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, 2004

OR

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

For the transition period from __________to __________

Commission File Number: 000-23189

C.H. ROBINSON WORLDWIDE, INC.
(Exact name of registrant as specified in its charter)

Delaware **(State or other jurisdiction of incorporation or organization)**	**41-1883630** **(I.R.S. Employer Identification No.)**
8100 Mitchell Road, Eden Prairie, Minnesota **(Address of principal executive offices)**	**55344-2248** **(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 30, 2004 (the last business day of the registrant's most recently completed second fiscal quarter) was approximately $3,624,628,000 (based on the last sale price of such stock as quoted on The NASDAQ National Market ($45.84) on such date).

As of March 4, 2005, the number of shares outstanding of the registrant's Common Stock, par value $.10 per share, was 85,543,214.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Registrant's Annual Report to Stockholders for the year ended December 31, 2004 (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 19, 2005 (the "Proxy Statement"), are incorporated by reference in Part III.

PART I

ITEM 1. BUSINESS

Overview

C.H. Robinson Worldwide, Inc. ("C.H. Robinson," "the company," "we," "us," or "our") is one of the largest third party logistics companies in North America with 2004 gross revenues of $4.3 billion. We provide freight transportation services and logistics solutions to companies of all sizes, in a wide variety of industries. During 2004, we handled approximately 3.8 million shipments for more than 18,000 customers. We operate through a network of 176 offices, which we call branches, in North America, South America, Europe, and Asia. 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.

We are a non-asset based transportation provider, meaning we do not own the transportation equipment that is used to transport our customers' freight. Through our relationships with approximately 35,000 transportation companies, including motor carriers, railroads (primarily intermodal service providers), air freight and ocean carriers, we select and hire the appropriate transportation to manage our customers' freight needs. Being non-asset based means we can be flexible and focus on seeking solutions that work for our customers, rather than focusing on asset utilization. As an integral part of our transportation services, we provide a wide range of value-added logistics services, such as supply chain analysis, freight consolidation, core carrier program management, and information reporting.

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

Sourcing (the buying, selling, and brokering of fresh produce) was our original business when we were founded in 1905. Much of our logistics expertise can be traced to our significant experience in handling perishable commodities. We purchase fresh produce through our network of produce suppliers. Our customers include produce wholesalers, large grocery retailers, restaurants, and foodservice distributors. In the majority of cases, we also arrange the transport of the fresh produce we sell through our relationships with owners of specialized transportation equipment. In response to demand and changing market conditions, we have developed our own brand of produce, The Fresh 1®, and have 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. We have also instituted quality assurance and monitoring procedures as part of our national brand programs.

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

Our business model has been the main driver of our strong historical results and has positioned us for continued growth. Our principal competitive advantage is our large decentralized branch network of 176 offices, staffed by approximately 3,500 salespeople. These branch employees are in close proximity to both customers and carriers, which gives them broad knowledge of their local markets and enables them to respond quickly to customers' and carriers' changing needs. Branch employees act as a team in their sales efforts, customer service, and operations. A significant portion of our branch employees' compensation is performance-oriented, based on the profitability of their branch and their contributions to the success of the branch. We believe this makes our sales employees more service-oriented, focused, and creative.

Historically we have grown primarily through internal growth, by expanding current offices, opening new branch offices, and hiring additional salespeople. We have augmented our growth through selective acquisitions. In February 2004, we acquired Camway Transportation Corporation ("Camway"), a third party logistics company based in Toledo, Ohio, that provides domestic truckload and intermodal transportation brokerage services. Camway had annual gross revenues of approximately $17 million in 2003. In June 2004, we opened seven offices in China, acquired selected assets and hired people from one of our agents in those seven cities. In December 2004, we acquired certain assets of US Traffic Corporation ("US Traffic"), a third party logistics company based in Lindon, Utah, that provides domestic truckload and intermodal transportation brokerage services. US Traffic had annual gross revenues of approximately $27 million in 2004. In February 2005 we acquired the operations and certain assets of three produce sourcing and marketing companies, FoodSource, Inc., FoodSource Procurement, LLC, and Epic Roots, Inc. These entities had annual revenues of approximately $270 million in 2004.

Multimodal Transportation Services

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

We can arrange all of the following modes of transportation, on a worldwide basis:

- Truck — Through our contracts with approximately 35,000 motor carriers, we have access to dry vans, temperature-controlled units, and flatbeds. We also offer time-definite and expedited truck transportation. In many instances, we will consolidate partial loads for several customers into full truckloads.
- Less Than Truckload (“LTL”) — LTL transportation involves the shipment of small packages and single or multiple pallets of freight, up to and including full trailer-load freight. We focus on shipments of a single pallet or larger, although we handle any size shipment. Through our contracts with motor carriers and our operating system, we consolidate freight and freight information to provide our customers with a single source of information on their freight.
- Intermodal – C.H. Robinson’s intermodal transportation service is the shipment of freight in trailers or containers, by a combination of truck and rail. We have intermodal marketing contracts with several railroads, and we arrange local pickup and delivery (known as drayage) through local motor carriers.
- Ocean — As a non-asset based ocean carrier and freight forwarder, we consolidate shipments, determine routing, select ocean carriers, contract for ocean shipments, provide for local pickup and delivery of shipments, and arrange for customs clearance of shipments, including the payment of duties.
- Air — We provide door-to-door service as a full-service air freight forwarder, primarily internationally.

On a day-to-day basis, customers communicate their freight needs, typically on a load-by-load basis, to the branch office salesperson responsible for their account. They communicate with us by means of telephone, fax, Internet, e-mail, or EDI (Electronic Data Interchange). The branch employee enters all appropriate information about each load into our proprietary operating system. With the help of information provided by the operating system, the salesperson then determines the appropriate mode of transportation for the load and selects a carrier or carriers, based upon their knowledge of the carrier’s service capability, equipment availability, freight rates, and other relevant factors. Based on the information he or she has about the market and rates, the salesperson may either determine an appropriate price at that point, or wait to communicate with a carrier directly before setting a price. Once the carrier is selected, the salesperson communicates with the carrier’s dispatch office to agree on the 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. We then remain in contact with the carrier, mainly by phone calls with the driver, and rely on them to provide us status updates of the shipment through delivery. Our branch employees price our services to provide a profit to us for the totality of services performed for the customer.

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

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

In the course of providing day-to-day transportation services, our branch employees often identify opportunities for additional logistics services as they become more familiar with our customer’s daily operations and the nuances of its supply chain. We offer a wide range of logistics services on a worldwide basis that reduce or eliminate supply chain inefficiencies. We will analyze the customer's current transportation rate structures, modes of shipping, and carrier selection. We can evaluate a customer's core carrier program by establishing a program to measure and monitor key quality standards for those core carriers. We can identify opportunities to consolidate shipments for cost savings. We will suggest ways to improve operating and shipping procedures, and manage claims. We can help customers minimize storage through cross-docking and other flow-through operations. We may also examine the customer's warehousing and dock procedures. Many of these services are bundled with underlying transportation services and are not typically priced separately. They are usually included as a part of the cost of transportation services provided by us, based on the nature of the customer relationship. In addition to these transportation services, we may supply sourcing, contract warehousing, consulting, and other services, for which we are usually paid separately.

As we have emphasized integrated logistics solutions, our relationships with many customers have broadened and we have become business partners with our customers, responsible for a greater portion of their supply chain management. We may serve our customers through specially created teams and through several branches. Our multimodal transportation services are provided to numerous international customers through our worldwide branch network. See Note 1 in the "Notes to Consolidated Financial Statements" included as part of our audited consolidated financial statements for an allocation of our gross revenues from domestic and foreign customers for the years ended December 31, 2004, 2003, and 2002 and our long-lived assets as of December 31, 2004 and 2003, in the United States and in foreign locations.

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

Transportation Gross Profits
(in thousands)

	Year Ended December 31,				
	2004	**2003**	**2002**	**2001**	**2000**
Truck(1)	$501,940	$401,709	$361,353	$347,991	$313,650
Intermodal	29,960	28,103	21,111	16,119	14,422
Ocean	20,558	19,027	17,007	16,345	16,337
Air	8,570	4,891	3,068	2,699	3,555
Miscellaneous(2)	14,709	10,973	8,772	7,286	7,177
Total	$575,737	$464,703	$411,311	$390,440	$355,141

(1) Includes LTL gross profits.

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

Transportation services accounted for approximately 87% of our gross profits in 2004 and approximately 85% in 2003 and 2002.

Sourcing

Throughout our 100-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, foodservice companies, restaurants, 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.

During the past decade, we have actively sought to expand our sourcing customer base by focusing on large multistore grocery retailers. Traditionally, grocery retailers have relied mainly on regional or even local purchases from food wholesalers for produce sourcing and store-level distribution. As these retailers have expanded through store openings and industry consolidation, these methods have become inefficient. Our logistics and perishable commodities sourcing expertise can improve the retailers' produce purchasing, and provide uniform quality from region to region and store to store. Our sourcing services have expanded to include just-in-time replenishment, commodity management and business analysis. In response to demand and changing market conditions, we introduced our proprietary brand of produce, The Fresh 1®, which includes a wide range of fruits and vegetables that are uniform in quality and top grade. Since 1998, we have entered into new branded produce programs, including licensing agreements for major national brands. These brands have expanded our market presence and relationships with some of our retail customers. We have also instituted quality assurance and monitoring programs as part of our national brand programs.

Sourcing accounted for approximately 8% of our gross profits in 2004 and approximately 10% in 2003 and 2002.

Information Services

Information Services is comprised of a subsidiary of C.H. Robinson, T-Chek Systems, Inc. T-Chek's customers are motor carriers and truck stop chains. T-Chek provides its 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 systems. These systems enable motor carriers to track equipment, manage fleets, and dictate where and when their drivers purchase fuel. For several companies and truck stop chains, T-Chek captures sales and fuel cost data, provides management information to the seller, and invoices the carrier for fuel, cash advances, and our fee.

Information Services accounted for approximately 5% of our gross profits in each of 2004, 2003, and 2002.

Organization

To keep us close to our customers and markets, we have created and continue to expand a network of 176 offices, which we call "branches." Our branches are supported by executives and other centralized, shared services. Approximately 13% of our employees are corporate employees who provide these centralized, shared services.

Branch Network

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

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

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

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

Newly hired branch employees go through 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 expect most new salespeople to start contributing to the success of the branch in a matter of weeks. After approximately a year of experience, each salesperson attends our national training meeting to get additional training and have the opportunity to develop relationships with employees of other branches.

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

All of our managers and certain other employees who have significant responsibilities are eligible to participate in our amended 1997 Omnibus Stock Plan. To promote long-term share ownership, in 2004, 577 employees were awarded a total of 149,058 restricted stock units or shares. In 2003, 656 employees were awarded a total of 866,025 restricted stock units or shares. Employees at all levels, after a qualifying period of employment, are eligible to participate in our Employee Stock Purchase Plan.

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

Executive Officers

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

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

Name	Age	Position
John P. Wiehoff	43	chief executive officer, president and director
James E. Butts	49	vice president
Molly M. DuBois	34	director of branch operations
Linda U. Feuss	48	vice president, general counsel and secretary
Laura Gillund	44	vice president, human resources
James V. Larsen	51	vice president
James P. Lemke	37	vice president, produce
Chad M. Lindbloom	40	vice president and chief financial officer
Thomas K. Mahlke	33	corporate controller
Timothy P. Manning	40	vice president
Joseph J. Mulvehill	51	vice president, international
Christopher J. O'Brien	37	vice president
Paul A. Radunz	48	vice president and chief information officer
Troy A. Renner	39	treasurer and assistant secretary
Scott A. Satterlee	36	vice president
Mark A. Walker	47	vice president
Steven M. Weiby	38	vice president

John P. Wiehoff has been chief executive officer since May 2002, following a three-year succession process during which he was named president in December 1999. He has been a director of C.H. Robinson since December 2001. He was vice president and chief financial officer from June 1998 to December 1999. Previous positions with the company include treasurer and corporate controller. Prior to joining the company in 1992, he was employed by Arthur Andersen LLP. He holds a Bachelor of Science degree from St. John's University.

James E. Butts has been a vice president and officer of C.H. Robinson since April 2002. Previous positions with the company include transportation manager at the Chicago South and Detroit branches. Jim has been with C.H. Robinson since 1978, and holds a Bachelor of Arts degree from Wayne State University.

Molly M. DuBois has been a director of branch operations since March 2003. Previous positions with C.H. Robinson include transportation manager at a customer-specific branch office and manager of branch operations. Molly joined the company in 1992. Molly holds a Bachelor of Science degree from Winona State University.

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

Laura Gillund joined C.H. Robinson in August 2002. Before coming to C.H. Robinson, she was the senior vice president of human resources at Wells Fargo Home Mortgage, Inc. for seven years. Laura 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.

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 C.H. Robinson 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 C.H. Robinson’s Corporate Procurement and Distribution Services division. Jim joined the company in 1989. Jim holds a Bachelors of Arts degree in International Relations from the University of Minnesota.

Chad M. Lindbloom has been vice president and chief financial officer since December 1999. From June 1998 until December 1999, he served as corporate controller. Chad joined the company in 1990. Chad holds a Bachelor of Science degree and a Masters of Business Administration from the Carlson School of Management at the University of Minnesota.

Thomas K. Mahlke has been corporate controller of C.H. Robinson since December 1999. Tom joined the company in November 1997 as accounting manager. Prior to that, he was employed as a supervisory senior accountant by Arthur Andersen LLP. Tom holds a Bachelor of Accountancy degree from the University of North Dakota.

Timothy P. Manning has been a vice president since December 1999. Previous positions with C.H. Robinson include transportation manager in the St. Louis branch office, and in October 1998, Tim was named director of operations. Tim joined the company in 1989. Tim holds a Bachelor of Science degree from the University of Minnesota.

Joseph J. Mulvehill has been vice president, international since 1998. Previous positions with the C.H. Robinson include manager of the Miami branch office from 1982 to 1998. Joe joined the company in 1975, and holds a Bachelor of Arts degree from the University of St. Thomas.

Christopher J. O’Brien has been a vice president since May 2003. Previous positions with the C.H. Robinson include manager of the Raleigh, North Carolina branch, general manager and later president of the company’s European division. Chris joined the company in 1993. He holds a Bachelor of Arts degree from Alma College in Michigan.

Paul A. Radunz has been a vice president and chief information officer of C.H. Robinson 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. Paul has a Bachelor of Arts degree from St. Olaf College.

Troy A. Renner has been treasurer of C.H. Robinson since June 1998, and tax director since 1995. He was also named assistant secretary in 2003. Prior to that, he was employed as a tax manager by Arthur Andersen LLP. Troy holds a Bachelor of Science and a Juris Doctor from the University of Minnesota.

Scott A. Satterlee has been a vice president since February 2002. Additional positions with C.H. Robinson include director of operations and manager of the Salt Lake City branch office. Scott joined the company in 1991. Scott holds a Bachelor of Arts degree from the University of St. Thomas.

Mark A. Walker has been a vice president since December 1999. Additional positions with C.H. Robinson include chief information officer from December 1999 to October 2001, president of T-Chek Systems LLC, and president of Payment & Logistics Services LLC. Mark joined the company in 1980. Mark holds a Bachelor of Science degree from Iowa State University and a Masters of Business Administration from the University of St. Thomas.

Steven M. Weiby has been a vice president since January 2003. Additional positions with C.H. Robinson include director of business development and manager of the Hartford office. Steve joined the company in 1988. Steve holds a Bachelor of Arts degree from Carleton College and a Masters of Business Administration from the University of Connecticut.

Employees

As of December 31, 2004, we had a total of 4,806 employees, of whom 4,215 were located in our branch offices. Services such as accounting, information systems, legal, marketing communications, human resources, credit and claims management are supported centrally. We believe that our compensation and benefit plans are among the most competitive in the industry.

Customers and Marketing

We seek to establish long-term relationships with our customers and to increase the amount of business done with each customer by providing them with a full range of logistics services. During 2004, we served over 18,000 customers worldwide, ranging from Fortune 100 companies to small businesses in a wide variety of industries. During 2004, no customer accounted for more than 8% of gross revenues or 4% of gross profits. In recent years, we have grown by adding new customers and by increasing our volumes with, and providing more services to, our existing customers.

We believe that our decentralized structure enables our salespeople to better serve our customers by developing a broad knowledge of logistics and local and regional market conditions, as well as the specific logistics issues facing individual customers. With the guidance of experienced branch managers (who have an average tenure of 11 years with us), branches are given significant latitude to pursue opportunities and to commit our resources to serve our customers.

Branches seek additional business from existing customers and pursue new customers based on their knowledge of local markets and the range and value of logistics services that we can provide. We have also expanded our national sales and marketing support to enhance branch sales capabilities. Increasingly, branches call on our executives, our 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 continually work on establishing relationships with good carriers to assure dependable services, favorable pricing, and carrier availability during peak shipping periods and periods when demand for transportation equipment is greater than the supply. To strengthen and maintain our relationships with carriers, our salespeople regularly communicate with carriers serving their region and try to assist them by increasing their equipment utilization, reducing their empty miles, and repositioning their equipment. To make it easier for carriers to work with us, we have a policy of prompt payment and offer payment within 48 hours in exchange for a discount.

As of December 31, 2004, we had qualified approximately 35,000 motor carriers worldwide. These motor carriers provide access to temperature controlled vans, dry vans and flatbeds. These carriers are of all sizes, including owner-operators of a single truck, small and mid-size fleets, private fleets and the largest national trucking companies. Consequently, we are not dependent on any one carrier. Our largest truckload carrier was less than 2% of our total purchased truckload cost in 2004. We qualify each motor carrier to make sure it is properly licensed and insured, and that it has the resources to provide the necessary level of service on a dependable basis. Our motor carrier contracts require that the carrier issue invoices only to and accept payment solely from us, and allow us to withhold payment to satisfy previous claims or shortages. To fulfill regulatory requirements, our motor carrier contracts commit to a series of three shipments and an initial transportation rate. Our standard contracts do not include volume commitments, and the initial contract rate is modified each time we confirm an individual load with a carrier. As of December 31, 2004, we also had intermodal marketing contracts with several railroads, including all of the major North American railroads, giving us access to additional trailers and containers. Our contracts with railroads specify the transportation services and payment terms by which our intermodal shipments are transported by rail. Intermodal transportation rates are typically negotiated between us and the railroad on a customer-specific basis. Because we don’t own any transportation equipment or employ the people directly involved with the delivery of our customers freight, these relationships are critical to our success and we are reliant on them to provide us with information regarding the status of shipments during transit and upon delivery. Delays in these communications could cause us to record transactions late because we recognize revenue when we know our services are completed. We have developed systems and controls to make these status updates as efficient and timely as possible for us and the carrier.

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 broad knowledge about individual customers, carriers and the local and regional markets they serve, and to provide superior customer service based on that knowledge,
- our 35,000 carrier relationships
- our proprietary information systems,
- our ability to provide a broad range of logistics services, and
- our ability to provide door-to-door services on a worldwide basis.

Communications and Information Systems

Our information systems are essential to our ability to efficiently communicate, service our customers and carriers, and manage our business. Our proprietary information systems help our employees efficiently manage more than 3.8 million shipments annually and 35,000 carrier relationships. Our employees are linked with each other and with our customers and our carriers by telephone, fax, Internet, e-mail, and/or EDI to communicate load requirements and availability, and to confirm and bill orders. Through our Internet sites CHRWonline.com and CHRWtrucks.com, customers and carriers can contract loads or equipment and track and trace shipments, including delivery confirmation. Customers and carriers also have access to other information in our operating systems through the Internet.

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

Government Regulation

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. For example, in 2004 the U.S. Department of Transportation Federal Motor Carrier Safety Administration issued new Hours of Service regulations that affect many of our suppliers. We do not believe that these new regulations have had a material impact on our business and 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 broker and are licensed by the U.S. Department of Transportation ("DOT") to arrange for the transportation of property by motor vehicle. The DOT prescribes qualifications for acting in this capacity, including certain surety bonding requirements. Under certain circumstances, one of our subsidiary companies provides limited motor carrier transportation services that require registration with the DOT and compliance with certain economic regulations administered by the DOT, including a requirement to maintain insurance coverage in minimum prescribed amounts. We are also subject to regulation by the Federal Maritime Commission as an ocean freight forwarder and we 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 Bureau of U.S Customs and Border Protection.

We source fresh produce under a license issued by the U.S. 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, some loads for which we arrange transportation may be subject to licensing, registration or permit requirements. We generally rely on the carrier transporting the load to ensure compliance with these types of requirements. We, along with the carriers that we rely on in arranging transportation services for our customers, are also subject to a variety of federal and state safety and environmental regulations. Although compliance with the regulations governing licensees in these areas has not had a materially adverse effect on our operations or financial condition in the past, there can be no assurance that such regulations or changes thereto will not adversely impact our operations in the future. Violation of these regulations could also subject us to fines as well as increased claims liability.

Risk Management and Insurance

We generally assume full value cargo risk for 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 we work with 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.

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

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

Agricultural chemicals used on agricultural commodities intended for human consumption are subject to various approvals, and the commodities themselves are subject to regulations on cleanliness and contamination. Concern about particular chemicals and alleged contamination can lead to product recalls, and tort claims may be brought by consumers of allegedly affected produce. As a seller of produce, we may, under certain circumstances, have legal responsibility arising from produce sales. We carry product liability coverage under our general liability and umbrella policies to cover this type of risk. In addition, in the event of a recall, we may be required to bear the cost of repurchasing, transporting, and destroying any allegedly contaminated product, which is generally 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,” “could,” “will,” “expects,” “should,” “continue,” “anticipates,” “intends,” “will likely result,” “estimates,” “projects” or similar expressions and variations thereof are intended to identify such forward-looking statements. However, any statements contained in this Form 10-K that are not statements of historical fact may be deemed to be forward-looking statements.

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

Risk Factors

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

- equipment shortages in the transportation industry, particularly among truckload carriers,
- interruptions in service or stoppages in transportation as a result of labor disputes
- changes in regulations impacting transportation including the 2004 changes to Hours of Service regulations
- unanticipated changes in transportation rates.

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

- changes in economic and political conditions and in governmental policies,
- changes in an compliance with international and domestic laws and regulations,
- wars, civil unrest, acts of terrorism and other conflicts,
- natural disasters,
- changes in tariffs, trade restrictions, trade agreements and taxations,
- difficulties in managing or overseeing foreign operations,
- limitations on the repatriation of funds because of foreign exchange controls,
- different liability standards, and
- intellectual property laws of countries which do not protect our 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 ability to hire additional people is important to the continued growth of our business. Our continued success depends upon our ability to attract and retain a large group of motivated salespersons and other logistics professionals. Our growth may be limited if we cannot recruit and retain a sufficient number of people. We cannot assure you that we will be able to continue to hire and retain a sufficient number of qualified personnel. Because of our comprehensive employee training program, our employees are attractive targets for new and existing competitors. Our rapid expansion of operations has placed added demands on our management. Continued expansion depends in large part on our ability to develop successful employees into managers.

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

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

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 and the carrier may not have adequate insurance coverage. Although these drivers are not our employees and all of these drivers are employees, owner operators or independent contractors working for carriers, from time to time, claims may be asserted against us for their actions, or for our actions in retaining them. Claims against us may exceed the amount of insurance coverage, or may not be covered by insurance at all. In addition, our auto liability policy has a retention of $5 million per incident. 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. If we are unable to secure fresh produce to meet our commitments to our customers, our operating results could be materially and adversely affected, and our customers could switch to our competitors temporarily or permanently.

Sourcing and reselling fresh produce exposes us to possible product liability . Agricultural chemicals used on fresh produce are subject to various approvals, and the commodities themselves are subject to regulations on cleanliness and contamination. Product recalls in the produce industry have been caused by concern about particular chemicals and alleged contamination, often leading to lawsuits brought by consumers of allegedly affected produce. Because we sell produce, we may 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 U.S. Department of Transportation as a broker authorized to arrange for the transportation of general commodities by motor vehicle. We must comply with certain insurance and surety bond requirements to act in this capacity. We are also licensed by the Federal Maritime Commission as an ocean freight forwarder, which requires us to maintain a non-vessel operating common carrier bond. We are also licensed by the Bureau of U.S. Customs and Border Protection. We source fresh produce under a license issued by the U.S. Department of Agriculture. Our failure to comply with the laws and regulations applicable to entities holding these licenses could materially and adversely affect our results of operations or financial condition.

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

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

We derive a significant portion of our gross revenues and gross profit from our largest clients. The sudden loss many of our major clients could materially and adversely affect our operating results.

We may be unable to identify or complete suitable acquisitions and investments. We may acquire or make investments in complementary businesses, products, services or technologies. We cannot 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, and we may face challenges in retaining significant customers of acquired companies. These difficulties could disrupt our ongoing business, distract our management and workforce, increase our expenses and adversely affect our results of operations. In addition, we may incur debt or be required to issue equity securities to pay for future acquisitions or investments. The issuance of any equity securities could be dilutive to our stockholders.

Our growth and profitability may not continue, which may result in a decrease in our stock price . Historically, our long-term growth objective has been 15% for both gross profits, operating income, and earnings per share. There can be no assurance that our long-term growth objective will be achieved or that we will be able to effectively adapt our management, administrative and operational systems to respond to any future growth. 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.

Investor Information

We were reincorporated in Delaware in 1997 as the successor to a business existing, in various legal forms, since 1905. Our corporate office is located at 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 the Securities and Exchange Commission.

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 2014.

Nearly all of our branch offices are leased from third parties under leases with initial terms ranging from three to ten years. On January 29, 2004, we purchased an office building in Chicago, Illinois for $9.5 million. This building has approximately 80,000 square feet of office space. This building replaced the leased space we previously occupied in Chicago. Our Chicago branch moved into this building in late February, 2005. Our branch offices range in space from 1,000 to 80,000 square feet. The following table lists our largest U.S. locations:

City/State	Approximate Square Feet
Eden Prairie, MN	98,000
Chicago, IL	80,000
Coralville, IA	19,182
Southfield, MI	18,464
Chicago, IL	14,192
Willowbrook, IL	11,352
Oak Brook, IL	10,749
Atlanta, GA	10,693
Elk Grove Village, IL	10,063
Phoenix, AZ	10,000
Tampa, FL	8,721
Plano, TX	8,276
Paulsboro, NJ	7,979
Knoxville, TN	7,733
Brooklyn Center, MN	7,615
Cordova, TN	7,276
Grand Rapids, MI	7,074
Richardson, TX	6,512
Miami, FL	6,292

We also lease approximately 360,000 square feet of warehouse space throughout the United States. The following table lists our largest warehouses:

City/State	Approximate Square Feet
Bollingbrook, IL	139,000
Rochester, NY	71,000
La Vergne, TN	62,000
Medley, FL	53,500

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

ITEM 3. LEGAL PROCEEDINGS

As previously reported in our Form 10-K for the year ended December 31, 2002, we and others were named as defendants in three wrongful death lawsuits stemming from a multi-vehicle accident in 1999. 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. That case is still pending. Our insurance carriers settled the second and third lawsuits in February and March 2003 without contribution from us.

From time to time, we are involved in litigation arising out of our employment relationships. As first reported in our Form 10-Q for the quarter ended September 30, 2002, we were named as a defendant in a lawsuit filed on October 2, 2002, 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. In addition, we have insurance coverage for some of the claims asserted in the lawsuit. Currently, the amount of any possible loss to us cannot be estimated; however, an unfavorable result could have a material adverse effect on our financial condition, results of operations, and cash flows.

Also as first reported in our Form 10-Q for the quarter ended September 30, 2002, 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 former employees of the company. The lawsuit alleges systematic failure by the company to pay for overtime hours worked by our male employees under the federal Fair Labor Standards Act. 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 the company cannot be estimated; however, an unfavorable result could have a material adverse effect on our financial condition, results of operations, and cash flows.

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

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, 2004.

PART II

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

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

2004	**Low**	**High**
Fourth Quarter	$45.57	$56.39
Third Quarter	41.14	46.75
Second Quarter	38.87	46.17
First Quarter	36.60	41.55

2003	**Low**	**High**
Fourth Quarter	$36.72	$43.00
Third Quarter	34.51	41.00
Second Quarter	32.01	38.76
First Quarter	27.00	34.49

On March 4, 2005, the closing sales price per share of our Common Stock as quoted on the NASDAQ National Market was $54.26 per share. On March 4, 2005, there were approximately 337 holders of record and approximately 15,000 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. There are no shares remaining to be purchased under this plan. During 1999, the Board of Directors authorized a second stock repurchase plan, allowing for the repurchase of 4,000,000 shares. We purchased approximately 648,800 shares of our Common Stock in 2004 under this plan. We intend to fund any future repurchases with internally generated funds.

We declared quarterly dividends during 2003 for an aggregate of $0.36 per share, and quarterly dividends during 2004 for an aggregate of $0.51 per share. We have declared a quarterly dividend of $0.15 per share payable to shareholders of record as of March 11, 2005, payable on April 1, 2005. Our declaration of dividends is subject to the discretion of the Board of Directors. Any determination as to the payment of dividends will depend upon our results of operations, capital requirements and financial condition, and such other factors as the Board of Directors may deem relevant. Accordingly, there can be no assurance that the Board of Directors will declare or continue to pay dividends on the shares of Common Stock in the future.

Participants in the Robinson Companies Retirement Plan may, among other investment options, elect to invest their contributions and our matching contributions in shares of our Common Stock. When plan participants elect to invest plan contributions in shares of our Common Stock, the plan trustee, American Express, purchases shares of our Common Stock on the open market and holds those shares beneficially for plan participants. During the quarter ended December 31, 2004, plan participants elected to invest plan contributions in a total of approximately 6,650 shares of our Common Stock having an approximate aggregate purchase price of $334,000. Because participants may elect to invest plan contributions in shares of our Common Stock, the plan is required to be registered under the Securities Act of 1933. There is no exemption from registration under the Securities Act available for the plan. On November 12, 2003, we registered the plan pursuant to a Form S-8 filed with the Securities and Exchange Commission.

The following table provides information about purchases by the company during the quarter ended December 31, 2004 of equity securities that are registered by the company pursuant to Section 12 of the Exchange Act:

Period	**(a) Total Number of Shares (or Units) Purchased (1)**	**(b) Average Price Paid per Share (or Unit)**	**(c) Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs (2)**	**(d) Maximum Number (or Approximate Dollar Value) of Shares (or Units) that May Yet Be Purchased Under the Plans or Programs**
10/01/04-10/31/04	12,000	$ 53.39	12,000	3,369,900
11/01/04- 11/30/04	84,000	53.32	84,000	3,285,900
12/01/04- 12/31/04	92,000	54.79	92,000	3,193,900
Total:	188,000	$ 54.04	188,000	3,193,900

(1) We repurchased an aggregate of 188,000 shares of our common stock pursuant to the repurchase program that was approved by our Board of Directors in February 1999 (the "Program").

(2) Our board of directors approved the repurchase by us of up to an aggregate of 4,000,000 shares of our common stock pursuant to the Program. Unless terminated earlier by resolution of our board of directors, the Program will expire when we have repurchased all shares authorized for repurchase thereunder.

ITEM 6. SELECTED FINANCIAL DATA

Selected consolidated financial and operating data on page 13 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 14 through 22 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 23 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 24 through 41 of the Annual Report are incorporated in this Form 10-K by reference. These financial statements are also included in Exhibit 13 to this Form 10-K, as filed with the SEC.

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

During 2003 and 2004, and through the date of this report, there were no disagreements with the independent public accountants on accounting principles or practices, financial statement disclosures, or auditing scope or procedures.

ITEM 9A. CONTROLS AND PROCEDURES

(a) **Disclosure Controls and Procedures**

Under the supervision and with the participation of our management, including the Company's Chief Executive Officer and Chief Financial Officer, we evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934 (the "Exchange Act")). Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that, as of the end of the period covered by this report, our disclosure controls and procedures were effective in timely alerting them to the material information relating to us (or our consolidated subsidiaries) required to be included in the reports we file or submit under the Exchange Act.

(b) **Internal Controls Over Financial Reporting**

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

Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on our evaluation under the framework in Internal Control—Integrated Framework, our management concluded that our internal control over financial reporting was effective as of December 31, 2004. Our management's assessment of the effectiveness of our internal control over financial reporting as of December 31, 2004 has been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their report which is included herein.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

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

We have adopted a code of ethics that applies to our principal executive officer, principal financial officer, principal accounting officer, directors, and all other company employees performing similar functions. This code of ethics, which is one of several policies within our Corporate Compliance Program, is posted on the Investors page of our website at www.chrobinson.com under the caption "Corporate Compliance Program Reference Tool".

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

ITEM 11. EXECUTIVE COMPENSATION

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

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

(a) Equity Compensation Plans

The following table summarizes share and exercise price information about our equity compensation plans as of December 31, 2004:

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]	3,846,276	$ 24.36	5,960,992
Equity compensation plans not approved by security holders	—	—	—
Total	3,846,276	$ 24.36	5,960,992

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, 31,816 shares remain available under our Directors' Stock Plan and 3,086,299 shares remain available under our Employee Stock Purchase Plan. Under our 1997 Omnibus Stock Plan, 2,842,877 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. PRINCIPAL ACCOUNTANT FEES AND SERVICES

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

PART IV

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

(a) (1) Financial Statements.

Our consolidated financial statements listed below on pages 24 through 41 of the Annual Report are incorporated in this Form 10-K by reference. These financial statements are included in Exhibit 13 to this Form 10-K, as filed with the SEC.

Consolidated Balance Sheets as of December 31, 2004 and 2003

Consolidated Statements of Operations for the years ended December 31, 2004, 2003, and 2002

Consolidated Statements of Stockholders' Investment for the years ended December 31, 2004, 2003, and 2002

Consolidated Statements of Cash Flows for the years ended December 31, 2004, 2003, and 2002

Notes to Consolidated Financial Statements

(2) Financial Statement Schedules.

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

(3) Index to Exhibits

See Exhibit Index on page 23 for a description of the documents that are filed as Exhibits to this report on Form 10-K or incorporated by reference herein. Any document incorporated by reference is identified by a parenthetical referencing the SEC filing which included the document. We will furnish to a security holder upon request a copy of any Exhibit at cost.

(b) Reports on Form 8-K

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

Report on Form 8-K, dated October 19, 2004, filed in connection with our release of earnings for the three months ended September 30, 2004.

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

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

SIGNATURES

Pursuant to the requirements of the Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Eden Prairie, State of Minnesota, on March 15, 2005.

C.H. ROBINSON WORLDWIDE, INC.

By: /s/ Linda U. Feuss
Linda U. Feuss
Vice President, General Counsel and Secretary

Pursuant to the requirements of the Securities Exchange Act of 1934, this Report has been signed below by the following persons on behalf of the registrant and in the capacities indicated on March 15, 2005.

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)
* D.R. Verdoorn	Chairman of the Board
* ReBecca Koenig Roloff	Director
* Robert Ezrilov	Director
* Gerald A. Schwalbach	Director
* Wayne M. Fortun	Director
* Brian P. Short	Director
* Michael W. Wickham	Director

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

REPORT OF REGISTERED PUBLIC ACCOUNTING FIRM

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. and subsidiaries (the "Company") as of and for the years ended December 31, 2004 and 2003, and for each of the three years in the period ended December 31, 2004, management's assessment of the effectiveness of the Company's internal control over financial reporting as of December 31, 2004, and the effectiveness of the Company's internal control over financial reporting as of December 31, 2004, and have issued our reports thereon dated March 11, 2005 (which report on the consolidated financial statements expresses an unqualified opinion and includes an explanatory paragraph concerning the adoption of Statement of Financial Accounting Standards ("SFAS") No. 123, *Accounting for Stock-Based Compensation*), such consolidated financial statements and reports are included in your 2004 Annual Report to Stockholders and are incorporated herein by reference. Our audits also included the consolidated financial statement schedule of the Company listed in Item 15. This consolidated financial statement schedule is the responsibility of the Company's management. Our responsibility is to express an opinion based on our audits. In our opinion, such consolidated financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

/s/ Deloitte & Touche LLP

Minneapolis, Minnesota
March 11, 2005

Schedule II. Valuation and Qualifying Accounts

Allowance for Doubtful Accounts

The transactions in the allowance for doubtful accounts for the years ended December 31, 2004, 2003, and 2002 were as follows (in thousands):

	December 31, 2004	December 31, 2003	December 31, 2002
Balance, beginning of year	$ 23,569	$ 24,155	$ 23,011
Provision	8,823	5,180	5,807
Write-offs	(7,188)	(5,766)	(4,663)
Balance, end of year	$ 25,204	$ 23,569	$ 24,155

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	Rights Agreement between the Company and Wells Fargo Bank Minnesota, National Association (formerly Norwest Bank Minnesota, N.A.) (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 Employment and Noncompetition Agreement
10.5	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)
10.6	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)
†10.7	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)
10.8	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)
†10.9	Robinson Companies Nonqualified Deferred Compensation Plan (Incorporated by reference to Exhibit 4 to the Registrant's Registration Statement on Form S-8, Registration No. 333-47080)
10.10	Robinson Companies Nonqualified Deferred Compensation Plan Trust Agreement, dated January 1, 2001, by and between C. H. Robinson Worldwide, Inc. and American Express Trust Company (Incorporated by reference to Exhibit 10.21 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2000)
†10.11	Award of Deferred Shares into the Robinson Companies Nonqualified Deferred Compensation Plan, dated December 21, 2000, by and between C. H. Robinson Worldwide, Inc. and John P. Wiehoff (Incorporated by reference to Exhibit 10.22 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2000)

†*10.12	Form of Restricted Stock Award for U.S. Managerial Employees
*13	Selected pages of the Company’s Annual Report to Stockholders for the year ended December 31, 32004
*21	Subsidiaries of the Company
*23.1	Consent of Deloitte & Touche LLP
*24	Powers of Attorney
*31.1	Certification of the Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
*31.2	Certification of the Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
*32.1	Certification of the Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
*32.2	Certification of the Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

† Management contract or compensatory plan or arrangement required to be filed as an exhibit to Form 10-K pursuant to Item 15(c) of the Form 10-K Report

* Filed herewith

Exhibit 10.4

MANAGEMENT-EMPLOYEE AGREEMENT
Central Office

This Management-Employee Agreement, dated as of ___________, 2003, is made and entered into between C. H. Robinson Worldwide, Inc., a Delaware corporation, and its subsidiaries (“Employer”) and _______________(“Key Employee”).

WHEREAS, Key Employee currently is a management employee of Employer; and

WHEREAS, Employer desires to employ Key Employee, and Employee desires to be employed by Employer, according to the terms of this Agreement.

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

1. Employment . Employer hereby employs Key Employee, and Key Employee accepts such employment and agrees to perform services for Employer, upon the terms and conditions set forth in this Agreement.

2. Term . This Agreement shall take effect when signed by Employer and, unless earlier terminated, shall expire at the end of fifteen (15) days notice given by either Employer or Key Employee (the “Term”). If Employer and Key Employee mutually agee to extend Key Employee’s employment beyond the end of the Term, the parties may do so according to a written agreement setting forth mutually agreeable terms and conditions of employment. Following expiration of this Agreement, if Key Employee remains employed by Employer, his employment will be governed by the terms and conditions of this Agreement.

3. Performance of Duties . Key Employee agrees to serve Employer faithfully and to the best of Key Employee’s ability and to devote Key Employee’s full time, attention and efforts to the business and affairs of Employer during the term of Key Employee’s employment. Key Employee hereby confirms that Key Employee is under no contractual commitments inconsistent with Key Employee’s obligations set forth in this Agreement and that, during the term of this Agreement, Key Employee will not render or perform any services for any other corporation, firm, entity or person which are inconsistent with the provisions of this Agreement or which would otherwise impair Key Employee’s ability to perform Key Employee’s duties hereunder.

4. Compensation .

4.01 Base Salary . As base compensation for all services to be rendered by Key Employee under this Agreement during the Term, Employer shall pay to Key Employee an annualized salary. Key Employee's salary shall be paid in accordance with Employer's normal payroll procedures and policies, as such procedures and policies may be modified from time to time.

4.02 Participation in Benefits . During the term of Key Employee's employment by Employer, Key Employee shall be entitled to participate in the employee benefit plans offered generally by Employer to its employees, to the extent that Key Employee's position, tenure, salary, health, and other qualifications make Key Employee eligible to participate. Key Employee's participation in such benefit plans shall be subject to the terms of the applicable plans, as the same may be amended from time to time. Employer does not guarantee the adoption or continuance of any particular employee benefit plan during Key Employee's employment, and nothing in this Agreement is intended to, or shall in any way restrict the right of Employer, to amend, modify or terminate any of its benefit plans during the term of Key Employee's employment.

4.03 Equity Compensation . During the Term, Key Employee shall be eligible to participate in Employer's 1997 Omnibus Stock Plan and any successor plans, in a manner consistent with other employees having comparable positions, duties and performance. The terms and conditions of Key Employee's entitlement to any equity compensation will be determined by the terms of the equity grant.

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

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

6. Termination .

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

6.02 Termination by Employer for Cause . Key Employee's employment pursuant to this Agreement shall terminate prior to the expiration of the Term in the event Employer shall determine, in its sole discretion, that there is "cause" to terminate Key Employee's employment, which shall include any of the following:

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

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

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

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

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

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

6.03 Termination by Employer without Cause . Employer may terminate Key Employee's employment at any time prior to the expiration of the Term for any reason, and without notice.

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

6.05 Effect of and Compensation Upon Termination .

A. During the Term, if (i) Key Employee's employment terminates due to Key Employee's death or total disability, or (ii) Employer terminates Key Employee's employment with cause in accordance with Section 6.02, or (iii) Employer terminates Key Employee's employment without cause under Section 6.03, or (iv) Key Employee voluntarily terminates his employment under Section 6.04, Key Employee shall not be entitled to receive any further compensation under the provisions of this Agreement after the effective date of such termination.

B. Key Employee shall only be entitled to continued option vesting, or extended exercise period, as such is described in an option grant, if Key Employee signs and then does not rescind a general release of claims in a form acceptable to Employer. If Key Employee does not sign, or signs but then rescinds such a general release of claims, Key Employee shall not be entitled to continued option vesting, or extended exercise period, as such is described in an option grant.

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

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

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

7. Restrictive Covenants .

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

(i) Geographical Extent of Covenant . Because Employer's business operates on a world-wide basis, the obligations of Key Employee under this Section 7 shall apply anywhere in North America.

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

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

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

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

(c) any activity conducted by a business engaged in the transportation or logistics industries as a shipper, receiver or carrier.

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

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

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

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

7.06 Set-Off Right . In the event Key Employee breaches any of the covenants set forth in this Section 7 or in Section 8, Key Employee acknowledges and agrees that Employer may set-off any loss, cost, damage, liability or expense (including, without limitation, lost profits and reasonable attorney’s fees and expenses) against amounts otherwise payable under this

Agreement or any other agreement between Employer and its affiliates and Key Employee. Neither the exercise of nor failure to exercise such right of set-off or to give notice of a claim therefor will constitute an election of remedies or limit Employer in any manner in the enforcement of any other remedies available to it.

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

8. Confidential Information . In consideration for Employer's promises under this Agreement and because Key Employee's duties as a senior management employee will necessitate his having access to and being entrusted with confidential and proprietary information relating to Employer's business and customers, Key Employee agrees that during his employment with Employer and thereafter, Key Employee shall not disclose to a third party or use for his personal benefit Confidential Information of Employer. "Confidential Information" means all information written (or generated/stored on magnetic, digital, photographic or other media) or oral, relating to any aspect of Employer's existing or reasonably foreseeable business which is disclosed to Key Employee or conceived, discovered or developed by Key Employee, and which is not generally known or proprietary to Employer. Confidential Information includes, without limitation, Employer's strategic and other business plans, designs, customers, suppliers, and Employer's marketing, accounting, merchandising, and information-gathering techniques and methods, and all accumulated data, listings, or similar recorded matter used or useful in food sales, freight contracting and freight forwarding and backhauling (all modes), and customs house brokerage operations, including but not limited to the customer and carrier lists, business forms, weekly loading lists, service contracts, all pricing information, computer programs, tariff information and marketing aids.

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

9. Inventions .

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

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

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

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

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

10. Miscellaneous .

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

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

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

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

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

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

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

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

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

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

C. H. ROBINSON WORLDWIDE, INC.

By ______________________________

Name:
Title:

KEY EMPLOYEE:

____

Exhibit 10.12

Shares of Restricted Stock Awarded:

Share Price at Grant Date:
Shares multiplied by Price:

Grant Date: November 17, 2004

Participant’s Name:

Dear Participant,

CHRW MANAGEMENT RESTRICTED STOCK PROGRAM

I am pleased to advise you that you have been selected to receive shares of C.H. Robinson Worldwide, Inc. (the “Company”) restricted stock under the CHRW Management Restricted Stock Program. The Company is permitted under the terms of its 1997 Omnibus Stock Plan to issue its shares and other derivative securities to employees at various times and in various forms. The Company has also established a nonqualified, defined contribution plan of deferred compensation for the benefit of certain eligible employees known as the “Robinson Companies Nonqualified Deferred Compensation Plan” (the “Deferred Compensation Plan”). The Deferred Compensation Plan provides, in part, that the Company may, in its sole discretion, make discretionary credits to the account of a participant, subject to such terms and conditions established by the Company.

In accordance with the terms of the Deferred Compensation Plan, your account in the Deferred Compensation Plan has been awarded an employer discretionary credit in the form of shares of C.H. Robinson Worldwide, Inc. restricted common stock. The shares of restricted stock are subject to the terms and conditions contained in the Deferred Compensation Plan and in the 1997 Omnibus Stock Plan (unless expressly modified below), and will be vested, earned and delivered as outlined below.

PROGRAM OUTLINE

1. Participant’s account in the Deferred Compensation Plan will be credited with restricted stock of the Company.
2. Beginning on December 31, 2004, and on each December 31 thereafter through December 31, 2008, a portion of the restricted shares will vest, but only if and only to the extent that the Company’s Vesting Indicator (VI) is greater than zero for the respective year, as determined by the Compensation Committee of the Company’s Board of Directors. The VI is defined as the sum of 5 percentage points plus the average of the following items (A) and (B) rounded to the nearest whole percentage: (A) the percentage increase of

Company income from operations for the current year over the prior year rounded to two decimals and (B) the percentage increase in Company diluted net income per share for the current year over the prior year rounded to two decimals.

Example

	Prior Year	Current Year	Percentage Increase
Income from Operations (A)	$156,580,000	$178,501,200	14.00%
Diluted EPS (B)	1.12	1.29	15.18
Average Percentage Increase of (A) and (B)			14.59
Add: 5 Percentage Points			19.59
Rounded to the Nearest Whole Percentage			VI=20.00%

3. In determining how many shares are vested at the end of each year, the VI is multiplied by the original restricted stock grant and then rounded to the nearest whole share.

Example

	Year 1	Year 2	Year 3
Restricted Stock Grant: 1,333 shares			
VI:	20%	12%	26%
Rounded Number of Shares Vested on Dec. 31:	267	160	347

4. The Compensation Committee's calculation of VI shall be final, and the Compensation Committee retains the discretion to eliminate unusual items, if any, for purposes of calculating the VI for any particular year.

5. Participant's restricted stock will vest only while the Participant is employed by the Company. A Participant must be an employee of the Company on December 31 of a particular year in order to vest in any shares for that year. If a Participant's employment is terminated, whether voluntarily or involuntarily, prior to vesting of any restricted stock, any shares remaining unvested as of the date of termination will be forfeited and deleted from Participant's account, and the Participant will retain no rights with respect to the forfeited shares. Vesting will not be accelerated on account of death or disability.

6. Participant's restricted stock may vest pursuant to paragraph 2 above with respect to this award for up to 5 years (and may vest in less than 5 years if the VI during such time period is sufficiently high enough). Any shares remaining unvested after December 31, 2008 will be forfeited and deleted from Participant's account, and the Participant will retain no rights with respect to the forfeited shares.

7. Notwithstanding the foregoing, Participants who embezzle or misappropriate Company funds or property will automatically forfeit all restricted stock awarded, whether vested or unvested, and will retain no rights with respect to such shares.

8. Vested shares shall be delivered to Participant from the Deferred Compensation Plan in 5 equal annual installments beginning 6 months after terminating employment regardless of the reason for termination.

9. Restricted stock may not be sold, exchanged, assigned, transferred, discounted, pledged or otherwise disposed of at any time prior to delivery of the vested shares from the Deferred Compensation Plan. Participant will be entitled to receive dividend equivalents on the shares of restricted stock credited to Participant's account, whether vested or unvested, when and if dividends are declared by the Company's Board of Directors on the Company's common stock, in an amount of cash per share equal to and on the same payment dates as other common stockholders of the Company. Dividend equivalents paid before delivery of the shares from the Deferred Compensation Plan will be treated as compensation income for tax purposes and will be subject to income and payroll tax withholding by the Company.

10. In order to comply with all applicable federal or state income tax laws or regulations, at the time that the shares are delivered to the Participant, the Company will withhold taxes based on the Fair Market Value of the shares at the time of delivery. In order to satisfy any such tax withholding obligation, the Company will withhold a portion of the shares otherwise to be delivered with a Fair Market Value equal to the amount of such taxes. "Fair Market Value" for a share shall mean the last sale price of a share of the Company's common stock on the Nasdaq National Market (or other national securities exchange on which the Company's common stock is then listed) on the trading date immediately preceding the date the shares are delivered to the Participant. If the Company's common stock is not then traded in an established securities market, the Compensation Committee of the Board of Directors shall determine Fair Market Value in accordance with the 1997 Omnibus Stock Plan.

11. This restricted stock award shall confer no rights of continued employment to the Participant, nor will it interfere in any way with the right of the Company to terminate such employment at any time. The Company retains all rights to enforce any other agreement or contract that the Company has with the Participant.

12. If there shall be any change in the Company's common stock through merger, consolidation, reorganization, recapitalization, dividend in the form of stock (of whatever amount), stock split or other change in the corporate structure of the Company, appropriate adjustments shall be made in the number of restricted shares that are vested or unvested under this agreement in order to prevent dilution or enlargement of rights.

13. In the event of a Change in Control, the Compensation Committee may, in its discretion, accelerate the vesting of the restricted shares. A "Change in Control" shall be deemed to occur on the date (i) a public announcement (which, for purposes of this definition, shall include, without limitation, a report filed pursuant to Section 13(d) of the Securities Exchange Act of 1934, as amended) is made by the Company or any Person (as defined below) that such Person beneficially owns more than 50% of the Common Stock outstanding, (ii) the Company consummates a merger, consolidation or statutory share exchange with any other Person in which the surviving entity would not have as its directors at least 60% of the Continuing Directors (as defined below) and would not have at least 60% of its common stock owned by the common shareholders of the Company prior to such merger, consolidation or statutory share exchange, (iii) a majority of the Board of Directors is not comprised of Continuing Directors or (iv) a sale or disposition of all or substantially all of the assets of the Company or the dissolution of the Company. A "Continuing Director" is a director recommended by the Board of Directors of the Company for election as a director of the Company by stockholders. "Person" means any individual, firm, corporation or other entity, and shall include any successor (by merger or otherwise) of such entity.

14. This restricted stock award is made pursuant to the Deferred Compensation Plan and the Company's 1997 Omnibus Stock Plan and is subject to the terms of such plans. Participant may request a copy of either or both plans from the Company. By participating in the CHRW Management Restricted Stock Program, Participant shall be deemed to have accepted all the conditions of the Deferred Compensation Plan and the 1997 Omnibus Stock Plan and this agreement, and the terms and conditions of any rules adopted by the Committee (as defined in the 1997 Omnibus Stock Plan) and shall be fully bound thereby. This agreement shall be construed under the laws of the state of Minnesota.

The Company is enthusiastic about this program as it feels that the more incentives it can provide, the more vitally and personally interested and involved the Participants will be in making C.H. Robinson Worldwide a bigger and better company.

Sincerely,

C.H. Robinson Worldwide, Inc.

By: /s/ John P. Wiehoff
John P. Wiehoff
Chief Executive Officer

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	**2004**	2003 (2)	2002 (2)	2001 (2)	2000 (2)
Gross revenues	**$4,341,538**	$3,613,645	$3,294,473	$3,090,072	$2,882,175
Gross profits	**660,991**	544,848	483,778	456,572	419,343
Income from operations	**222,768**	176,046	148,932	128,402	113,552
Net income	**137,254**	107,369	89,798	80,428	69,151
Net income per share					
Basic	**$ 1.62**	$ 1.27	$ 1.06	$ .95	$ .82
Diluted	**$ 1.59**	$ 1.25	$ 1.05	$ .94	$ .81
Weighted average number of shares outstanding (in thousands)					
Basic	**84,614**	84,387	84,368	84,374	84,529
Diluted	**86,572**	86,069	85,757	85,774	85,717
Dividends per share	**$ .51**	$ .36	$ .26	$ .21	$ .17

BALANCE SHEET DATA

(as of December 31)					
Working capital	**$ 393,168**	$ 336,128	$ 245,098	$ 179,687	$ 113,988
Total assets	**1,080,696**	908,149	777,151	683,490	644,207
Total long-term debt	**—**	—	—	—	—
Stockholders’ investment	**620,856**	518,747	427,469	356,786	302,943

OPERATING DATA

(as of December 31)					
Branches	**176**	158	150	139	137
Employees	**4,806**	4,112	3,814	3,770	3,677
Average gross profits per employee (1)	**$ 149**	$ 137	$ 128	$ 123	$ 122

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

(2) Results from 2003 and prior years have been restated for retroactive adoption of the fair value recognition provisions of SFAS 123, Accounting for Stock-Based Compensation.

RESULTS OF OPERATIONS

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

For the years ended December 31,

	2004	2003	2002
Transportation	**16.0%**	16.3%	16.3%
Sourcing	**7.3**	6.8	6.2
Information Services	**100.0**	100.0	100.0
Total	**15.2%**	15.1%	14.7%

The following table summarizes our gross profits by service line:

For the years ended December 31,

(Dollars in thousands)	**2004**	2003	Change	2002	Change
Gross profits:					
Transportation					
Truck	**$501,940**	$401,709	25.0%	$361,353	11.2%
Intermodal	**29,960**	28,103	6.6	21,111	33.1
Ocean	**20,558**	19,027	8.0	17,007	11.9
Air	**8,570**	4,891	75.2	3,068	59.4
Miscellaneous	**14,709**	10,973	34.0	8,772	25.1
Total Transportation	**575,737**	464,703	23.9	411,311	13.0
Sourcing	**51,772**	50,373	2.8	46,536	8.2
Information Services	**33,482**	29,772	12.5	25,931	14.8
Total	**$660,991**	$544,848	21.3%	$483,778	12.6%

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

For the years ended December 31,	**2004**	2003 (1)	2002 (1)
Gross profits	**100.0%**	100.0%	100.0%
Selling, general, and administrative expenses:			
Personnel expenses	**50.5**	51.2	50.5
Other selling, general, and administrative expenses	**15.8**	16.5	18.7
Total selling, general, and administrative expenses	**66.3**	67.7	69.2
Income from operations	**33.7**	32.3	30.8
Investment and other income	**0.5**	0.5	0.2
Income before provision for income taxes	**34.2**	32.8	31.0
Provision for income taxes	**13.4**	13.1	12.5
Net income	**20.8%**	19.7%	18.5%

(1) Results from 2003 and prior years have been restated for retroactive adoption of the fair value recognition provisions of SFAS 123, Accounting for Stock-Based Compensation.

FORWARD-LOOKING INFORMATION

Our annual report, including the letter to our shareholders and this discussion and analysis of our financial condition and results of operations, contains certain “forward-looking statements.” These statements represent our expectations, beliefs, intentions, or strategies concerning future events and by their nature involve risks and uncertainties. Forward-looking statements include, among others, statements about our future performance, the continuation of historical trends, the sufficiency of our sources of capital for future needs, the effects of acquisitions, the expected impact of recently issued accounting pronouncements, and the outcome or effects of litigation. Risks that could cause actual results to differ materially from our current expectations include changes in market demand and pricing for our services, the impact of competition, changes in relationships with our customers, freight levels and our ability to source capacity to transport freight, our ability to source produce, the risks associated with litigation and insurance coverage, our ability to integrate acquisitions, the impacts of war, the risks associated with operations outside the United States, and changing economic conditions. Therefore, actual results may differ materially from our expectations based on these risks and uncertainties, including those described in the Business Description of our Form 10-K filed with the Securities and Exchange Commission for the year ended December 31, 2004.

OVERVIEW

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

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

Our 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 and products 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 our results of operations below focuses on the changes in our gross profits.

Our variable cost business model allows us to be flexible and adapt to changing economic and industry conditions. We buy most of our transportation capacity and produce on a spot-market basis. We also keep our personnel and other operating expenses as variable as possible. Compensation, our largest operating expense, is performance oriented and based on the profitability of our branch offices.

We believe our large decentralized branch network is a major competitive advantage. Our worldwide network of offices supports our core strategy of serving customers locally, nationally, and globally. Our branch offices help us penetrate local markets, provide face-to-face service when needed, and recruit carriers. Our decentralized network also gives us knowledge of local market conditions, which is important in transportation because it is so dynamic and market-driven.

We opened 9 new branches and acquired companies that resulted in an additional 9 branches in 2004. We are planning to open another 7 to 8 branches in 2005. Because we usually start small and open new offices with only two or three employees, we don't expect them to make a material contribution to our financial results in the first few years of their operation. We believe it is important for our people to be successful on a local basis by building local customer and carrier relationships, and the company provides them with the technology and communication resources of our established branch network. Acquisitions that fit our growth criteria and culture, such as the acquisition of FoodSource announced in February 2005, may also augment our growth.

We are a service company, and our continued success is dependent on our ability to continue to hire and retain talented, productive people. We grew by approximately 700 employees in 2004. Branch employees act as a team in their sales efforts, customer service, and operations. A significant portion of our branch employees' compensation is performance-oriented, based on the profitability of their branch. We believe this makes our sales employees more service-oriented, focused, and creative. In 2003, we implemented a new restricted stock program to better align our key employees with the interests of our shareholders, and to motivate and retain them for the long-term.

Since we became a publicly-traded company in 1997, our long-term growth target has been 15 percent for gross profits, income from operations, and earnings per share. This goal was based on an analysis of our performance in the previous twenty years, during which our compounded annual growth rate was 15 percent. Our expectation has been that over time we will continue to achieve our target of 15 percent growth, but that we will have periods in which we exceed that goal, and periods in which we fall short. In 2004, we exceeded our long-term growth goal in gross profits, income from operations, net income, and earnings per share. Our gross profits grew 21.3 percent over 2003. This growth was due, in part, to an increase in the number of shipments we handle to 3.8 million, an increase of 18.7 percent from 3.2 million shipments in 2003. We added approximately 2,000 new active customers. We believe that the continued growth of our customer base is evidence that we continue to penetrate the market and expand our reach. Our income from operations increased 26.5 percent to $222.8 million, our net income increased 27.8 percent to $137.3 million, and our diluted earnings per share increased 27.2 percent to $1.59.

The number of carriers we do business with is another important performance indicator that we track internally. In 2004, we increased our carrier base to approximately 35,000, up from approximately 30,000 in 2003. While our business with many of these new providers may still be small, we believe the growth in our contract carrier network shows that new transportation providers continue to enter the industry, and that we are well positioned to continue to meet our customers' needs.

While we continue to expand our branch network, our customer relationships, our carrier base, and the services we provide, we expect to be challenged in 2005 with finding new sources of capacity to provide increased services. 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. 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.

In 2004, the price of truckload transportation services charged by motor carriers increased significantly more than the rate of increase in prior years. The rate increases were driven by both increased operating costs for the carriers, including the price of fuel, insurance, and driver wages, and by pricing leverage as increased freight volumes drove an increase in the demand for capacity. The tight capacity conditions and higher rates created a very transactional, or spot market, transportation marketplace as shippers had to look for additional sources of capacity outside their planned transportation. While we have typically gained additional business due to these conditions, we have to be careful to manage our pricing correctly for both our spot and contractual business to preserve our gross profit margins in a volatile pricing environment.

In our opinion this is a normal cyclical pattern in the truck transportation industry. As truck transportation rates increase, it becomes more lucrative to provide those services and new carriers and capacity enter the marketplace. Over time, the supply of capacity and the demand for that capacity will become more balanced. In that situation, the growth of our transactional business may slow or even decline. These cycles can change rapidly based on economic conditions and it is very difficult to predict when and at what pace that will happen.

2004 COMPARED TO 2003

REVENUES . Gross revenues for 2004 were $4.34 billion, an increase of 20.1% over $3.61 billion in 2003. Gross profits in 2004 were $661.0 million, an increase of 21.3% over $544.8 million in 2003. This was the result of an increase in Transportation gross profits of 23.9% to $575.7 million, an increase in Sourcing gross profits of 2.8% to $51.8 million, and an increase in Information Services gross profits of 12.5% to $33.5 million.

During 2004, our gross profit margin, or gross profits as a percentage of gross revenues, increased to 15.2% from 15.1% in 2003. Transportation gross profit margin decreased to 16.0% in 2004 from 16.3% in 2003 due to market conditions. Sourcing gross profit margin increased to 7.3% in 2004 from 6.8% in 2003 primarily due to volatility in commodity pricing. In addition, we have been providing more value-added services to our customers as part of our produce sourcing business. Those new services are typically higher margin than our traditional produce business. Our Information Services business is a fee-based business, which generates 100% gross profit margin.

Transportation gross profits increased 23.9% to $575.7 million in 2004 from $464.7 million in 2003. 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), increased 25.0% to $501.9 million in 2004 from $401.7 million in 2003. This increase was driven by transaction volume growth and pricing increases, while our gross profit margin declined slightly. Volume growth was helped by increased freight demand in the market place. This increase in demand also created a tight capacity market and increased market transportation rates. These market dynamics increased the amount of transactional truckload freight available in the market place. Our growth in transactional business, coupled with increased business with our existing customers, provided our volume growth.

Intermodal gross profits increased 6.6% to $30.0 million in 2004 from $28.1 million in 2003. This increase was driven by transaction volume growth, while our margins declined slightly.

Ocean gross profits increased 8.0% to $20.6 million in 2004 from $19.0 million in 2003. This increase was the result of the acquisition and subsequent branch openings in China (see Liquidity and Capital Resources for further discussion) and volume increases with several large customers.

Air gross profits increased 75.2% to $8.6 million in 2004 from $4.9 million in 2003. This significant increase in our air gross profits was primarily due to increased volumes.

Miscellaneous transportation gross profits consist of customs brokerage fees, transportation management fees, warehouse and crossdock services, and other miscellaneous transportation related services. This increase of 34.0% to $14.7 million in 2004 from $11.0 million in 2003 was driven by increases in transportation management fees and customs brokerage business.

Sourcing gross profits increased 2.8% to $51.8 million in 2004 from $50.4 million in 2003. Our Sourcing business is primarily the buying and selling of fresh fruits and vegetables. During the past decade, we have actively sought to expand our Sourcing customer base focusing on large multistore retailers. As a result we continue to see the long-term trend of increases in volume and gross profits in our integrated relationships with large retailers, restaurant chains, and foodservice providers, offset by a decline in our business with produce wholesale customers.

Information Services is comprised entirely of revenue generated by our subsidiary, T-Chek Systems. For 2004, Information Services gross profits increased by 12.5% to $33.5 million from $29.8 million in 2003, primarily due to transaction growth.

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

Personnel expenses accounted for 76.2% of total selling, general, and administrative expenses in 2004 compared to 75.7% in 2003. Personnel expenses were $334.1 million in 2004, an increase of 19.8% over $279.0 million in 2003. Personnel expenses as a percentage of gross profits decreased to 50.5% in 2004 from 51.2% in 2003.

We focus on keeping personnel expenses as variable as possible while looking for opportunities to be more efficient. Gross profit per employee increased 8.8% in 2004 over 2003. This increase was driven partially by transportation market conditions, and our continuous efforts to improve processes, including our investments in technology.

Effective January 1, 2004, we adopted the fair value recognition provisions of Statement of Financial Accounting Standard (SFAS) 123, Accounting for Stock-Based Compensation, using the retroactive restatement method described in SFAS 148, Accounting for Stock-Based Compensation – Transition and Disclosure. We recorded compensation expense for stock option awards of $8.2 million in 2004 and $8.6 million in 2003.

We have also issued restricted stock to our employees, as announced in 2003. We made additional restricted stock grants in 2004 with an aggregate value of $6.8 million. Vesting expense related to the 2003 and 2004 awards was $11.7 million in 2004 compared to $6.8 million in 2003.

Other selling, general, and administrative expenses for 2004 were $104.1 million, an increase of 15.9% from $89.8 million in 2003. As a percentage of gross profits, other selling, general, and administrative expenses decreased to 15.8% in 2004 compared to 16.5% in 2003. We strive to keep our expenses as variable as possible. With our revenue growth during 2004, we did gain leverage in our other selling, general, and administrative expense. We did continue to make investments for the future, including improving our technology infrastructure.

INCOME FROM OPERATIONS. Income from operations was $222.8 million for 2004, an increase of 26.5% over $176.0 million in 2003. This increase was primarily driven by the growth in our gross profits. Income from operations as a percentage of gross profits was 33.7% and 32.3% for 2004 and 2003.

INVESTMENT AND OTHER INCOME. Investment and other income was $3.3 million for 2004, an increase of 26.4% from $2.6 million in 2003. Our cash and cash equivalents as of December 31, 2004 increased $43.1 million over the balance as of December 31, 2003, which contributed to increased investment income.

PROVISION FOR INCOME TAXES. Our effective income tax rate was 39.3% for 2004 and 39.9% for 2003. The decrease in the effective income tax rate is primarily due to the decline in our effective foreign tax rate and the tax effects of stock-based compensation. 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 $137.3 million for 2004, an increase of 27.8% over $107.4 million for 2003. Basic net income per share increased 27.6% to $1.62 for 2004 compared to $1.27 for 2003. Diluted net income per share increased 27.2% to $1.59 for 2004 compared to $1.25 for 2003.

2003 COMPARED TO 2002

REVENUES. Gross revenues for 2003 were $3.61 billion, an increase of 9.7% over $3.29 billion in 2002. Gross profits in 2003 were $544.8 million, an increase of 12.6% over $483.8 million in 2002. This was the result of an increase in Transportation gross profits of 13.0% to $464.7 million, an increase in Sourcing gross profits of 8.2% to $50.4 million, and an increase in Information Services gross profits of 14.8% to $29.8 million.

During 2003, our gross profit margin, or gross profits as a percentage of gross revenues, increased to 15.1% from 14.7% in 2002, primarily due to the mix of our service lines. Transportation gross profit margin remained at 16.3%. Sourcing gross profit margin increased to 6.8% from 6.2% primarily due to volatility in commodity pricing. Our employees focus on gross profit dollars, not the percentage earned, and therefore our gross profit margin can experience fluctuations during times of commodity price volatility. In addition, we have been providing more value-added services to our customers as part of our produce sourcing business. Those new services are typically higher margin than our traditional produce business. Our Information Services business is a fee-based business, which generates 100% gross profit margin.

Transportation gross profits increased 13.0% to $464.7 million in 2003 from $411.3 million 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), increased 11.2% to $401.7 million in 2003 from $361.4 million in 2002. This increase was driven by transaction volume growth, while gross profit margin decreased slightly due to the mix of services provided. Increased market share with our large customers, coupled with new account development, drove our volume growth.

Intermodal gross profits increased 33.1% to $28.1 million in 2003 from $21.1 million in 2002. This increase was the result of growth in volumes and margin expansion. Volume growth was driven by our aggressive sales efforts and a stronger focus on mode conversion opportunities for our customers. The margin expansion was due primarily to prior year market conditions, which caused our margins in 2002 to shrink. Margins in 2003 returned to levels more consistent with historical results.

Ocean gross profits increased 11.9% to $19.0 million in 2003 from $17.0 million in 2002. This increase was the result of increased volumes with several large international customers and margin expansion.

Air gross profits increased 59.4% to $4.9 million in 2003 from $3.1 million in 2002. This significant increase in our air gross profits was primarily due to increased volumes with several large international customers.

Miscellaneous transportation gross profits consist of customs brokerage fees, transportation management fees, warehouse and crossdock services, and other miscellaneous transportation related services. This increase of 25.1% to $11.0 million in 2003 from $8.8 million in 2002 was driven by increases in transportation management fees and customs brokerage fees.

Sourcing gross profits increased 8.2% to $50.4 million in 2003 from $46.5 million in 2002. Our Sourcing business is primarily the buying and selling of fresh fruits and vegetables. During the past eight years, we have actively sought to expand our Sourcing customer base focusing on large multistore retailers. As a result, we continue to see the long-term trend of increases in volume and gross profits in our integrated relationships with large retailers, restaurant chains, and foodservice providers, offset by a decline in our business with produce wholesale customers.

Information Services is comprised entirely of revenue generated by our subsidiary, T-Chek Systems. For 2003, Information Services gross profits increased by 14.8% to $29.8 million from $25.9 million in 2002, primarily due to transaction growth.

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

Personnel expenses accounted for 75.7% of total selling, general, and administrative expenses in 2003 compared to 73.0% in 2002. Personnel expenses were $279.0 million for 2003, an increase of 14.2% over $244.3 million in 2002. Personnel expenses as a percentage of gross profits increased to 51.2% in 2003 from 50.5% in 2002. This increase is largely attributable to an expense for restricted stock grants in 2003. The vesting and related expense for these restricted stock grants is variable, based on the company’s financial performance. For 2003, this expense was $6.8 million. The total value of the award granted in 2003 was $29.5 million.

We recorded compensation expense for stock option awards of $8.6 million in 2003 and $7.0 million in 2002.

Our average gross profit per employee increased 7.0% to $137,000 in 2003 from $128,000 in 2002. Our people have become more efficient and we have not had to increase our headcount at the same rate as our gross profit growth.

Other selling, general, and administrative expenses for 2003 were $89.8 million, a decrease of 0.8% from $90.5 million in 2002. As a percentage of gross profits, other selling, general, and administrative expenses decreased to 16.5% in 2003 compared to 18.7% in 2002. In 2003, we had declines in depreciation, bad debt, and amortization of purchased software acquired through our December 1999 acquisition of American Backhaulers. In addition, in the fourth quarter of 2002, we recorded a charge of $4.3 million related to a previously disclosed lawsuit settlement. We are still seeking to recover these funds from our insurance carriers.

INCOME FROM OPERATIONS. Income from operations was $176.0 million for 2003, an increase of 18.2% over $148.9 million in 2002. This increase was primarily driven by the growth in our gross profits. Income from operations as a percentage of gross profits was 32.3% and 30.8% for 2003 and 2002.

INVESTMENT AND OTHER INCOME. Investment and other income was $2.6 million for 2003, an increase of 94.0% from $1.3 million in 2002. Our cash and cash equivalents as of December 31, 2003 increased $40.4 million over the balance as of December 31, 2002, which contributed to increased investment income. Improved returns on our non-qualified deferred compensation investment portfolio accounted for $0.9 million of this increase.

PROVISION FOR INCOME TAXES. Our effective income tax rate was 39.9% for 2003 and 40.2% for 2002. The decrease in the effective income tax rate is primarily due to the decline in our effective foreign tax rate offset by an increase in the effective state tax rate. 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 $107.4 million for 2003, an increase of 19.6% over $89.8 million for 2002. Basic net income per share increased 19.8% to $1.27 for 2003 compared to $1.06 for 2002. Diluted net income per share increased by 19.0% to $1.25 for 2003 compared to $1.05 for 2002.

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 $166.5 million and $123.4 million as of December 31, 2004 and 2003. Available-for-sale securities consisting primarily of highly liquid investments totaled $121.6 million and $120.8 million as of December 31, 2004 and 2003. Working capital at December 31, 2004 and 2003 was $393.2 million and $336.1 million.

Our first priority for our cash is growing the business, as we do require some working capital and a small amount of capital expenditures to grow. We are continually looking for acquisitions to redeploy our cash, but those acquisitions must fit our culture and enhance our growth opportunities. On February 14, 2005, we acquired all ongoing operations and certain assets of FoodSource, Inc., FoodSource Procurement, LLC, and Epic Roots, Inc., and believe that these companies will help us continue to grow our produce business with large grocery retailers. We will return more of the cash to our shareholders if our cash balance continues to increase and there are no significant attractive acquisition opportunities. We have had no long-term debt for the last seven years.

We generated $155.9 million, $109.5 million, and $114.1 million of cash flow from operations in 2004, 2003, and 2002. This was due to net income generated, adjusted primarily for non-cash expenses, and the net change in accounts receivable and accounts payable. In 2004, our accounts payable did not increase as fast as our revenue growth primarily due to increased use of our Quick Pay program, which charges our carriers a discount off the invoice amount in exchange for shorter payment terms.

We used $54.8 million, $38.2 million, and $91.3 million of cash flow for investing activities in 2004, 2003, and 2002. We closed three acquisitions for a total of $19.1 million in 2004. In

February 2004, we acquired 100% of the outstanding shares of Camway Transportation Corporation. In June 2004, we acquired selected assets of Dalian Decheng Shipping Agency Co. Ltd. (“DDSA”). DDSA is a China-based NVOCC, or non-vessel-operating common carrier, with seven office locations throughout mainland China. In December 2004, we acquired all of the ongoing operations and certain assets of U.S.Traffic, Inc.

We had $34.7 million, $8.3 million, and $7.3 million of net capital expenditures in 2004, 2003, and 2002. As previously disclosed, we acquired a building in Chicago, Illinois, for $9.5 million in January 2004. In addition to the building purchase, we spent an additional $12.0 million to prepare this building and to build out additional office space in Eden Prairie, Minnesota. In 2004, we had approximately $7.4 million of investments in information technology equipment.

We used $60.0 million, $33.0 million, and $25.8 million of cash flow for financing activities in 2004, 2003, and 2002. This was primarily quarterly dividends and share repurchases for our employee stock plans. We declared quarterly dividends during 2004 for an aggregate of $0.51 per share, and quarterly dividends during 2003 for an aggregate of $0.36 per share. We declared a $0.15 per share dividend payable on April 1, 2005 to shareholders of record as of March 11, 2005.

We have 3.2 million euros available under a line of credit at an interest rate of Euribor plus 45 basis points (2.58% at December 31, 2004). This discretionary line of credit has no expiration date. During 2004, we borrowed 25.4 million euros, or $31.7 million, all of which was repaid during the year. During 2003, we borrowed 23.0 million euros, or $26.4 million, all of which was repaid during the year. As of December 31, 2004 and 2003, the outstanding balance was zero. 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, 2004.

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

DISCLOSURES ABOUT CONTRACTUAL OBLIGATIONS AND COMMERCIAL CONTINGENCIES

The following table aggregates all contractual commitments and commercial obligations that affect our financial condition and liquidity position as of December 31, 2004:

Payments Due by Period (dollars in thousands)

Contractual Obligations	**Total**	**Less than 1 year**	**1-3 years**	**4-5 years**	**After 5 years**
Operating Leases [(a)]	$65,876	$15,173	$32,675	$ 5,949	$12,079
Purchase Obligations [(b)]	9,664	3,917	5,747	—	—
Construction Commitments [(c)]	5,084	5,084	—	—	—
Total	$80,624	$24,174	$38,422	$ 5,949	$12,079

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

(b) Purchase obligations include agreements for services that are enforceable and legally binding and that specify all significant terms. As of December 31, 2004, such obligations include telecommunications services and maintenance contracts.

(c) As of December 31, 2004, we had commitments for the completion of construction and furnishing of our building in Chicago.

We have no long-term debt or capital lease obligations. Long-term liabilities consist of net long-term deferred income taxes and the obligation under our non-qualified deferred compensation plan. This liability has been excluded from the above table as the timing and/or the amount of any cash payment is uncertain.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

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

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

VALUATIONS FOR ACCOUNTS RECEIVABLE. Our allowance for doubtful accounts is calculated based upon the aging of our receivables, our historical experience of uncollectible accounts, and any specific customer collection issues that we have identified. The allowance of $25.2 million as of December 31, 2004, increased compared to the allowance of $23.6 million as of December 31, 2003. We believe that the recorded allowance is sufficient and appropriate based on our customer aging trends, the exposures we have identified, and our historical loss experience.

GOODWILL. We manage and report our operations as one operating segment. Our branches represent a series of homogenous reporting units that are aggregated for the purpose of evaluating goodwill for impairment on an enterprise wide basis. Based on the substantial excess of our market capitalization over our book value, we have determined that there is no indication of goodwill impairment at December 31, 2004.

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 $288.1 million of cash and investments on December 31, 2004, consisting of $166.5 million of cash and cash equivalents and $121.6 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 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,	**2004**	2003 (1)
ASSETS		
Current assets:		
Cash and cash equivalents	**$ 166,476**	$123,413
Available-for-sale securities	**121,600**	120,836
Receivables, net of allowance for doubtful accounts of $25,204 and $ 23,569	**544,274**	457,455
Deferred tax asset	**8,180**	9,535
Prepaid expenses and other	**5,457**	6,090
Total current assets	**845,987**	717,329
Property and equipment	**102,417**	70,344
Accumulated depreciation and amortization	**(51,295)**	(44,719)
Net property and equipment	**51,122**	25,625
Goodwill	**171,202**	155,070
Other intangible assets, net of accumulated amortization of $4,386 and $ 3,644	**5,685**	3,801
Other assets	**6,700**	6,324
Total assets	**$1,080,696**	$908,149
LIABILITIES AND STOCKHOLDERS' INVESTMENT		
Current liabilities:		
Accounts payable	**$ 303,082**	$261,206
Outstanding checks	**55,847**	50,721
Accrued expenses – Compensation and profit-sharing contribution	**60,261**	46,582
Income taxes and other	**33,629**	22,692
Total current liabilities	**452,819**	381,201
Deferred tax liability	**4,153**	5,598
Nonqualified deferred compensation obligation	**2,868**	2,603
Total liabilities	**459,840**	389,402
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; 85,805 and 85,762 shares issued, 85,240 and 85,304 outstanding	**8,524**	8,530
Additional paid-in capital	**172,011**	174,009
Retained earnings	**498,406**	404,750
Deferred compensation	**(34,241)**	(52,285)
Accumulated other comprehensive income (loss)	**1,608**	(363)
Treasury stock at cost (565 and 458 shares)	**(25,452)**	(15,894)
Total stockholders' investment	**620,856**	518,747
Total liabilities and stockholders' investment	**$1,080,696**	$908,149

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

(1) The December 31, 2003 balance sheet has been restated for retroactive adoption of the fair value recognition provisions of SFAS No. 123, Accounting for Stock-Based Compensation, as discussed in Note 7.

CONSOLIDATED STATEMENTS OF OPERATIONS

C.H. Robinson Worldwide, Inc. and Subsidiaries

(In thousands, except per share data) For the years ended December 31,	**2004**	2003 (1)	2002 (1)
Gross revenues:			
Transportation	**$3,597,249**	$2,845,934	$2,517,211
Sourcing	**710,807**	737,939	751,331
Information Services	**33,482**	29,772	25,931
Total gross revenues	**4,341,538**	3,613,645	3,294,473
Cost of transportation, products, and handling:			
Transportation	**3,021,512**	2,381,231	2,105,900
Sourcing	**659,035**	687,566	704,795
Total cost of transportation, products, and handling	**3,680,547**	3,068,797	2,810,695
Gross profits	**660,991**	544,848	483,778
Selling, general, and administrative expenses:			
Personnel	**334,118**	279,008	244,321
Other selling, general, and administrative expenses	**104,105**	89,794	90,525
Total selling, general, and administrative expenses	**438,223**	368,802	334,846
Income from operations	**222,768**	176,046	148,932
Investment and other income:			
Interest income	**2,824**	2,246	1,694
Non-qualified deferred compensation investment gain (loss)	**154**	447	(406)
Other	**292**	(105)	46
Total investment and other income	**3,270**	2,588	1,334
Income before provision for income taxes	**226,038**	178,634	150,266
Provision for income taxes	**88,784**	71,265	60,468
Net income	**$ 137,254**	$ 107,369	$ 89,798
Basic net income per share	**$ 1.62**	$ 1.27	$ 1.06
Diluted net income per share	**$ 1.59**	$ 1.25	$ 1.05
Basic weighted average shares outstanding	**84,614**	84,387	84,368
Dilutive effect of outstanding stock awards	**1,958**	1,682	1,389
Diluted weighted average shares outstanding	**86,572**	86,069	85,757

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

(1) Statements of Operations for the years ended December 31, 2003 and 2002 have been restated for retroactive adoption of the fair value recognition provisions of SFAS 123, Accounting for Stock Based-Compensation, as discussed in Note 7.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' INVESTMENT

C.H. Robinson Worldwide, Inc. and Subsidiaries

(In thousands, except per share data) For the years ended December 31, 2004, 2003, and 2002	**Common Shares Outstanding**	**Amount**	**Additional Paid-in Capital**	**Retained Earnings**	**Deferred Compensation**	**Accumulated Other Comprehensive Income (Loss)**	**Treasury Stock**	**Total Stockholders' Investment**
Balance, December 31, 2001	84,457	$8,446	$ 99,551	$270,711	$ (6,247)	$ (1,592)	$(15,054)	$ 355,815
Cumulative SFAS 123 retroactive restatement	—	—	30,058	(10,641)	(18,446)	—	—	971
Net income	—	—	—	89,798	—	—	—	89,798
Other comprehensive income - Unrealized gain on available-for-sale securities	—	—	—	—	—	12	—	12
Foreign currency translation adjustment	—	—	—	—	—	(859)	—	(859)
Comprehensive income	—	—	—	—	—	—	—	88,951
Cash dividends, $.26 per share	—	—	—	(21,956)	—	—	—	(21,956)
Stock issued for employee benefit plans	448	45	(4,936)	—	—	—	12,599	7,708
Issuance of stock options	—	—	10,557	—	(10,557)	—	—	—
Issuance of restricted stock	34	3	987	—	(990)	—	—	—
Stock-based compensation expense	—	—	661	—	7,908	—	—	8,569
Tax benefit on deferred compensation and employee stock plans	—	—	632	—	—	—	—	632
Repurchase of common stock	(433)	(43)	—	—	—	—	(13,178)	(13,221)
Balance, December 31, 2002 (1)	84,506	8,451	137,510	327,912	(28,332)	(2,439)	(15,633)	427,469
Net income	—	—	—	107,369	—	—	—	107,369
Other comprehensive income - Unrealized loss on available-for-sale securities	—	—	—	—	—	(12)	—	(12)
Foreign currency translation adjustment	—	—	—	—	—	2,088	—	2,088
Comprehensive income	—	—	—	—	—	—	—	109,445
Cash dividends, $.36 per share	—	—	—	(30,531)	—	—	—	(30,531)
Stock issued for employee benefit plans	518	52	(5,699)	—	—	—	15,784	10,137
Issuance of restricted stock	719	72	29,463	—	(29,535)	—	—	—
Issuance of stock options	—	—	10,775	—	(10,775)	—	—	—
Stock-based compensation expense	—	—	(338)	—	16,357	—	—	16,019
Tax benefit on deferred compensation and employee stock plans	—	—	2,298	—	—	—	—	2,298
Repurchase of common stock	(439)	(45)	—	—	—	—	(16,045)	(16,090)
Balance, December 31, 2003 (1)	85,304	8,530	174,009	404,750	(52,285)	(363)	(15,894)	518,747
Net income	—	—	—	**137,254**	—	—	—	**137,254**
Other comprehensive income - Unrealized loss on available-for-sale securities	**—**	**—**	**—**	**—**	**—**	**(7)**	**—**	**(7)**
Foreign currency translation adjustment	**—**	**—**	**—**	**—**	**—**	**1,978**	**—**	**1,978**
Comprehensive income	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**139,225**
Cash dividends, $.51 per share	**—**	**—**	**—**	**(43,598)**	**—**	**—**	**—**	**(43,598)**
Stock issued for employee benefit plans	**540**	**54**	**(9,551)**	**—**	**—**	**—**	**19,993**	**10,496**
Issuance of restricted stock, net of terminations	**25**	**3**	**5,848**	**—**	**(5,851)**	**—**	**—**	**—**

Stock-based compensation expense, net of terminations	**20**	**2**	**(1,541)**	**—**	**23,895**	**—**	**—**	**22,356**
Tax benefit on deferred compensation and employee stock plans	**—**	**—**	**3,246**	**—**	**—**	**—**	**—**	**3,246**
Repurchase of common stock	**(649)**	**(65)**	**—**	**—**	**—**	**—**	**(29,551)**	**(29,616)**
Balance, December 31, 2004	**85,240**	**$8,524**	**$172,011**	**$498,406**	**$ (34,241)**	**$ 1,608**	**$(25,452)**	**$ 620,856**

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

(1) Statements of Stockholders' Investment for the years ended December 31, 2003 and 2002 have been restated for retroactive adoption of the fair value recognition provisions of SFAS 123, Accounting for Stock-Based Compensation, as discussed in Note 7.

CONSOLIDATED STATEMENTS OF CASH FLOWS

C.H. Robinson Worldwide, Inc. and Subsidiaries

(In thousands) For the years ended December 31,	**2004**	2003 (1)	2002 (1)
OPERATING ACTIVITIES			
Net income	**$137,254**	$ 107,369	$ 89,798
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	**11,814**	10,992	14,029
Gain on insurance proceeds	**(1,200)**	—	—
Provision for doubtful accounts	**8,823**	5,180	5,807
Stock-based compensation	**22,356**	16,019	8,569
Deferred income taxes and tax benefit on stock-based compensation	**3,156**	8,299	(497)
Loss on sale/disposal of assets	**168**	355	546
Changes in operating elements, net of effects of acquisitions:			
Receivables	**(90,262)**	(70,965)	(22,985)
Prepaid expenses and other	**643**	(1,993)	845
Accounts payable and outstanding checks	**39,863**	33,285	4,453
Accrued compensation and profit-sharing contribution	**13,629**	7,049	7,431
Accrued income taxes and other	**9,697**	(6,092)	6,143
Net cash provided by operating activities	**155,941**	109,498	114,139
INVESTING ACTIVITIES			
Purchases of property and equipment	**(34,741)**	(8,574)	(7,325)
Insurance proceeds	**1,590**	—	—
Sales of property and equipment	**—**	309	—
Cash paid for acquisitions, net of cash acquired	**(19,112)**	(2,089)	(15,995)
Purchases of available-for-sale securities	**(70,139)**	(155,820)	(105,334)
Sales/maturities of available-for-sale securities	**69,366**	130,199	39,075
Other	**(1,780)**	(2,198)	(1,714)
Net cash used for investing activities	**(54,816)**	(38,173)	(91,293)
FINANCING ACTIVITIES			
Proceeds from stock issued for employee benefit plans	**10,496**	10,137	7,708
Repurchase of common stock	**(29,616)**	(16,090)	(13,221)
Cash dividends	**(40,902)**	(27,046)	(20,266)
Net cash used for financing activities	**(60,022)**	(32,999)	(25,779)
Effect of exchange rates on cash	**1,960**	2,088	(859)
Net increase (decrease) in cash and cash equivalents	**43,063**	40,414	(3,792)
Cash and cash equivalents, beginning of year	**123,413**	82,999	86,791
Cash and cash equivalents, end of year	**$166,476**	$ 123,413	$ 82,999
Cash paid for income taxes	**$ 79,747**	$ 64,651	$ 54,813
Cash paid for interest	**$ 104**	$ 65	$ 31
Supplemental disclosure of noncash activities:			
Restricted stock awarded	**$ 6,800**	$ 29,535	$ 990

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

(1) The Statements of Cash Flows from December 31, 2003 and 2002 have been restated for retroactive adoption of the fair value recognition provisions of SFAS 123, Accounting for Stock-Based Compensation, as discussed in Note 7.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

C.H. Robinson Worldwide, Inc. and Subsidiaries

NOTE 1: Summary of Significant Accounting Policies

BASIS OF PRESENTATION – C.H. Robinson Worldwide, Inc. and our Subsidiaries (“the Company,” “we,” “us,” or “our”) is a global provider of multimodal transportation services and logistics solutions through a network of 176 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 our majority owned and controlled subsidiaries. Our minority interests in subsidiaries are not significant. All intercompany transactions and balances have been eliminated in the consolidated financial statements.

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

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

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

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

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

We operate in the 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):

	2004	2003	2002
Gross revenues			
United States	**$4,022,795**	$3,437,269	$3,154,902
Other locations	**318,743**	176,376	139,571
	$4,341,538	$3,613,645	$3,294,473

	2004	2003
Long-lived assets		
United States	**$59,450**	$33,115
Other locations	**4,057**	2,635
	$63,507	$35,750

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

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

PROPERTY AND EQUIPMENT – Property and equipment are recorded at cost. Maintenance and repair expenditures are charged to expense as incurred. Depreciation is computed using straight-line methods over the estimated lives of the assets of 3 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 $9.3 million in 2004, $8.8 million in 2003, and $11.3 million in 2002. A summary of our property and equipment as of December 31 is as follows (in thousands):

	2004	2003
Furniture, fixtures, and equipment	**$ 68,943**	$ 57,417
Construction in progress	**18,417**	—
Corporate aircraft	**9,000**	9,000
Leasehold improvements	**6,057**	3,927
Less accumulated depreciation	**(51,295)**	(44,719)
Net property and equipment	**$ 51,122**	$ 25,625

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, 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 4.

OTHER ASSETS – Other assets includes such items as purchased and internally developed software, and the investment related to our nonqualified deferred compensation plan. We recognized amortization expense of purchased and internally developed software of $1.8 million in 2004, $1.6 million in 2003 and, $2.0 million in 2002. 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):

	2004	2003
Purchased software	**$ 9,056**	$ 8,789
Internally developed software	**3,442**	3,013
Less accumulated amortization	**(9,314)**	(8,815)
Net software	**$ 3,184**	$ 2,987

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 2003 and 2002 financial statements and footnotes to conform to the presentation used in 2004.

We have begun to classify investments in auction-rate securities and variable rate demand notes as available-for-sale securities. These investments were included in cash and cash equivalents in previous periods ($75.3 million at December 31, 2004 and $75.1 million at December 31, 2003), and such amounts have been reclassified in the accompanying consolidated financial statements to conform to the current period classification. This reclassification had no effect on the amounts of total current assets, total assets, or net income.

NOTE 2: Recently Issued Accounting Pronouncements

In December 2004, the Financial Accounting Standards Board (FASB) released its final revised standard, Statement of Financial Accounting Standards (SFAS) No. 123R, Share-Based Payment. SFAS 123R requires that a public entity measure the cost of equity based service awards based on the grant-date fair value of the award. That cost will be recognized over the period during which an employee is required to provide service in exchange for the award or the vesting period. No compensation cost is recognized for equity instruments for which employees do not render the requisite service. A public entity will initially measure the cost of liability based service awards based on its current fair value; the fair value of that award will be remeasured subsequently at each reporting date through the settlement date. Changes in fair value during the requisite service period will be recognized as compensation cost over that period. We have no outstanding liability based service awards. SFAS 123R also requires that the benefits of tax deductions in excess of recognized compensation cost to be reported as a financing cash flow, rather than as an operating cash flow as is currently required. This requirement will reduce net operating cash flows and increase net financing cash flows in periods after the effective date. Adoption of SFAS 123R is required for interim or annual periods beginning after June 15, 2005. We adopted SFAS 123 in the first quarter of 2004 through the provisions allowed in SFAS 148. The adoption of SFAS 123R in the third quarter of 2005 will not have a material impact on our consolidated financial position, results of operations, or cash flow.

NOTE 3: Available-For-Sale Securities

Our investments consist of investment-grade marketable debt securities, auction rate preferred securities and municipal auction rate notes. These investments, which have original maturities beyond one year, may be classified as short-term based on their highly liquid nature and because these securities represent the investment of cash that is available for current operations. All are classified as available-for-sale and recorded at fair value. The carrying value of available-for-sale securities approximates fair market value due to their short maturities. Unrealized holding gains and losses are recorded, net of any tax effect, as a separate component of accumulated other comprehensive income. The gross realized gains and losses on sales of available-for-sale securities were not material for the years ended December 31, 2004, 2003, and 2002. As of December 31, 2004 and 2003, we had $121.6 million and $120.8 million in available-for-sale securities.

NOTE 4: Goodwill and Other Intangible Assets

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

	Unamortizable intangible assets	Amortizable intangible assets
December 31, 2003		
Gross	$ 169,832	$ 3,445
Accumulated amortization	(11,929)	(2,477)
Net	$ 157,903	$ 968
December 31, 2004		
Gross	**$ 185,964**	**$ 6,054**
Accumulated amortization	**(11,929)**	**(3,202)**
Net	**$ 174,035**	**$ 2,852**

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.

The change in the carrying amount of goodwill for the year ended December 31, 2004, is as follows (in thousands):

Balance December 31, 2003	$155,070
Goodwill associated with acquisitions	16,132
Balance December 31, 2004	**$171,202**

Amortization expense for other intangible assets was $761,000 in 2004, $614,000 in 2003, and $705,000 in 2002. Estimated amortization expense for each of the five succeeding fiscal years based on the intangible assets at December 31, 2004 is as follows (in thousands):

2005	$710
2006	710
2007	548
2008	534
2009	311

NOTE 5: Lines of Credit

We have 3.2 million euros available under a line of credit at an interest rate of Euribor plus 45 basis points (2.58% at December 31, 2004). This discretionary line of credit has no expiration date. During 2004, we borrowed 25.4 million euros, or $31.7 million, all of which was repaid during the year. During 2003, we borrowed 23.0 million euros, or $26.4 million, all of which was repaid during the year. As of December 31, 2004 and 2003, the outstanding balance was zero. 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, 2004.

NOTE 6: Income Taxes

C.H. Robinson Worldwide, Inc. and its 80% (or more) owned U.S. subsidiaries file a consolidated federal income tax return. We file unitary or separate state returns based on state filing requirements.

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

	2004	2003	2002
Tax provision:			
Federal	**$73,459**	$53,573	$49,643
State	**11,495**	9,387	7,416
Foreign	**3,920**	2,303	3,452
	88,874	65,263	60,511
Deferred provision (benefit)	**(90)**	6,002	(43)
Total provision	**$88,784**	$71,265	$60,468

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:

	2004	2003	2002
Federal statutory rate	**35.0 %**	35.0%	35.0 %
State income taxes, net of federal benefit	**3.4**	3.2	2.7
Stock-based compensation	**0.6**	1.0	1.1
Foreign and other	**0.3**	0.7	1.4
	39.3 %	39.9%	40.2 %

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

	2004	2003
Deferred tax assets:		
Accrued compensation	**$ 14,060**	$ 7,295
Receivables	**8,087**	7,675
Other	**1,506**	1,941
Deferred tax liabilities:		
Intangible assets	**(14,417)**	(10,426)
Long-lived assets	**(3,551)**	(1,962)
Other	**(1,658)**	(586)
Net deferred tax assets	**$ 4,027**	$ 3,937

Income tax expense considers amounts which may be needed to cover exposures for open tax years. The Internal Revenue Service is currently auditing 2002 and 2003. We do not expect any material impact related to open tax years; however, actual settlements may differ from amounts accrued.

NOTE 7: Capital Stock and Stock Award Plans

Effective January 1, 2004, we adopted the fair value recognition provisions of SFAS 123, Accounting for Stock-Based Compensation, using the retroactive restatement method described in SFAS 148, Accounting for Stock-Based Compensation – Transition and Disclosure. Under the fair value recognition provisions of SFAS 123, stock-based compensation cost is measured at the grant date based on the value of the award and is recognized as expense over the vesting period. In connection with the use of the retroactive restatement method, income statement amounts have been restated for the years ending December 31, 2002 and 2003 to reflect results as if the fair-value method of SFAS 123 had been applied from its original effective date. Total compensation cost recognized in income for stock option awards was $8.2 million in 2004, $8.6 million in 2003, and $7.0 million in 2002. The December 31, 2003 balance sheet has been restated which resulted in a $1.7 million decrease in deferred tax liability and a $1.7 million increase in stockholders' investment.

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

STOCK AWARD PLANS – Our 1997 Omnibus Stock Plan allows us to grant certain stock awards, including stock options at fair market value and restricted shares and units, to our key employees and outside directors. A maximum of 9,000,000 shares can be granted under this plan; 2,842,877 shares were available for stock awards as of December 31, 2004.

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. Options issued to outside directors vest immediately.

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

	2003 Grants	2002 Grants
Risk-free interest rate	**2.85-3.5 %**	3.8-4.7 %
Expected dividend yield	**1.0%**	1.0%
Expected volatility factor	**24.3-38.2 %**	40.0-40.2 %
Expected option term	**7 years**	7 years
Fair value per option	**$ 9.72-11.73**	$ 11.42-13.18

The following schedule summarizes stock option activity in the plan.

	Stock Options	
	Shares	Weighted Average Exercise Price
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
Granted	**921,415**	**29.92**
Exercised	**(403,022)**	**14.30**
Terminated	**(117,285)**	**16.90**
Outstanding at December 31, 2003	**4,320,627**	**23.33**
Granted	35,312	44.00
Exercised	(473,299)	15.97
Terminated	(36,364)	29.48
Outstanding at December 31, 2004	3,846,276	$ 24.35
Exercisable at December 31, 2002	1,165,467	$ 12.75
Exercisable at December 31, 2003	1,468,081	$ 16.60
Exercisable at December 31, 2004	**1,876,346**	**$ 20.18**

Significant option groups outstanding at December, 31, 2004 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 Exercisable	Weighted Average Exercise Price for Exercisable Shares
$9.00-12.59	**661,656**	**$ 11.67**	**3.8**	**661,656**	**$ 11.67**
$20.35	**834,563**	**20.35**	**5.8**	**625,922**	**20.35**
$26.61-29.64	**2,258,434**	**29.00**	**7.2**	**524,645**	**28.42**
$30.74-35.00	**22,500**	**31.21**	**6.9**	**10,000**	**30.74**
$38.67-40.60	**69,123**	**40.07**	**6.2**	**54,123**	**40.46**
	3,846,276	**$ 24.35**	**6.3**	**1,876,346**	**$ 20.18**

During 2004, we awarded to certain key employees 29,950 restricted shares and 116,975 restricted units, which were granted under the 1997 Omnibus Stock Plan. These shares and units are subject to certain vesting requirements based on the performance of the company each year until December 31, 2008. The value of such stock was established by the market price on the date of grant. It is recorded as deferred compensation within stockholders' investment in the accompanying financial statements and is being expensed over the estimated vesting period. As of December 31, 2004, 9,584 restricted shares and 37,432 restricted units were vested.

During 2003, we awarded to certain key employees 718,750 restricted shares and 147,275 restricted units, which were granted under the 1997 Omnibus Stock Plan. These shares and units are subject to certain vesting requirements based on the performance of the company each year until December 31, 2007. As of December 31, 2004, 381,784 restricted shares and 81,001 restricted units were vested.

During 2004, 2002, and 2000, we awarded to certain key employees 3,000, 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 all restricted shares and units was $12.7 million in 2004, $7.7 million in 2003, and $921,000 in 2002.

EMPLOYEE STOCK PURCHASE PLAN – Our 1997 Employee Stock Purchase Plan allows our employees to contribute up to $10,000 of their annual cash compensation to purchase company stock. Purchase price is determined using the closing price on the last day of the quarter discounted by 15%. Shares are vested immediately. Employees purchased approximately 119,000, 134,000, and 140,000 shares of our Common Stock under this plan at an aggregate cost of $4.6 million, $4.2 million, and $4.0 million in 2004, 2003, and 2002.

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 282,100 and 433,300 shares of our common stock for the treasury at an aggregate cost of $9.9 million and $13.2 million in 2003 and 2002 under this stock repurchase plan. There are no shares remaining to be repurchased under this original plan.

During 1999, the Board of Directors authorized a second stock repurchase plan, allowing for the repurchase of 4,000,000 shares. We purchased 648,800 and 157,300 shares of our common stock for the treasury at an aggregate cost of $29.6 million and $6.2 million in 2004 and 2003 under this stock repurchase plan. There are 3,193,900 shares remaining for repurchase under this plan.

We reissued shares totaling 540,000, 518,000, and 448,000 in 2004, 2003, and 2002 for stock award and employee benefit plans.

NOTE 8: Commitments and Contingencies

EMPLOYEE BENEFIT PLANS – We participate in a defined contribution profit-sharing and savings plan which qualifies under section 401 (k) of the Internal Revenue Code and covers all eligible employees. Annual profit-sharing contributions are determined by our Board of Directors, in accordance with the provisions of the plan. We can also elect to make matching contributions to the plan at the discretion of our Board of Directors. Profit-sharing plan expense, including matching contributions, was approximately $15.6 million in 2004, $11.5 million in 2003, and $12.3 million in 2002.

NONQUALIFIED DEFERRED COMPENSATION PLAN – The Robinson Companies Nonqualified Deferred Compensation Plan provides certain employees the opportunity to defer a specified percentage or dollar amount of their cash and stock compensation. Participants may elect to defer up to 100% of their cash compensation. The accumulated benefit obligation was $2.9 million and $2.6 million as of December 31, 2004 and 2003, respectively. We have purchased investments to fund the future liability. The investments had an aggregate market value of $2.9 million as of December 31, 2004 and $2.6 million in 2003, 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 $16.3 million for 2004, $16.3 million for 2003, and $17.2 million for 2002. Minimum future lease commitments under noncancelable lease agreements in excess of one year as of December 31, 2004 are as follows (in thousands):

2005	$15,173
2006	12,704
2007	11,086
2008	8,885
2009	5,949
Thereafter	12,079
Total	**$65,876**

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. That lawsuit is still pending.

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. In addition, we have insurance coverage for some of the claims asserted in 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, and cash flows.

NOTE 9: Acquisitions

In 2004, we closed three acquisitions for a total of $19.1 million, which was paid primarily in cash: Camway Transportation Corporation, a third party logistics company based in Toledo, Ohio; Dalian Decheng Shipping Agency Co. Ltd, a non-vessel-operating common carrier based in China; and U.S. Traffic, Inc., a third party logistics company based in Lindon, Utah.

Goodwill recognized in these transactions amounted to $16.1 million. Other intangible assets related to these transactions amounted to $2.6 million.

NOTE 10: Subsequent Events

On February 14, 2005, we acquired the ongoing operations and certain assets of three produce sourcing and marketing companies, FoodSource, Inc. and FoodSource Procurement, LLC (“FoodSource entities”) and Epic Roots, Inc. (“Epic Roots”). The three companies combined had gross revenues of approximately $270 million in 2004.

The FoodSource entities provide a variety of produce sourcing and distribution services including produce procurement, contract management, private label brand management, new item development, merchandising, packaging and transportation of produce. The FoodSource entities have approximately 260 customers, including large retail grocery chains, retail grocery wholesalers, mid-range supermarkets, specialty food chains and foodservice distributors.

Epic Roots provides produce sales and product development services and is a key partner of FoodSource.

NOTE 11: Supplementary Data (unaudited)

Our results of operations for each of the quarters in the years ended December 31, 2004 and 2003 are summarized below (in thousands, except per share data).

2004	**March 31**	**June 30**	**September 30**	**December 31**
Gross revenues:				
Transportation	**$772,449**	**$ 871,678**	**$ 943,256**	**$1,009,866**
Sourcing	**166,243**	**197,244**	**172,026**	**175,294**
Information Services	**7,918**	**8,179**	**8,524**	**8,861**
Total gross revenues	**946,610**	**1,077,101**	**1,123,806**	**1,194,021**
Cost of transportation, products, and handling:				
Transportation	**642,609**	**737,462**	**793,108**	**848,333**
Sourcing	**154,417**	**181,584**	**158,525**	**164,509**
Total cost of transportation, products, and handling	**797,026**	**919,046**	**951,633**	**1,012,842**
Gross profits	**149,584**	**158,055**	**172,173**	**181,179**
Income from operations	**47,171**	**52,517**	**61,011**	**62,069**
Net income	**$ 29,072**	**$ 32,278**	**$ 37,349**	**$ 38,555**
Basic net income per share	**$ .34**	**$ .38**	**$ .44**	**$ .46**
Diluted net income per share	**$ .34**	**$ .37**	**$ .43**	**$ .44**
Basic weighted average shares outstanding	**84,621**	**84,677**	**84,616**	**84,543**
Dilutive effect of outstanding stock awards	**1,793**	**1,886**	**1,932**	**2,220**
Diluted weighted average shares outstanding	**86,414**	**86,563**	**86,548**	**86,763**

2003 [(1)]	March 31	June 30	September 30	December 31
Gross revenues:				
Transportation	$641,544	$ 723,232	$ 720,571	$ 760,587
Sourcing	167,914	204,702	191,249	174,074
Information Services	7,286	7,272	7,518	7,696
Total gross revenues	816,744	935,206	919,338	942,357
Cost of transportation, products, and handling:				
Transportation	527,560	608,266	605,221	640,184
Sourcing	156,093	190,915	178,296	162,262
Total cost of transportation, products, and handling	683,653	799,181	783,517	802,446
Gross profits	133,091	136,025	135,821	139,911
Income from operations	41,487	44,270	44,888	45,401
Net income	$ 25,140	$ 27,221	$ 27,212	$ 27,796
Basic net income per share	$ .30	$ .32	$ .32	$ .33
Diluted net income per share	$ .29	$ .32	$ .32	$ .32
Basic weighted average shares outstanding	84,332	84,391	84,401	84,425
Dilutive effect of outstanding stock awards	1,291	1,735	1,827	1,874
Diluted weighted average shares outstanding	85,623	86,126	86,228	86,299

(1) Results of Operations for 2003 have been restated for the retroactive adoption of the fair value recognition provisions of SFAS 123, Accounting for Stock-Based Compensation, as discussed in Note 7.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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 sheets of C.H. Robinson Worldwide, Inc. and subsidiaries (the "Company") as of December 31, 2004 and 2003, and the related consolidated statements of income, stockholders' equity, and cash flows for each of the three years in the period ended December 31, 2004. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2004 and 2003, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2004, in conformity with accounting principles generally accepted in the United States of America.

As described in Note 7 to the financial statements, the Company retroactively adopted Statement of Financial Accounting Standards No. 123, Accounting for Stock-Based Compensation, effective January 1, 2004.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the effectiveness of the Company's internal control over financial reporting as of December 31, 2004, based on the criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated March 11, 2005 expressed an unqualified opinion on management's assessment of the effectiveness of the Company's internal control over financial reporting and an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

Deloitte & Touche LLP

Minneapolis, Minnesota
March 11, 2005

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

C.H. Robinson Worldwide, Inc. and Subsidiaries

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

We have audited management's assessment, included in the accompanying Management's Report on Internal Control, that C.H. Robinson Worldwide, Inc. and subsidiaries (the "Company") maintained effective internal control over financial reporting as of December 31, 2004, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting. Our responsibility is to express an opinion on management's assessment and an opinion on the effectiveness of the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, evaluating management's assessment, testing and evaluating the design and operating effectiveness of internal control, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinions.

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

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

In our opinion, management's assessment that the Company maintained effective internal control over financial reporting as of December 31, 2004, is fairly stated, in all material respects, based on the criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2004, based on the criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated financial statements and financial statement schedule as of and for the year ended December 31, 2004 of the Company and our report dated March 11, 2005 expressed an unqualified opinion on those financial statements and financial statement schedule and included an explanatory paragraph regarding the company's adoption of a new accounting standard.

Deloitte + Touche LLP

Minneapolis, Minnesota
March 11, 2005

MANAGEMENT'S REPORT ON INTERNAL CONTROL

C.H. Robinson Worldwide, Inc. and Subsidiaries

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

Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on our evaluation under the framework in Internal Control - Integrated Framework, we concluded that our internal control over financial reporting was effective as of December 31, 2004. Our management's assessment of the effectiveness of our internal control over financial reporting as of December 31, 2004 has been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their report which is included herein.

John P. Wiehoff
President and Chief Executive Officer

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)	99.9%
C.H. Robinson Venezuela, C.A. (Venezuela)	100%
Spica Servicios Logisticos, C.A. (Venezuela)	100%
R.C. Aduanas, C.A. (Venezuela)	100%
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%
Robinson Holding Company (Minnesota)	100%
C.H. Robinson Company LP (Minnesota)	99%
Wagonmaster Transportation Co. (Minnesota)	100%

Comexter Robinson S.A. (Argentina)	100%
Payment & Logistics Services, Inc. (Minnesota)	100%
T-Chek Systems, Inc. (Minnesota)	100%
Robinson Logistica Do Brasil Ltda. (Brazil)	100%
C.H. Robinson Worldwide (Hong Kong) Ltd. (Hong Kong)	99.9%
C.H. Robinson Worldwide Logistics (Dalian) Co. Ltd. (China)	100%
C.H. Robinson Europe B.V. (Netherlands)	100%
C.H. Robinson (UK) (United Kingdom)	100%
C.H. Robinson Poland Sp. Zo.o (Poland)	100%
C.H. Robinson Deutschland GmbH (Germany)	100%
Robinson Europe SAS	100%
Robinson France SARL (France)	100%
C.H. Robinson Belgium BVBA (Belgium)	100%
Robinson Italia S.R.L. (Italy)	99.38%
C.H. Robinson Iberica SL (Spain)	99.99%
C.H. Robinson Hungary LLC (Hungary)	99.996%

EXHIBIT 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statements No. 333-53047 on Form S-8, No. 333-41027 on Form S-8, No. 333-41899 on Form S-8, No. 333-47080 on Form S-8, No. 333-67718 on Form S-8, and No. 333-110396 on Form S-8 of our reports dated March 11, 2005 relating to the financial statements and financial statement schedule of C.H. Robinson Worldwide, Inc. and subsidiaries (the "Company") (which report expresses an unqualified opinion and includes an explanatory paragraph relating to the adoption of Statement of Financial Accountings Standards ("SFAS") No. 123, *Accounting for Stock-Based Compensation* , described in Note 7) and management's report of the effectiveness of internal control over financial reporting, appearing in this Annual Report on Form 10-K of the Company for the year ended December 31, 2004.

/s/ Deloitte & Touche LLP

Minneapolis, Minnesota
March 11, 2005

EXHIBIT 24

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints each of John P. Wiehoff and Linda U. Feuss (with full power to act alone), as his or her true and lawful attorneys-in-fact and agent, with full power of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities, to sign the Annual Report on Form 10-K of C.H. Robinson Worldwide, Inc. for the fiscal year ended December 31, 2004, and any and all amendments to said Annual Report, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, and to file the same with such other authorities as necessary, granting unto said attorneys-in-fact and agents full power and authority to do and perform each and every act and thing requisite or necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agent, or their substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

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

Signature	Date
/s/ D.R. Verdoorn D.R. Verdoorn	March 15, 2005
/s/ ReBecca Koenig Roloff ReBecca Koenig Roloff	March 15, 2005
/s/ Robert Ezrilov Robert Ezrilov	March 15, 2005
/s/ Gerald A. Schwalbach Gerald A. Schwalbach	March 15, 2005
/s/ Wayne M. Fortun Wayne M. Fortun	March 15, 2005
/s/ Brian P. Short Brian P. Short	March 15, 2005
/s/ Michael W. Wickham Michael W. Wickham	March 15, 2005

Exhibit 31.1

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

I, John P. Wiehoff, certify that:

1. I have reviewed this annual report on Form 10-K of C.H. Robinson Worldwide, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

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

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 15, 2005

/s/ John P. Wiehoff
Signature
Name: John P. Wiehoff
Title: Chief Executive Officer

Exhibit 31.2

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

I, Chad M. Lindbloom, certify that:

1. I have reviewed this annual report on Form 10-K of C.H. Robinson Worldwide, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

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

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 15, 2005

/s/ Chad M. Lindbloom
Signature
Name: Chad M. Lindbloom
Title: Chief Financial Officer

Exhibit 32.1

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, 2004 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 15, 2005

Exhibit 32.2

**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, 2004 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 15, 2005