certain Costs

Incurred in a Restructuring). The provisions of this statement are effective for exit or disposal activities initiated after December 31, 2002. We expect that adoption of this statement will not have an impact on our consolidated results of operations, financial position, or cash flows.

In November 2002, the FASB issued FASB Interpretation No. (FIN) 45, Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others. FIN 45 clarifies the requirements for a guarantor's accounting for and disclosure of certain guarantees issued and outstanding. The initial recognition and initial measurement provisions of FIN 45 are applicable to guarantees issued or modified after December 31, 2002. The disclosure requirements of FIN 45 are effective for financial statements of interim or annual periods ending after December 15, 2002. The adoption of FIN 45 did not have an impact on our financial statement disclosures and is not expected to have an impact on our consolidated results of operations, financial position, or cash flows.

3. GOODWILL AND OTHER INTANGIBLE ASSETS

In June 2001, the FASB issued SFAS No. 141, Business Combinations, and SFAS No. 142, Goodwill and Other Intangible Assets, effective for fiscal years beginning after December 15, 2001. Under the new rules, goodwill (and intangible assets deemed to have indefinite lives) is no longer amortized but is subject to annual impairment tests in accordance with SFAS No. 142. Other intangible assets continue to be amortized over their useful lives. We adopted SFAS No. 142 effective January 1, 2002.

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

	Unamortizable intangible assets	Amortizable intangible assets
December 31, 2001		
Gross	$ 155,454	$ 2,710
Accumulated amortization	(11,870)	(1,436)
Net	$ 143,584	$ 1,274
December 31, 2002		
Gross	**$ 167,730**	**$ 3,555**
Accumulated amortization	**(11,870)**	**(2,118)**
Net	**$ 155,860**	**$ 1,437**

We completed an impairment test to determine the impact of adopting SFAS No. 142 on our earnings and financial position. This impairment test did not result in any impairment losses. Had SFAS Nos. 141 and 142 been effective January 1, 2000, net income and earnings per share would have been reported as the following amounts (in thousands, except per share data):

	2002	2001	2000
Reported net income	**$96,325**	$83,992	$71,242
Add: amortization, net of tax	–	3,120	3,224
Adjusted net income	**$96,325**	$87,112	$74,466
Reported basic earnings per share	**$ 1.14**	$ 1.00	$ 0.84
Add: amortization, net of tax	–	0.04	0.04
Adjusted basic earnings per share	**$ 1.14**	$ 1.04	$ 0.88
Reported diluted earnings per share	**$ 1.12**	$ 0.98	$ 0.83
Add: amortization, net of tax	–	0.04	0.04
Adjusted diluted earnings per share	**$ 1.12**	$ 1.02	$ 0.87

The change in the carrying amount of goodwill for the year ended December 31, 2002 is as follows (in thousands):

Balance December 31, 2001	$151,454
Goodwill associated with acquisitions	12,219
Balance December 31, 2002	$163,673

Amortization expense for 2002 other intangible assets was $705,000. Estimated amortization expense for each of the five succeeding fiscal years based on the intangible assets at December 31, 2002 is as follows:

2003	$599,000

2004	552,000
2005	169,000
2006	169,000
2007	7,000

4. LINES OF CREDIT

We have 3.05 million euros available under a line of credit at an interest rate of Euribor plus 45 basis points (3.35% at December 31, 2002). This discretionary line of credit has no expiration date and was previously denominated in French francs. During 2002, we borrowed 10.6 million euros, or $10.2 million, all of which was repaid during the year. As of December 31, 2002, the outstanding balance was zero. As of December 31, 2001, the outstanding balance was 6.8 million French francs, or $923,000, which was included in income taxes and other accrued expenses. 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, 2002.

During the third quarter of 2001, we terminated a $40.0 million line of credit that had an interest rate of LIBOR plus 60 basis points. In April 2001, we borrowed $9.0 million, all of which was repaid the following business day. During 2000, we had gross borrowings on this facility of $210.5 million, all of which was repaid by June 2000. The maximum outstanding balance was $9.0 million during 2001 and $14.0 million during 2000. We believe we could obtain a similar line of credit on short notice if needed.

5. 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.

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

	2002	2001	2000
Tax provision:			
Federal	**$50,050**	$35,029	$38,744
State	**7,463**	6,471	7,114
Foreign	**3,452**	1,525	1,171
	60,965	43,025	47,029
Deferred provision (benefit)	**624**	11,356	(513)
Total provision	**$61,589**	$54,381	$46,516

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:

	2002	**2001**	**2000**
Federal statutory rate	**35.0%**	35.0%	35.0%
State income taxes, net of federal benefit	**2.7**	3.7	3.1
Foreign and other	**1.3**	0.6	1.4
	39.0%	39.3%	39.5%

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

	2002	2001
Deferred tax assets:		
Receivables	**$ 9,215**	$ 8,119
Accrued expenses	**3,630**	2,328
Accrued compensation	**3,033**	2,594
Other	**67**	67
Deferred tax liabilities:		
Long-lived assets	**(1,478)**	(1,718)
Intangible assets	**(6,168)**	(2,467)
Net deferred taxes	**$ 8,299**	$ 8,923

6. 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 130,000,000 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, shareholders are entitled to one vote on each matter to be voted on by the shareholders, 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.

COMMON STOCK SPLIT – On October 24, 2000, the Company's Board of Directors declared a two-for-one stock split effected in the form of a 100% stock dividend distributed on December 1, 2000 to shareholders of record as of November 10, 2000. As a result of the stock split, the accompanying consolidated financial statements reflect an increase in the number of outstanding shares of common stock. All share and per share amounts have been restated to reflect the retroactive effect of the stock split.

SHARE REPURCHASE PROGRAMS – In conjunction with our initial public offering in 1997, our Board of Directors authorized a stock repurchase plan that allows management to repurchase 2,000,000 common shares for reissuance upon the exercise of employee stock options and other stock plans. We purchased approximately 433,300, 474,000, and 364,600 shares of our common stock for the treasury at an aggregate cost of $13,221,000, $13,709,000, and $9,935,000 in 2002, 2001, and 2000 under this stock repurchase plan. We reissued shares totaling 448,000, 310,000, and 181,000 in 2002, 2001, and 2000 for employee benefit plans.

During 1999, the Board of Directors authorized a second stock repurchase plan, allowing for the repurchase of 4,000,000 shares. No shares have been repurchased under this stock repurchase plan.

STOCK AWARD PLANS – We have a 1997 Omnibus Stock Plan to grant certain stock awards, including stock options at fair market value and restricted shares, to our key employees and outside directors. A maximum of 9,000,000 shares can be granted under this plan; 4,336,317 shares were available for stock awards as of December 31, 2002. The contractual lives of all options 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.

The following schedule summarizes activity in the plans:

	Shares	Stock Options Weighted Average Exercise Price
Outstanding at December 31, 1999	1,761,062	$ 10.90
Granted	1,166,400	20.35
Exercised	(37,260)	9.00
Terminated	(59,934)	14.12
Outstanding at December 31, 2000	2,830,268	14.75
Granted	819,000	28.08
Exercised	(160,395)	9.87
Terminated	(52,396)	19.47
Outstanding at December 31, 2001	3,436,477	18.03
Granted	**803,050**	**29.20**
Exercised	**(283,928)**	**12.90**
Terminated	**(36,080)**	**27.54**
Outstanding at December 31, 2002	**3,919,519**	**$ 20.65**
Exercisable at December 31, 2000	396,993	$ 9.00
Exercisable at December 31, 2001	757,620	$ 11.97
Exercisable at December 31, 2002	**1,165,467**	**$ 12.75**

We follow the provisions of SFAS No. 123, "Accounting for Stock-Based Compensation," which encourages, but does not require, a fair value based method of accounting for employee stock options or similar equity instruments. As permitted under SFAS No. 123, we have continued to account for employee stock options using the intrinsic value method outlined in Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees." Accordingly, we have not recognized any compensation expense for our stock options. Had compensation expense for our stock-based compensation plans been determined based on the fair value at the grant dates, consistent with the method of SFAS No. 123, our net income and net income per share would have been as follows (in thousands, except per share amounts):

		2002	2001	2000
Net income	As reported	**$96,325**	$83,992	$71,242
	Adjusted	**$92,108**	$81,002	$69,448
Basic income per share	As reported	**$ 1.14**	$ 1.00	$ .84
	Adjusted	**$ 1.09**	$ .96	$ .82
Diluted income per share	As reported	**$ 1.12**	$ .98	$ .83
	Adjusted	**$ 1.08**	$ .94	$ .81

The adjusted effects to net income presented reflect compensation costs for all outstanding options, which were granted during 1997, 1999, 2000, 2001, and 2002. The compensation cost is being reflected over the options' vesting period of five years.

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

	2002 Grants	2001 Grants	2000 Grant
Risk-free interest rate	**3.8-4.7%**	4.8-5.1%	6.8%

Expected dividend yield	**1.0%**	1.0%	1.0%
Expected volatility factor	**40.0-40.2%**	39.8-42.4%	30.2%
Expected option term	**7 years**	7 years	7 years
Fair value per option	**$11.42-13.18**	$13.31-14.01	$ 7.94

Significant option groups outstanding at December 31, 2002 and related weighted-average exercise price and remaining life information follows:

Exercise Price Range	Options Outstanding	Weighted Average Exercise Prices	Weighted Average Remaining Life (years)	Options Excercisable	Weighted Average for Exercisable Shares
$9.00-12.59	**1,292,795**	**$ 11.17**	**6.20**	**903,275**	**$ 10.55**
$20.35	**1,048,769**	**20.35**	**8.00**	**262,192**	**20.35**
$26.61-28.00	**783,447**	**27.97**	**9.00**	**–**	**–**
$29.00-30.74	**794,508**	**29.29**	**10.00**	**–**	**–**
	3,919,519	**$ 20.65**	**8.00**	**1,165,467**	**$ 12.75**

RESTRICTED SHARE AWARDS – During 2002 and 2000, we awarded to certain key employees 34,450 and 237,292 restricted shares, which were granted under the 1997 Omnibus Stock Plan. The shares are subject to certain vesting requirements. The value of such stock was established by the market price on the date of grant, and was recorded as deferred compensation within stockholders' investment in the accompanying financial statements and is being amortized ratably over the applicable restricted stock vesting period. Expense related to the restricted shares was $921,000 in 2002, $733,000 in 2001, and $20,000 in 2000.

7. RELATED PARTY TRANSACTIONS

In August 2001, we acquired a new corporate aircraft and sold our existing aircraft to our Chairman and then CEO D.R. Verdoorn and another party for $5.0 million. We believe the terms were no less favorable than what we could have received from an unaffiliated third party, as measured by comparable sales transactions around the date of the sale. Our gain on the sale was $1.5 million. We have no ongoing contractual or other outstanding commitments related to this transaction.

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 full-time employees with one or more years of continuous service. 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 $12,293,000 in 2002, $8,530,000 in 2001, and $8,838,000 in 2000.

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 and gains on stock option exercises. The accumulated benefit obligation was $1,567,000 and $906,000 as of December 31, 2002 and 2001 respectively. We have purchased investments to fund the future liability. The investments had an aggregate market value of $1,567,000 and $906,000 as of December 31, 2002 and 2001 respectively, and are included in other assets in the consolidated balance sheets.

LEASE COMMITMENTS – We lease certain facilities, equipment, and automobiles under operating leases. Lease expense was $17,188,000 for 2002, $17,468,000 for 2001, and $18,191,000 for 2000.

Minimum future lease commitments under noncancelable lease agreements in excess of one year as of December 31, 2002, are as follows (in thousands):

2003	$12,280
2004	10,283
2005	6,489
2006	3,048
2007	1,597
Thereafter	21
Total	$33,718

LITIGATION – We, a carrier hired by us, and others were named as defendants in three wrongful death lawsuits stemming from a multi-vehicle accident in 1999. We settled the first of the three cases on January 3, 2003 by contributing $4.3 million as part of a complete settlement of our liability in the first lawsuit. Our insurance carriers subsequently settled the remaining two lawsuits during 2003 without a contribution from us.

We filed a separate lawsuit against two of our insurance carriers, alleging wrongful conduct in the defense and settlement of the first case and demanding reimbursement of the $4.3 million contribution made by us.

During 2002, we were named as a defendant in two lawsuits by a number of present and former employees. The first lawsuit alleges a hostile working environment, unequal pay, promotions, and opportunities for women, and failure to pay overtime. The second lawsuit alleges a failure to pay overtime. The plaintiffs in both lawsuits seek unspecified monetary and non-monetary damages and class action certification. We deny all allegations and are vigorously defending the suits. Currently, the amount of any possible loss to us cannot be estimated; however, an unfavorable result could have a material adverse effect on our consolidated financial statements.

We are not otherwise subject to any 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.

9. SUPPLEMENTARY DATA (UNAUDITED)

Our results of operations for each of the quarters in the years ended December 31, 2002 and 2001 are summarized below (in thousands, except per share data).

2002	Quarters Ended March 31	June 30	September 30	December 31
Gross revenues	**$740,031**	**$842,720**	**$ 872,245**	**$ 839,477**
Cost of transportation and products	**626,434**	**721,150**	**749,161**	**713,950**
Gross profits	**113,597**	**121,570**	**123,084**	**125,527**
Income from operations	**33,838**	**40,971**	**42,364**	**39,407**
Net income	**$ 20,842**	**$ 25,206**	**$ 25,951**	**$ 24,326**
Basic net income per share	**$ .25**	**$ .30**	**$ .31**	**$ .29**
Diluted net income per share	**$ .24**	**$ .29**	**$ .30**	**$ .28**
Basic weighted average shares outstanding	**84,567**	**84,339**	**84,292**	**84,273**
Dilutive effect of outstanding stock awards	**1,411**	**1,641**	**1,208**	**1,296**
Diluted weighted average shares outstanding	**85,978**	**85,980**	**85,500**	**85,569**

2001	Quarters Ended March 31	June 30	September 30	December 31
Gross revenues	$732,484	$796,694	$ 784,517	$ 776,377
Cost of transportation and products	619,175	678,691	671,325	664,309
Gross profits	113,309	118,003	113,192	112,068
Income from operations	29,374	36,557	34,770	33,573
Net income	$ 18,134	$ 22,642	$ 22,628	$ 20,588
Basic net income per share	$ .21	$ .27	$ .27	$ .24
Diluted net income per share	$ .21	$ .26	$ .26	$ .24
Basic weighted average shares outstanding	84,372	84,353	84,294	84,478
Dilutive effect of outstanding stock awards	1,383	1,529	1,400	1,289
Diluted weighted average shares outstanding	85,755	85,882	85,694	85,767

INDEPENDENT AUDITORS' REPORT

C.H. Robinson Worldwide, Inc. and Subsidiaries

TO THE BOARD OF DIRECTORS AND STOCKHOLDERS OF C.H. ROBINSON WORLDWIDE, INC.:

We have audited the accompanying consolidated balance sheet of C.H. Robinson Worldwide, Inc. (the Company) as of December 31, 2002 and the related consolidated statements of operations, stockholders' investment and cash flows for the year ended December 31, 2002. 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 audit. The consolidated financial statements of the Company as of December 31, 2001, and for the years ended December 31, 2001 and 2000, were audited by other auditors who have ceased operations and whose report, dated February 4, 2002, expressed an unqualified opinion on those statements.

We conducted our 2002 audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 2002 consolidated 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 audit provides a reasonable basis for our opinion.

In our opinion, the 2002 consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2002 and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 3 to the consolidated financial statements, the Company changed its method of accounting for goodwill and other intangible assets with indefinite lives in 2002.

As discussed above, the consolidated financial statements of the Company as of December 31, 2001, and for the years ended December 31, 2001 and 2000, were audited by other auditors who have ceased operations. As described in Note 3, these financial statements have been revised to include the transitional disclosures required by Statement of Financial Accounting Standards No. 142, *Goodwill and Other Intangible Assets* , (Statement) which as discussed in Note 3, was adopted by the Company as of January 1, 2002. Our audit procedures with respect to the disclosures in Note 3 with respect to 2001 and 2000 included (a) agreeing the previously reported net income to the previously issued financial statements and the adjustments to reported net income representing amortization expense (including any related tax effects) recognized in those periods related to goodwill and other intangible assets that are no longer being amortized as a result of initially applying the Statement to the Company's underlying records obtained from management, and (b) testing the mathematical accuracy of the reconciliation of adjusted net income to reported net income, and the related earnings per share amounts. In our opinion, the disclosures for 2001 and 2000 in Note 3 are appropriate. However, we were not engaged to audit, review, or apply any procedures to the 2001 and 2000 financial statements of the Company other than with respect to such disclosures and accordingly, we do not express an opinion or any other form of assurance on the 2001 and 2000 financial statements taken as a whole.

/s/ Deloitte & Touche LLP

Minneapolis, Minnesota
January 31, 2003 (March 13, 2003 as to the litigation settlements described in Note 8)

The following report is a copy of a report previously issued by Arthur Andersen LLP. This report has not been reissued by Arthur Andersen LLP nor has Arthur Andersen LLP provided a consent to the inclusion of its report in this Annual Report.

INDEPENDENT AUDITORS' REPORT

C.H. Robinson Worldwide, Inc. and Subsidiaries

TO C.H. ROBINSON WORLDWIDE, INC.:

We have audited the accompanying consolidated balance sheets of C.H. Robinson Worldwide, Inc. (a Delaware corporation) as of December 31, 2001 and 2000, and the related consolidated statements of operations, stockholders' investment and comprehensive income and cash flows for each of the three years in the period ended December 31, 2001. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

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

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of C.H. Robinson Worldwide, Inc. as of December 31, 2001 and 2000, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2001, in conformity with accounting principles generally accepted in the United States.

/s/ Arthur Andersen LLP

Minneapolis, Minnesota

CHANGE IN INDEPENDENT AUDITORS

C.H. Robinson Worldwide, Inc. and Subsidiaries

On June 18, 2002, C.H. Robinson Worldwide, Inc. dismissed Arthur Andersen LLP as our independent auditors and engaged Deloitte & Touche LLP to serve as our independent auditors for fiscal 2002. The decision to change independent auditors was recommended by the Audit Committee and approved by our Board of Directors.

Arthur Andersen's reports on the Company's consolidated financial statements for each of the fiscal years ended 2001, 2000, and 1999 did not contain an adverse opinion or disclaimer of opinion, nor were they qualified or modified as to uncertainty, audit scope, or accounting principles.

During the fiscal years ended 2001, 2000, and 1999 and through June 18, 2002, there were no disagreements with Arthur Andersen on any matter of accounting principle or practice, financial statement disclosure, or auditing scope or procedure which, if not resolved to Arthur Andersen's satisfaction, would have caused them to make reference to the subject matter in connection with their report on our consolidated financial statements for such years; and there were no reportable events as defined in Item 304 (a)(1)(v) of Regulation S-K.

We provided Arthur Andersen with a copy of the foregoing disclosures. Attached to our Annual Report on Form 10-K for the year ended December 31, 2002, as exhibit 16.1, is a copy of Arthur Andersen's letter, dated June 18, 2002, stating its agreement with such statements.

During the fiscal years ended 2001 and 2000 and through the date of our decision, we did not consult Deloitte & Touche LLP with respect to the application of accounting principles to a specified transaction either completed or proposed, or the type of audit opinion that might be rendered on our consolidated financial statements, or any other matters or reportable events as set forth in Items 304 (a)(2)(i) and (ii) of Regulation S-K.

/s/ Chad M. Lindbloom

Chad M. Lindbloom
Vice President and Chief Financial Officer

REPORT OF MANAGEMENT

C.H. Robinson Worldwide, Inc. and Subsidiaries

The management of C.H. Robinson Worldwide, Inc., is responsible for the integrity and objectivity of the consolidated financial statements and other financial information contained in this annual report. The consolidated financial statements and related information were prepared in accordance with accounting principles generally accepted in the United States of America and include some amounts that are based on management's best estimates and judgments.

To meet its responsibility, management depends on its accounting systems and related internal accounting controls. These systems are designed to provide reasonable assurance, at an appropriate cost, that financial records are reliable for use in preparing financial statements and that assets are safeguarded. Qualified personnel throughout the organization maintain and monitor these internal accounting controls on an ongoing basis.

The Audit Committee of the Board of Directors, composed entirely of directors who are not employees of the Company, meets periodically and privately with the Company's independent auditors, as well as management, to review accounting, auditing, internal control, financial reporting, and other matters.

/s/ John P. Wiehoff

John P. Wiehoff
President and Chief Executive Officer

/s/ Chad M. Lindbloom

Chad M. Lindbloom
Vice President and Chief Financial Officer

EXHIBIT 21

SUBSIDIARIES OF C.H. ROBINSON WORLDWIDE, INC.

The Company's consolidated subsidiaries are shown below together with the percentage of voting securities owned and the state or jurisdiction of organization of each subsidiary. The names have been omitted for subsidiaries which, if considered in the aggregate as a single subsidiary, do not constitute a significant subsidiary. Subsidiaries of subsidiaries are indented in the following table:

Subsidiaries	Percentage of Outstanding Voting Securities Owned
C.H. Robinson International, Inc. (Minnesota)	100%
C.H. Robinson Logistica Chile Ltda. (Santiago, Chile)	100%
C.H. Robinson Venezuela, C.A. (Venezuela)	100%
Spica Servicios Logisticos, C.A. (Venezuela)	100%
C.H. Robinson (UK) Limited (United Kingdom)	100%
C.H. Robinson Iberica, S.L. (Spain)	99.99%
C.H. Robinson de Mexico, S.A. de C.V. (Mexico)	100%
C.H. Robinson Company (Canada) Ltd. (Ontario, Canada)	100%
C.H. Robinson Company (Delaware)	100%
C.H. Robinson Company LP (Minnesota)	1%
C.H. Robinson Company, Inc. (Minnesota)	100%
CHR Aviation LLC (Minnesota)	100%
Fresh 1 Marketing, Inc. (Minnesota)	100%
C.H. Robinson Worldwide-LTL, Inc. (Minnesota)	100%
Robinson Holding Company (Minnesota)	100%
C.H. Robinson Company LP (Minnesota)	99%
Wagonmaster Transportation Co. (Minnesota)	100%

Robinson Europe, S.A. (France)	100%
Robinson Italia S.r.L. (Italy)	95%
C.H. Robinson Poland Sp. Zo.o (Poland)	100%
Comexter Robinson S.A. (Argentina)	100%
Robinson Europe (France)	100%
Robinson France SARL (France)	100%
E.G.C. SARL (France)	100%
Payment & Logistics Services, Inc. (Minnesota)	100%
T-Chek Systems, Inc. (Minnesota)	100%
Robinson Logistica Do Brasil Ltda. (Brazil)	100%
C.H. Robinson Netherlands B.V. (Amsterdam)	100%
C.H. Robinson Worldwide (Hong Kong) Ltd. (Hong Kong)	100%
C.H. Robinson Belgium (Belgium)	100%
C.H. Robinson Hungary LLC (Hungary)	100%

INDEPENDENT AUDITORS' CONSENT

We consent to the incorporation by reference in Registration Statements No. 333-53047 on Form S-8, 333-41027 on Form S-8, 333-41899 on Form S-8, 333-47080 on Form S-8, and 333-67718 on Form S-8 of C.H. Robinson Worldwide, Inc. of our report dated January 31, 2003 (March 13, 2003 as to the litigation settlements described in Note 8), relating to the consolidated financial statements of C.H. Robinson Worldwide, Inc. as of and for the year ended December 31, 2002 which expresses an unqualified opinion and includes explanatory paragraphs relating to the adoption of Statement of Financial Accounting Standards (SFAS) No. 142, *Goodwill and Other Intangible Assets*, described in Note 3. Such financial statements and report are included in your 2002 Annual Report to Stockholders and are incorporated herein by reference appearing in and incorporated in the Annual Report on Form 10-K of C.H. Robinson Worldwide, Inc. for the year ended December 31, 2002.

/s/ Deloitte & Touche LLP

Minneapolis, Minnesota
March 14, 2003

Exhibit 23.2

NOTICE REGARDING CONSENT OF ARTHUR ANDERSEN LLP

We have attempted and have been unable to obtain from Arthur Andersen LLP a consent for the reissuance of their report on our financial statements as of and for the period ended December 31, 2001, as required by Section 7 of the Securities Act of 1933, as amended (the Securities Act). Accordingly, investors will not be able to sue Arthur Andersen LLP, pursuant to Section 11 (a)(4) of the Securities Act and therefore may have their recovery limited as a result of the lack of consent.

Exhibit 99.1

CAUTIONARY STATEMENT

Our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and other filings with the Securities and Exchange Commission, as well as other documents incorporated by reference therein, 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 recently issued accounting pronouncements 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 our Form 10-K and in other filings by the Company 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 an executive officer, the words or phrases “believes,” “may,” “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 that are not statements of historical fact should 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 U.S.; 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.

Demand for our services may decrease during an economic recession. The transportation industry historically has experienced cyclical financial results as a result of economic recession, the business cycles of our customers, fuel shortages, price hikes by carriers, interest rate fluctuations, and other economic factors beyond our control. Carriers can be expected to charge higher prices to cover higher operating expenses, and our net revenues and income from operations may decrease if we are unable to pass through to our customers the full amount of higher transportation costs. 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 or printing industries, our operating results could also be adversely affected.

We depend upon available equipment and services. We do not own trucks or other transportation equipment, and we depend in part on independent third parties to provide truck, rail, ocean and air services. Equipment shortages in the transportation industry, particularly among truckload carriers, as well as interruptions in service or stoppages in transportation as a result of labor disputes or other factors, have occasionally occurred. If we are unable to secure sufficient equipment or other transportation services to meet our customers' needs, our operating results could be materially and adversely affected, and our customers could switch to our competitors temporarily or permanently.

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 international and domestic customs regulations,
- wars, civil unrest, acts of terrorism and other conflicts,
- natural disasters,
- changes in tariffs, trade restrictions, trade agreements and taxation,
- 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 intellectual property rights 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 no 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 management and internal systems may be inadequate to handle 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. If we cannot recruit and retain a sufficient number of personnel, we may be forced to limit our growth. We cannot assure you that we will be able to continue to hire and retain a sufficient number of qualified personnel. Our rapid expansion of operations has placed added demands on our management and operating systems. Continued expansion depends in large part on our ability to develop successful salespersons into managers and to implement enhancements to our information systems that are adaptable to the changes in our business and the requirements of our customers.

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.

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 and shippers’ transportation departments. We often buy and sell transportation services from and to many of our competitors. Historically, competition has created downward pressure on freight rates, and continued rate pressure may adversely affect our gross profit and income from operations.

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 assure you 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, these drivers are involved in accidents. Although these drivers are not our employees and all of these drivers are employees, owner operators or independent contractors working for carriers, we may, from time to time, be held liable for their actions. Claims against us may exceed the amount of insurance coverage, or may not be covered by insurance at all. 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 government food safety regulation, 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.

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 have legal responsibility arising from the sale. While we are insured for up to $100 million for product liability claims, settlement of class action claims is often costly, and we cannot assure you 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 produce brand: The Fresh 1 ® or of our other licensed branded products. 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 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. We are also licensed by the United States Customs Service of the Department of the Treasury. We source fresh produce under a license issued by the 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. The sudden loss of a number 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 assure you that we will be able to identify suitable acquisitions or investment candidates. Even if we identify suitable candidates, we cannot assure you that we will be able to 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. 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 both gross profits and operating income. 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. We can provide no assurance that our operating margins will not 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.

EXHIBIT 99.2

**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 year ended December 31, 2002 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/ John P. Wiehoff

John P. Wiehoff
Chief Executive Officer
March 17, 2003

EXHIBIT 99.3

**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 year ended December 31, 2002 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. Lindbloom

Chad M. Lindbloom
Chief Financial Officer
March 17, 2003