

When CHRW began operating in 1905 as a shipper of fresh produce, the concept of "just-in-time" inventory management was as distant as space travel. Yet the company's long-term experience in sourcing and transporting perishable goods has as much to do with its success today as it did nearly a century ago.

Today, lean supply chains are becoming the norm, with neither shippers nor recipients wishing to bear the cost of carrying excess inventory. CHRW has emerged as a linchpin for rapidly connecting shippers with their customers. We apply many of the skills we learned sourcing produce to the logistics demands of today's marketplace. For example, our rapid growth in the less-than-truckload (LTL) and short-haul transportation businesses traces directly back to the knowledge and experience we gained years ago in assembling LTL shipments of produce for delivery to food wholesalers and retailers.

Customers turn to us for our execution. As
CHRW has grown, we've become more efficient
in optimizing deliveries. We've also become better
able to provide the nationwide (or international)
transportation capacity that customers and the
times now demand. In our case, greater size
means greater efficiency and has given us the
breadth to handle a customer's individual shipping
transactions — or its entire transportation process.

CHRW GLOBAL TEAMWORK WORKS WONDERS FOR MEDIA COMPANY

To become the best, a company must continuously improve what it does best. For C.H. Robinson, that means sharpening its logistics management expertise. For one of the world's best-known and most successful media companies, it means strengthening its marketing edge – and using CHRW to manage fulfillment.

Because this large CHRW customer distributes marketing materials throughout North America, South America and Europe, it needs a transportation partner with global experience. "We handle the majority of the company's transportation and logistics needs," explains Brian Harms, CHRW international account manager.

Depending on the campaign, this might involve CHRW coordinating the delivery of raw materials – often overseas – to assembly facilities, as well as arranging shipment of the final product. Because the customer continues to fine-tune its marketing campaigns until the last minute and needs the completed materials out within days, CHRW must respond rapidly, flexibly and precisely using multiple modes of transportation.

"Because we're so involved in their marketing operations, we're able to find supply chain efficiencies for this company and its vendor partners," says Matt Babcock, CHRW manager. "We can favorably influence shipment sizes, prioritize shipments and select the best mode of transportation for the greatest net benefit. For instance, we'll hold several partial orders until a full shipment is ready in order to save on shipping costs, as long as it doesn't impede production schedules."

The media company expects CHRW to provide that level of attention to detail in orchestrating the work of vendors and carriers worldwide. "That means we get calls from halfway around the world at 3 a.m.," Brian says. "But that's why we're here."

Thank you, Brian and Matt, for being your best.

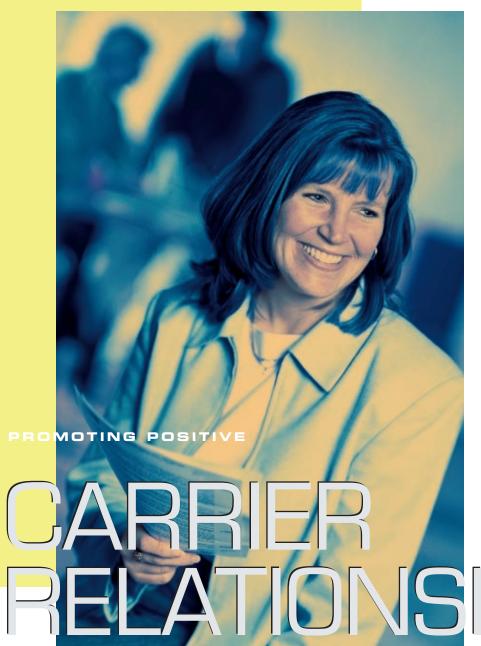


Brian Harms

CHRW international account manager, learns everything he can about all facets of a customer's transportation and logistics needs in order to provide high-quality service and be "on point" during the customer's most crucial times.

Amy Ebert

T-Chek Systems director of customer and sales support, has had a lot to be proud of in her 15-year career with the company, but she's especially pleased with the fact that T-Chek's availability and commitment to carrier satisfaction have made T-Chek the premier provider of fuel payment services and e-Business solutions for the transportation industry.



Truck drivers have been called the last of
America's cowboys — solitary icons spending nights
and days rolling over endless asphalt ribbons in
single-minded pursuit of their destinations. Like
many cultural legends, there's some truth to that
image. Yet romanticism aside, hauling loads is a
job — and often a difficult one.

That's why C.H. Robinson provides its contract motor carriers with a high level of service and amenities in order to attract and retain the best companies in the industry. For instance, since the early 1970s, T-Chek Systems has been delivering information technology services designed specifically for transportation and the trucking industry. And CHRW's willingness to pay carriers for a delivery immediately — even before the customer pays us — indicates the importance we assign to our carrier relationships.

We believe our message and methods have made an impact on the industry. We've assembled one of the largest networks of motor carrier capacity in North America, ranging from individual owner-operators to carriers with vast fleets. We also have one of the largest third-party intermodal logistics networks in the United States. With continental transportation capacity, backed by nearly 120 branch offices throughout North America, we're frequently the most logical choice for our customers. But we never forget that CHRW success begins and ends with our carriers.

CHRW AND ITS CARRIERS HAVE MUTUAL RESPECT

Foul weather, road congestion and mechanical problems can conspire to make a motor carrier's 30-minute delivery window – three days and 1,500 miles away – look as tiny as a gnat on a windshield. Because C.H. Robinson assumes ownership of a delivery the minute it leaves the dock, there's more than just a driver's reputation at stake.

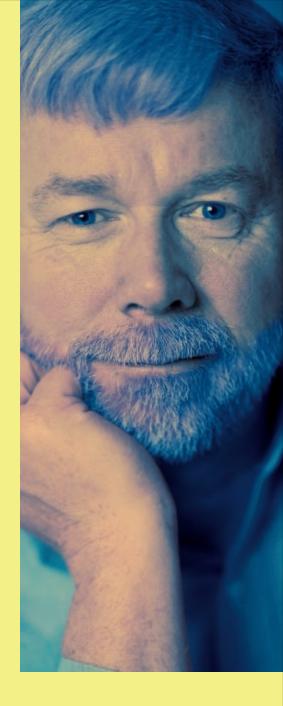
That's why Ron Carlson, CHRW transportation salesman, uses a watch-maker's precision to match customers' long-distance loads with high-quality carriers. "We have a lot of sophisticated technology to track carriers and shipments," he says. "But at the end of the day, it all boils down to a driver's ability to pick up and deliver on time."

For Ron, making CHRW the best means working with drivers like Maynard Johnson. A contract carrier with CHRW since 1986, Maynard owns and operates two Freightliner tractors and two refrigerated trailers that are ideal for his most frequent CHRW assignment: transporting 40,000-pound truckloads of cheese from a southern Minnesota creamery to East Coast wholesalers.

It's more than equipment that makes Maynard a good fit for CHRW customers. "Maynard is old-school, meaning he takes a lot of pride in his work," Ron says. "When I have a load that requires someone who knows what he's doing, I think of Maynard."

Maynard is tough enough to have endured millions of freeway miles during his four-decade career. But he softens when describing his fondness for CHRW. "Our relationship is like having a friend you've known all your life," he says. "We just work well together."





Ron Carlson

CHRW transportation salesman, often serves as a mentor and advisor to younger employees, who value his 22 years of experience with the company and the industry.



A typical concert orchestra can have up to 100 members, yet effortlessly glisten through the most complex pieces by working in unison. Despite its size, C.H. Robinson has a similar capacity for agility and harmony, thanks to its significant investments in technology. In 2000, BusinessWeek named CHRW one of 50 "Web-smart" companies and Forbes dubbed us one of the 200 "most promising B2Bs."

Awards are gratifying. But what matters most is how technology has enabled CHRW to grow its business by making it easier for carriers and customers to work with us and increasing our employee productivity. Carriers like CHRWtrucks.com because it allows them to rapidly post trucks, find loads and see upcoming freight opportunities. Shippers love the 24-hour-a-day access to ordering, rate information and shipment tracking and reporting on CHRWonline.com, knowing that with CHRW's experienced staff, vast network and load-optimization capabilities, they receive the best in service and efficiency. And CHRW employees enjoy the freedom to think more strategically and less tactically.

At CHRW, we know that people are both the users and the beneficiaries of our technology. That's why we make user-friendliness just as important as functionality. The result? Carriers and shippers who make checking their electronic links to CHRW as routine as the day's first cup of coffee.

CHRW TECHNOLOGY HELPS BEVERAGE COMPANY BOOST REVENUE

As the holiday season is to retailers, so is summer to the American soft drink industry. Miss the mark in this high-volume, low-margin business just as temperatures start to climb and you miss a critical opportunity to grow the business that year.

When C.H. Robinson began working in early 2000 with one of the nation's largest soft drink manufacturers and distributors, it found the company needed assistance with some fundamental logistics issues. Shipments frequently were late or overly costly, and the company head-quarters often worked with shipping data that was weeks or months old.

Kevin Six, CHRW national sales manager, knew he could provide the beverage company with the best logistics technology, personnel and distribution capability possible. But the start of the critical summer season was just weeks away. Could CHRW get the beverage company ready?

To pull it off, CHRW assembled a special team of 15 employees from around the country and created a dedicated carrier fleet. It also relied heavily on its electronic data interchange (EDI) system, which allows the beverage company to post delivery loads electronically and have instant access to scanned documents, such as shipping receipts. "With this system, we can see the order coming and have the shipping capacity ready," Kevin says.

According to the customer's transportation group, the beverage company increased volume 20 percent, cut in-house costs by more than \$200,000 and won a vendor award from one of its top customers for the first time in company history. "It's been a win-win for everyone," Kevin says. "They lowered their costs and increased revenue; we gained a top-50 customer."

Thank you, Kevin, for your efforts to make C.H. Robinson its best.



Kelly Titterud

CHRW business analyst, uses technology to help analyze typical client transportation issues, such as cost, lane analysis, and on-time performance, and makes recommendations for improvement.

Kevin Sherwood

CHRW branch manager, Ann Arbor, Michigan, uses his seven years of national sales and managing experience to help branch personnel reach their personal and professional goals while promoting the teamwork atmosphere essential to the success of C.H. Robinson.



In any team sport, ultimate success often depends more on the depth and quality of the entire team than on the skills of individual players. At CHRW, that's our game plan for victory, 365 days a year.

CHRW has no benchwarmers. All 3,700 employees, in 137 branch offices worldwide, must work together to achieve success for clients, for the company and ultimately for themselves. Because each branch operates as an independent business unit, an employee's total compensation depends greatly on branch success. Branch salespeople typically receive about one-third of their compensation in performance-based pay. Incentives for branch managers often account for roughly two-thirds of their pay. All CHRW job candidates indicate, through a pre-hire personality profile, the potential to thrive in a service-oriented, high-intensity environment.

CHRW believes it is inherently better able to serve its clients because we promote an independent workforce. Our employees know that consistently acting in a client's best interest is in their own best interest. We truly believe that by doing what's right for our clients, we do what's best for CHRW — and for our shareholders.

EVERYONE CONTRIBUTES

Sherry Rasmussen CHRW national account manager, knows that although she's gained considerable knowledge during her nine years with C.H. Robinson, she's able to deliver the greatest value when requesting and using the industry-specific expertise of her colleagues.

CHRW INPUT DELIVERS IMPROVED EFFICIENCY FOR PAPERMAKER

Just because the railroad runs a spur line to your backyard doesn't mean rail is the best or most economical way to ship. That's what a major paper products company learned when it asked Sherry Rasmussen, national account manager for C.H. Robinson, to provide logistics advice.

Originally, the paper company thought Sherry could help extract better pricing and service from the railroad in exchange for its long-time annual business: shipping 175,000 tons (3,200 boxcars) of a pulp product from Mississippi to the East Coast. But Sherry, who had worked with the paper company for several years, thought there might be a better option. She was right.

Working with other CHRW offices that have expertise in trucking (Jackson, Miss.), intermodal transport (Atlanta) and rail (Iowa City, Iowa), Sherry analyzed the company's shipping records. She discovered that the best cost- and time-saving solution was to move 80 percent of the company's shipping volume by truck or intermodal and deliver the remaining 20 percent by rail.

"The paper company was maintaining a pool yard of 100 boxcars, but sometimes using only five a day and waiting days for the railroad to send an engine," Sherry explains. "It takes II to I5 days to ship by rail. It takes two days by truck, or five to six days by intermodal."

While rail offered the best transaction-based price, it wasn't the best deal overall. "I factored in the company's inventory carrying costs, including the time while product sat in boxcars, as well as the cost of downtime when the product didn't arrive on time," Sherry says. "We discovered the company could reduce its overall distribution costs and provide better just-in-time service to its customers using truck and intermodal."

Thank you Sherry, for dedicating yourself to being your best.

C.H. Robinson Worldwide, Inc. Serving 14,000 customers around the world, C.H. Robinson Worldwide, Inc., is a leading global provider of multimodal transportation services and logistics solutions, operating through a network of 137 offices in North America, South America and Europe. The ability of the company's 3,700 employees to provide innovative thinking, exceptional customer service and flawless execution has contributed significantly to C.H. Robinson's strong record of growth and achievement. Within North America, C.H. Robinson is one of the largest third-party logistics companies and has one of the single largest networks of motor carrier capacity, through its contracts with more than 20,000 carriers. The company was founded in 1905. Since October 15, 1997, the company's common stock has traded on the Nasdaq National Market under the symbol CHRW.

FINANCIAL HIGHLIGHTS

C.H. Robinson Worldwide, Inc. and Subsidiaries

(Dollars in thousands, except per share amounts)		2000		1999	1999-2000 % change
(Donars in triousarius, except per snare amounts)		2000		1777	76 CHange
Gross revenues	\$ 2	2,882,175	\$ 2	2,261,027	27.5%
Net revenues	\$	419,343	\$	293,283	43.0%
Operating income	\$	117,008	\$	83,828	39.6%
Net income	\$	71,242	\$	53,349	33.5%
Net income per share ⁽¹⁾					
Basic	\$.84	\$.65	29.2%
Diluted	\$.83	\$.64	29.7%
Dividends per share ⁽¹⁾	\$.170	\$.145	17.2%
Return on average stockholders' investment		26.2%		27.2%	(3.7)%
Diluted weighted average number of common shares		05.717		03.007	
outstanding (in thousands)(1)		85,717		83,006	_
Long term debt	\$	_	\$	_	_
Number of branches, end of year		137		131	4.6%
Number of employees, end of year		3,677		3,125(2)	17.7%
Average net revenues per employee	\$	122	\$	120(3)	1.7%

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

⁽²⁾ Includes 538 employees related to the acquisition of all of the operations and certain assets and liabilities of American Backhaulers, Inc.

⁽⁹⁾ Includes the effects of revenues and weighted average employees and branch count for 15 days related to the acquisition of all of the operations and certain assets and liabilities of American Backhaulers, Inc.

TO OUR SHAREHOLDERS

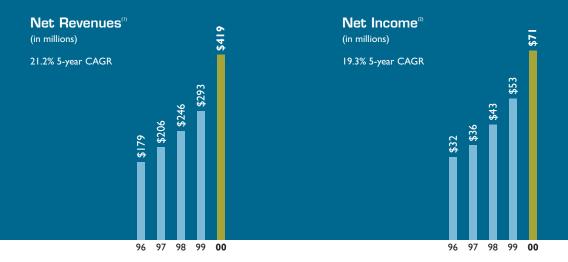
C.H. Robinson was at its best in 2000. Net revenue surged 43.0 percent to \$419.3 million, up from a previous all-time high of \$293.3 million in 1999. Net income was up 33.5 percent to \$71.2 million. And diluted net income per share increased 29.7 percent to \$0.83, compared with \$0.64 per share in 1999.

Yet we measure our success in "being our best" beyond financial gains. In 2000, we added over 500 highly skilled and motivated employees to our talented workforce. We made faster-than-expected progress in our integration of Chicago Central (formerly American Backhaulers), the largest acquisition in our company's history. We achieved our expectations for expanding our less-than-truckload (LTL) and short-haul truckload businesses — gains that we believe will pay off significantly in the future. We enhanced our load-optimization system, *CHRuser*, that will leverage CHRW's huge network and streamline relationships between CHRW customers and carriers. Finally, and perhaps most significantly to readers of this report, we enjoyed a stock price rise of 58 percent and approved another dividend increase.

Solid Gains, Stable Leadership

In an era when companies in all industries are reinventing themselves to fit the perceived market need *du jour*, CHRW has achieved consistent success by adhering to our core principles: we're a non-asset-based, people-intensive service company focused on growth. With the emphasis we place on planning well, setting realistic but demanding goals, and maintaining our core identity, you could call us a purposeful growth company. Not flashy, but certainly successful.

Our place as one of the world's leading third-party transportation and logistics companies is due, first and foremost, to our ability to find the right people to execute the systems and processes we've refined throughout our nearly century-long history. Decades ago, we were like a diamond in the rough, exhibiting great potential yet with unfinished edges. Today, thanks to the people we have with us, we are much more polished and a shining example of success within a highly fragmented industry.



Estimates of the total size of our market vary, but a Bank of America Securities report published in 2000 indicated the value of the U.S. logistics market to be worth roughly \$900 billion (and the international market more than twice that amount). So despite what we believe is the greatest transportation capacity within North America, we still have minimal market penetration. It's one reason we're comfortable continuing to target a minimum annual growth rate of 15 percent.

Progress in Our Business Units

While each of our business segments – transportation, sourcing and information services – posted growth in 2000, transportation again captured the limelight, both for its growth rate and its overall contribution to CHRW revenue. Transportation revenue increased 51.9 percent to \$355.1 million, with approximately half of that gain coming from the American Backhaulers acquisition. Overall, transportation accounted for 85 percent of our total net revenues.

We've succeeded in transportation because we have the capacity and capability to meet the market's needs head-on. Realizing the high cost of maintaining transportation functions in-house, companies are increasingly outsourcing this work to CHRW. We added several new clients and experienced strong organic growth last year.

Sourcing continues to be an important facet of our business, contributing 10 percent to our net revenues in 2000, despite serving a consolidating customer base. We introduced two new produce lines last year, under the Welch's® and Tropicana® brands, and will continue to seek opportunities to do more. In 2001, we plan to focus our attention on growing our business with large food retailers and seeking additional supply-chain management opportunities, including services such as business analysis, vendor-managed inventory replenishment and transporting perishable products.

Information Services, comprised primarily of our subsidiary T-Chek Systems, contributed 5 percent of net revenues in 2000. The T-Chek fuel card, used primarily by mid-sized trucking firms as a means of monitoring a driver's fuel purchases, is seeking to expand into other carrier markets. Additionally,T-Chek Systems is working to grow customer interest in additional data services, such as driver payroll and fuel management.

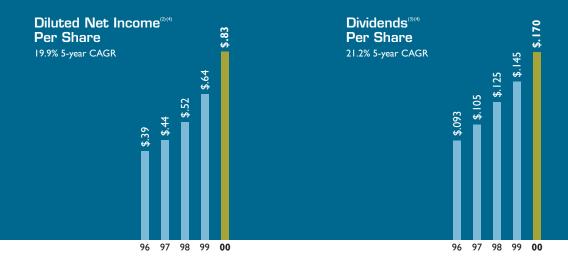
We have two means of capturing business opportunities overseas. Through our North American offices, we are increasingly developing our freight-forwarding capability, using international air and ocean transportation modes, as well as offering customs brokerage services to provide inter-continental services. Our nearly 20 branch offices in Europe and South America combined are building many

⁽¹⁾ Net revenues are determined by deducting cost of transportation and products from gross revenues.

⁽²⁾ Continuing operations excluding offering charges and expenses and other unusual effects of our initial public offering in October 1997.

⁽³⁾ Excludes special dividends and distributions related to our initial public offering in October 1997.

⁽⁴⁾ On October 24, 2000, the Company's Board of Directors declared a two-for-one stock split effected in the form of a 100% stock dividend distributed on December 1, 2000 to shareholders of record as of November 10, 2000. All share and per share amounts have been restated to reflect the retroactive effect of the stock split.



of the same intra-continental transportation services that their North American counterparts provide. In 2001, we will continue to develop continental freight networks in these offices.

Although 2000 was relatively quiet for acquisitions, we did acquire a strategic new capability in Trans-Consolidated Inc., a third-party, temperature-controlled LTL provider, and we continued to evaluate a number of candidates. Near-term, our growth will depend on expanding the business we currently own. Before we make any acquisition, we must be certain that the need and cultural compatibility are truly right for CHRW.

The Evolution of CHRW Employees

We continue to be impressed with the caliber and potential of our employees. Walk into any of our branch offices and you'll immediately find employees consistently achieving success for themselves and for CHRW. As a means of rewarding and retaining our best performers, we enhanced our incentive-based compensation system last year to make it even more attractive and to additionally encourage employees to pursue profitable service-oriented business growth.

We've always been focused on attracting and keeping the best people in all areas of our company. Being surrounded by personnel as talented as these, we can't help but be optimistic about our future. On a final note, we completed our first full year together at the leadership helm of CHRW – and are pleased to affirm our agreement on its strategic direction. Since assuming his presidency in 1999, John has taken an everincreasing role in managing all facets of the company. As further leadership changes develop, shareholders should know that the only real story will be: it's business as usual at CHRW.

Even with the success we've enjoyed as a public company, we take nothing for granted. We began 2001 the same way we start each year – hopeful and optimistic about our prospects, yet realizing that even with customers we've known for decades, we must work daily to earn their business. That, in sum, is what being our best is all about.

Thank you for your support of our mission.

D.R. "Sid" Verdoorn

Chairman of the Board and

Chief Executive Officer

John Wiehoff

John Wiehoff

President

SELECTED CONSOLIDATED FINANCIAL AND OPERATING DATA

C.H. Robinson Worldwide, Inc. and Subsidiaries

(Dollars in thousands, except per share data)		2000		1999		1998	1997	1997 as adjusted ⁽²⁾ (unaudited)		1996
Statement of Operations Data (For the years ended December 31)								(anadace)		
Gross revenues	\$2 ,	,882,175	\$2	2,261,027	\$2	,038,139	\$ 1,790,785	\$ 1,790,785	\$ I	,605,905
Net revenues ⁽¹⁾		419,343		293,283		245,666	206,020	206,020		179,069
Income from operations		117,008		83,828		68,443	32,079	56,735		50,029
Net income		71,242		53,349		43,015	11,492	36,148		32,442
Net income per share(3)										
Basic	\$.84	\$.65	\$.52	\$.14	\$.44	\$.39
Diluted	\$.83	\$.64	\$.52	\$.14	\$.44	\$.39
Weighted average number of shares outstanding ⁽³⁾ (in thousands)										
Basic		84,529		82,456		82,432	82,570	82,570		83,598
Diluted		85,717		83,006		82,618	82,604	82,604		83,598
Dividends and distributions per share(3)	\$.170	\$.145	\$.125	\$ 1.265	\$.105	\$.093
Balance Sheet Data (as of December 31)										
Working capital	\$	113,988	\$	67,158	\$	135,245	\$ 109,042	\$ 109,042	\$	114,070
Total assets		644,207		522,661		409,116	340,628	340,628		320,780
Total long-term debt		_		_		_	_	_		_
Stockholders' investment		297,016		246,767		169,518	138,981	138,981		154,428
Operating Data (as of December 31)										
Branches		137		131		120	119	119		108
Employees		3,677		3,125		2,205	1,925	1,925		1,665
Average net revenues per employee	\$	122	\$	120	\$	119	\$ 115	\$ 115	\$	115

⁽¹⁾ Net revenues are determined by deducting cost of transportation and products from gross revenues. See "Management's Discussion and Analysis of Financial Condition and Results of Operations."

⁽a) Excludes unusual charges and expenses of \$24,656 related to our initial public offering and special dividends and distributions related to our initial public offering in October 1997.

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

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

General

Gross revenues represent the total dollar value of services and goods we sell to our customers. Our costs of transportation and products include the contracted 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 execution and procurement of these services for our customers. Our net revenues (gross revenues less cost of transportation and products) 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 measurement of growth. Accordingly, the discussion of results of operations below focuses on the changes in our net revenues.

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 operating income and income from continuing operations have been lower in the first quarter than in the other three quarters. Seasonality in the transportation industry has not had a significant impact on our results of operations or our cash flows in recent years. Also, inflation has not materially affected our operations due to the short-term, transactional basis of our business. However, we cannot fully predict the impact seasonality and inflation may have in the future.

2000 Compared to 1999

Revenues. Gross revenues for 2000 were \$2.88 billion, an increase of 27.5% over \$2.26 billion for 1999. Net revenues for 2000 were \$419.3 million, an increase of 43.0% over \$293.3 million for 1999, resulting from an increase in transportation services net revenues of 51.9% to \$355.1 million, an increase in sourcing net revenues of 2.4% to \$43.8 million, and an increase in information services net revenues of 22.4% to \$20.4 million. Our net revenues increased at a faster rate than our gross revenues primarily due to the different growth rates of our service lines. Our information services net revenues as a percentage of gross revenues is highest of our three lines, followed by our transportation business and finally our sourcing business.

The increase in transportation services net revenues of 51.9% resulted from internal growth of approximately 22% and growth from acquisitions which added approximately 30%. Net revenue margin on the truck business increased slightly during the year, primarily due to the mix of services provided. Our international air and ocean business grew from both adding new customers and expanding business with existing customers.

Sourcing net revenues increased 2.4%. We continued to expand our sourcing business with large retailers, but this was offset by a decline in business with produce wholesalers because of industry consolidation.

Results of Operations

The following table summarizes our net revenues by service line:

For the years ended December 31,

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(Dollars in thousands)	2000	1999	Change	1998	Change
Net revenues					
Transportation	\$355,141	\$233,848	51.9%	\$189,797	23.2%
Sourcing	43,793	42,759	2.4	44,229	(3.3)
Information services	20,409	16,676	22.4	11,640	43.3
Total	\$419,343	\$293,283	43.0%	\$245,666	19.4%

The following table represents certain statement of operations data shown as percentages of our net revenues:

For the years ended December 31,	2000	1999	1998
Net revenues	100.0%	100.0%	100.0%
Selling, general and administrative expenses	72.1	71.4	72.1
Income from operations	27.9	28.6	27.9
Investment and other income	0.2	1.6	1.1
Income from operations before provision for income taxes	28.1	30.2	29.0
Provision for income taxes	11.1	12.0	11.5
Net income	17.0%	18.2%	17.5%

Information services net revenues increased 22.4%. T-Chek related revenues, which represented approximately 90% of the information services business, had year-to-date growth of approximately 29%. Other non-T-Chek information services business had declining net revenues for the year ended December 31, 2000.

Selling, General and Administrative Expenses. Selling, general and administrative expenses for 2000 were \$302.3 million, an increase of 44.3% over \$209.5 million for 1999. Selling, general and administrative expenses as a percentage of net revenues were 72.1% and 71.4% in 2000 and 1999. This increase was primarily due to increased costs associated with our growth and our acquisitions.

Income from Operations. Income from operations was \$117.0 million for 2000, an increase of 39.6% over \$83.8 million for 1999. Income from operations as a percentage of net revenues was 27.9% and 28.6% for 2000 and 1999.

Investment and Other Income. Investment and other income was \$0.8 million for 2000, a decrease of 83.9% from \$4.6 million for 1999. This decrease was the result of lower cash and investment balances in 2000 compared to 1999. In December 1999, we used \$100 million in cash and investments for the purchase of American Backhaulers, Inc.

Provision for Income Taxes. The effective income tax rate was 39.5% for 2000 and 39.7% for 1999. 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 \$71.2 million for 2000, an increase of 33.5% over \$53.3 million for 1999. Basic net income per share increased by 29.2% to \$0.84 for 2000 compared to \$0.65 for 1999. Diluted net income per share increased by 29.7% to \$0.83 for 2000 compared to \$0.64 for 1999.

1999 Compared to 1998

Revenues. Gross revenues for 1999 were \$2.26 billion, an increase of 10.9% over \$2.04 billion for 1998. Net revenues for 1999 were \$293.3 million, an increase of 19.4% over \$245.7 million for 1998, resulting from an increase in transportation services net revenues of 23.2% to \$233.8 million, a decrease in sourcing net revenues of 3.3% to \$42.8 million, and an increase in information services net revenues of 43.3% to \$16.7 million. Our net revenues increased at a faster rate than our gross revenues due to the different growth rates of our service lines.

Our information services net revenues as a percentage of gross revenues was highest of our three lines, followed by our transportation business and finally our sourcing business.

The increase in transportation services net revenues of 23.2% resulted from internal growth of approximately 18% and growth from 1999 acquisitions of approximately 5%. Revenue per transaction remained consistent from 1998 to 1999. This increase in transaction volume and net revenues was driven by significant expansion of business with current customers and from new domestic and international customers.

Sourcing net revenues decreased by 3.3% due principally to difficult comparisons caused by abnormal net revenue growth of 16.2% during 1998 compared to 1997, which was created by adverse weather conditions in major produce growing areas during 1998. We continued to expand our sourcing business with large retailers, but this was offset by a decline in business with produce wholesalers because of industry consolidation.

The increase in information services net revenue was the result of significant growth in transaction volume from new and existing customers and growth in market share due to consolidation of our competitors in the information services industry. As consolidation has occurred among our competitors, we have been able to add customers that were seeking new service providers.

Selling, General and Administrative Expenses. Selling, general and administrative expenses for 1999 were \$209.5 million, an increase of 18.2% over \$177.2 million for 1998. Selling, general and administrative expenses as a percentage of net revenues were 71.4% and 72.1% in 1999 and 1998. The decrease in selling, general and administrative expenses as a percentage of net revenues was due primarily to cost containment efforts in fixed cost areas while growing net revenue at 19.4%.

Income from Operations. Income from operations was \$83.8 million for 1999, an increase of 22.5% over \$68.4 million for 1998. Income from operations as a percentage of net revenues was 28.6% and 27.9% for 1999 and 1998.

Investment and Other Income. Investment and other income was \$4.6 million for 1999, an increase of 63.5% from \$2.8 million for 1998. This increase was the result of the growth in cash and investments throughout the year. In December 1999, we used \$100 million in cash and investments for the purchase of American Backhaulers, Inc.

Provision for Income Taxes. The effective income tax rate was 39.7% for both 1999 and 1998. 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 \$53.3 million for 1999, an increase of 24.0% over \$43.0 million for 1998. Basic net income per share increased by 25.0% to \$0.65 for 1999 compared to \$0.52 for 1998. Diluted net income per share increased by 23.1% to \$0.64 for 1999 compared to \$0.52 for 1998.

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 \$79.9 million and \$49.6 million as of December 31,2000 and 1999. In conjunction with our December 1999 acquisition of American Backhaulers, Inc. (ABH), we used \$100.0 million of our cash and cash equivalents on hand. In addition, we entered into a debt facility to fund our expected short-term cash needs. Working capital at December 31, 2000 and 1999 was \$114.0 million and \$67.2 million. We have had no long-term debt for the last five years and have no material commitments for future capital expenditures. We have not experienced a material business or financial impact with the conversion to the Euro.

We generated \$74.5 million, \$51.9 million and \$77.6 million of cash flow from operations in 2000, 1999 and 1998. This was due to net income generated, adjusted primarily for depreciation and amortization and the net change in accounts receivable and accounts payable. Our net cash provided by operating activities was highest in 1998 due partially to the timing of federal income tax payments. We had a \$17.3 million income tax receivable as of December 31, 1997, which was collected in 1998.

We used \$24.1 million, \$88.8 million and \$31.6 million of cash flow for investing activities in 2000, 1999 and 1998. In 2000, we spent approximately \$15.5 million to fund capital expenditures. The cash used in 1999 was primarily due to \$112.2 million spent for acquisitions and \$9.4 million to fund capital expenditures necessary for continued growth, offset by \$30.5 million generated by sales and maturities of available-for-sale securities (net of purchases).

We also used \$20.1 million, \$12.7 million and \$9.2 million of cash flow for financing activities in 2000, 1999 and 1998. This was due primarily to quarterly cash dividends and share repurchases for our employee stock plans. We have declared a \$0.05 per share dividend payable on April 2, 2001 to shareholders of record as of March 9, 2001.

We have \$40.0 million available under an existing line of credit at an interest rate of LIBOR plus 60 basis points (6.60% as of December 31, 2000). During 2000, we had gross borrowings on this facility of \$210.5 million, all of which was repaid by June 2000.

The maximum outstanding balance during the 12 months was \$14.0 million. There were no borrowings during 1999 or 1998. Our credit agreement contains certain financial covenants, but does not restrict the payment of dividends. We were in compliance with all covenants of the agreement as of December 31, 2000. The line of credit expires on December 16, 2002 and we expect to be able to renew the line of credit in the future.

We also have 20 million French francs available under a line of credit at an interest rate of Euribor plus 90 basis points (5.76% at December 31, 2000). This discretionary line of credit has no expiration date. As of December 31, 2000, the outstanding balance was 13.0 million French francs or \$1.8 million, which is included in income taxes and other current liabilities. 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, 2000.

Assuming no change in our current business plan, management believes that our available cash, together with expected future cash generated from operations and the amounts available under our lines of credit, are expected to be sufficient to satisfy our anticipated needs for working capital, capital expenditures and cash dividends for all future periods.

Market Risk

We had approximately \$79.9 million of cash and investments on December 31, 2000, all of which were cash and cash equivalents. Substantially all of the cash equivalents are money market securities from domestic issuers. 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 investing practices.

Our discussion and analysis of our financial condition and results of operations, including our market risk discussions, contain forward-looking statements, including our current assumptions about future financial performance, anticipated problems and our plans for future operations, which are subject to various risks and uncertainties. Our actual results may differ significantly. Further discussion of factors that may cause a difference may be found in an exhibit to the Company's Form 10-K filed with the Securities and Exchange Commission.

CONSOLIDATED BALANCE SHEETS

C.H. Robinson Worldwide, Inc. and Subsidiaries

(In thousands, except per share data) As of December 31,	2000	1999
Assets		
Current assets:		
Cash and cash equivalents	\$ 79,912	\$ 49,637
Receivables, net of allowance for doubtful accounts of \$22,712 and \$18,280	354,953	270,296
Deferred tax asset	21,219	18,480
Prepaid expenses and other	2,296	2,854
Inventories	1,859	1,785
Total current assets	460,239	343,052
Property and equipment	58,827	51,387
Accumulated depreciation and amortization	(29,425)	(26,640)
Net property and equipment	29,402	24,747
Goodwill, net of accumulated amortization of \$7,701 and \$1,729	145,604	144,625
Other intangible assets, net of accumulated amortization of \$5,084 and \$4,396	8,570	8,951
Other assets	392	1,286
	\$644,207	\$522,661
Liabilities and Stockholders' Investment		
Current liabilities:		
Accounts payable	\$285,932	\$231,592
Accrued expenses –		
Compensation and profit-sharing contribution	33,456	28,115
Income taxes and other	26,863	16,187
Total current liabilities	346,251	275,894
Deferred tax liabilities	940	_
Total liabilities	347,191	275,894
Commitments and contingencies (Notes 4 and 7)		
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; 85,008 and 84,772 shares issued, 84,621 and 84,568 outstanding	8,462	4,228
Additional paid-in-capital	101,571	98,958
Retained earnings	204,463	147,586
Deferred compensation	(6,980)	177,500
Cumulative other comprehensive loss	(1,049)	(1,053)
Treasury stock at cost (387 and 204 shares)	(9,451)	(2,952)
Total stockholders' investment	297,016	246,767
securiora i mountaine	\$644,207	\$522,661

The accompanying notes are an integral part of these consolidated balance sheets.

CONSOLIDATED STATEMENTS OF OPERATIONSC.H. Robinson Worldwide, Inc. and Subsidiaries

(In thousands, except per share data)					
For the years ended December 31,	2000		1999		1998
Gross revenues	\$2,882,175	\$2	2,261,027	\$2	,038,139
Cost of transportation and products	2,462,832	I	,967,744	- 1	,792,473
Net revenues	419,343		293,283		245,666
Selling, general and administrative expenses	302,335		209,455		177,223
Income from operations	117,008		83,828		68,443
Investment and other income	750		4,649		2,844
Income before provision for income taxes	117,758		88,477		71,287
Provision for income taxes	46,516		35,128		28,272
Net income	\$ 71,242	\$	53,349	\$	43,015
Basic net income per share	\$.84	\$.65	\$.52
Diluted net income per share	\$.83	\$.64	\$.52
Basic weighted average shares outstanding	84,529		82,456		82,432
Dilutive effect of outstanding stock awards	1,188		550		186
Diluted weighted average shares outstanding	85,717		83,006		82,618

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

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' INVESTMENT AND COMPREHENSIVE INCOME

C.H. Robinson Worldwide, Inc. and Subsidiaries

(In thousands, except per share data)
For the years ended December 31, 2000, 1999 and 1998

	Common Shares Outstanding	Amount	Additional Paid-in Capital	Retained Earnings	Deferred Compen- sation	Cumulative Other Com- prehensive Loss	Treasury Stock	Total Stockholders' Investment
Balance, December 31, 1997	41,265	\$ 4,126	\$ 62,108	\$ 73,465	\$ -	\$ (718)	\$ -	\$ 138,981
Net income	_	_	_	43,015	_	_	_	43,015
Other comprehensive income:								
Foreign currency translation adjustment	_	_	-	_	_	(427)	_	(427)
Comprehensive income	_	_	_	_	_	_	_	42,588
Cash dividends, \$.125 per share	_	_	_	(10,302)	_	_	_	(10,302)
Stock issued for employee benefit plans	63	6	(115)	_	_	_	1,430	1,321
Tax benefit on deferred compensation plans	_	_	61	_	_	_	_	61
Repurchase of common stock	(138)	(13)	_	_	_	_	(3,118)	(3,131)
Balance, December 31, 1998	41,190	4,119	62,054	106,178	-	(1,145)	(1,688)	169,518
Net income	_	_	_	53,349	_	_	_	53,349
Other comprehensive income:								
Foreign currency translation adjustment	_	_	_	_	_	92	_	92
Comprehensive income	_	_	_	_	_	_	_	53,441
Cash dividends, \$.145 per share	_	_	_	(11,941)	_	_	_	(11,941)
Stock issued for employee benefit plans	58	6	51	_	_	_	1,472	1,529
Stock issued in acquisition (Note 2)	1,121	112	36,813	_	_	_	_	36,925
Tax benefit on deferred compensation plans	_		40	_	_	_	_	40
Repurchase of common stock	(85)	(9)	_	_	_	_	(2,736)	(2,745)
Balance, December 31, 1999	42,284	4,228	98,958	147,586	_	(1,053)	(2,952)	246,767
Net income	_	_	_	71,242	_	_	_	71,242
Other comprehensive income:								
Foreign currency translation adjustment	_	_	-	_	_	4	_	4
Comprehensive income	_	_	_	_	_	_	_	71,246
Cash dividends, \$.170 per share	_	_	_	(14,365)	_	_	_	(14,365)
Stock dividend (Note I)	42,284	4,228	(4,228)	_	_	_	_	_
Stock issued for employee benefit plans	181	18	(168)	_	_	_	3,400	3,250
Issuance of restricted stock (Note 6)	237	24	6,976	_	(7,000)	_	_	_
Reduction of deferred compensation (Note 6)	_	_	_	_	20	_	_	20
Tax benefit on deferred								
compensation plans	_	_	33	_	_	_	-	33
Repurchase of common stock	(365)	(36)	_				(9,899)	(9,935)
Balance, December 31, 2000	84,621	\$8,462	\$101,571	\$204,463	\$(6,980)	\$(1,049)	\$(9,451)	\$297,016

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

CONSOLIDATED STATEMENTS OF CASH FLOWS

C.H. Robinson Worldwide, Inc. and Subsidiaries

(In thousands) For the years ended December 31,	2000	1999	1998
Operating Activities			
Net income	\$ 71,242	\$ 53,349	\$ 43,015
Adjustments to reconcile net income to net cash provided by operating activities			
Depreciation and amortization	17,318	10,133	8,521
Deferred compensation expense	20	_	_
Deferred income taxes	(513)	(4,822)	(9,272)
(Gain) loss on sale of assets	298	(178)	141
Changes in operating elements, net of effects of acquisitions -			
Receivables	(82,196)	(35,196)	(11,056)
Prepaid expenses and other	570	3,907	(1,379)
Inventories	(74)	1,703	(374)
Accounts payable	52,875	25,748	20,027
Accrued compensation and profit-sharing contribution	5,286	339	5,275
Accrued income taxes and other	9,664	(3,105)	22,750
Net cash provided by operating activities	74,490	51,878	77,648
Investing Activities			
Purchases of property and equipment	(15,491)	(9,433)	(5,071)
Sales of property and equipment	360	430	1,981
Cash paid for acquisitions, net of cash acquired	(5,898)	(112,216)	(6,799)
Sales of long-term investments	-	1,300	_
Sales/maturities of available-for-sale securities	-	44,172	37,594
Purchases of available-for-sale securities	-	(13,643)	(57,900)
Change in other assets, net	(3,063)	553	(1,380)
Net cash used for investing activities	(24,092)	(88,837)	(31,575)
Financing Activities			
Stock issued for employee benefit plans	3,250	1,529	1,321
Repurchase of common stock	(9,935)	(2,745)	(3,131)
Cash dividends and distributions	(13,438)	(11,529)	(7,419)
Net cash used for financing activities	(20,123)	(12,745)	(9,229)
Net increase (decrease) in cash and cash equivalents	30,275	(49,704)	36,844
Cash and cash equivalents, beginning of year	49,637	99,341	62,497
Cash and cash equivalents, end of year	\$ 79,912	\$ 49,637	\$ 99,341
Cash paid for income taxes	\$ 39,096	\$ 42,348	\$ 34,848
Cash paid for interest	\$ 151	\$ -	\$ -
Supplemental disclosure of noncash activities:			
Stock issued in acquisition (Note 2)	\$ -	\$ 36,925	\$ -
Restricted stock awarded (Note 6)	\$ 7,000	\$ -	\$ -

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

C.H. Robinson Worldwide. Inc. and Subsidiaries

1. Summary of Significant Accounting Policies

Basis of Presentation – C.H. Robinson Worldwide, Inc. and its Subsidiaries ("the Company," "we," "us," or "our") is a global provider of multimodal transportation services and logistics solutions through a network of 137 branch offices in 40 states throughout the United States, along with offices in Canada, Mexico, South America and Europe. The consolidated financial statements include the accounts of C.H. Robinson Worldwide, Inc. and its majority owned and controlled subsidiaries. Minority interests in subsidiaries are not significant. All significant intercompany transactions and balances have been eliminated in the consolidated financial statements.

Use of Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Ultimate results could differ from those estimates.

Revenue Recognition – Gross revenues consist of the total dollar value of goods and services purchased by customers. We act principally as the service provider for these transactions and recognize revenue as these services are rendered and goods are delivered.

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

Foreign Currency – All 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 and comprehensive income.

Segment Reporting and Geographic Information – We have adopted the provisions of Statement of Financial Accounting Standards No. 131, "Disclosure About Segments of an Enterprise and Related Information" (SFAS No. 131). SFAS No. 131 establishes accounting standards for segment reporting. We operate in a single segment.

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):

	2000	1999	1998
Gross revenues			
United States	\$2,754,292	\$2,144,386	\$1,935,191
Other locations	127,883	116,641	102,948
	\$2,882,175	\$2,261,027	\$2,038,139
		2000	1999
Long-lived assets			
United States		\$37,204	\$33,882
Other locations		1,160	1,102
		\$38,364	\$34,984

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.

Inventories – Inventories consist primarily of produce, fruit concentrates and related products held for resale and are stated at the lower of cost or market.

Property and Equipment – Property and equipment additions are recorded at cost. Maintenance and repair expenditures are charged to expense as incurred. Depreciation is computed using straight-line and accelerated methods over the estimated lives of the assets of three to 10 years. Amortization of leasehold improvements is computed over the shorter of the lease term or the estimated useful lives of the improvements.

Intangible Assets – Goodwill and other identifiable intangible assets are being amortized over their estimated economic lives, ranging from three to 40 years. We periodically evaluate whether events and circumstances have occurred that indicate the remaining balance of intangible assets may not be recoverable.

Income Per Share – Basic net income per common share is computed by dividing net income by the weighted average number of shares of common stock outstanding during the period. Diluted net income per common share is computed under the treasury stock method and is calculated to compute the dilutive effect of outstanding options and other securities.

Comprehensive Income – Comprehensive income includes any changes in the equity of an enterprise from transactions and other events and circumstances from nonowner sources. Our foreign currency translation adjustment is currently our only component of other comprehensive income and is presented on our consolidated statements of stockholders' investment and comprehensive income.

Recently Issued Accounting Pronouncements – Effective January 1, 2001, we have adopted the provisions of Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities (SFAS No. 133)" and Statement of Financial Accounting Standards No. 137, "Accounting for Derivative Instruments and Hedging Activities – Deferral of the Effective Date of FASB Statement No. 133 (SFAS No. 137)." SFAS No. 133 establishes accounting and reporting standards requiring that every derivative instrument (including certain derivative instruments imbedded in other contracts) be recorded in the balance sheet as either an asset or liability measured at its fair value. SFAS No. 133 requires changes in the derivatives' fair value be recognized currently in earnings unless specific hedge accounting criteria are met. SFAS No. 133 did not have any impact on our consolidated statements of operations or balance sheets.

In December 1999, the Securities and Exchange Commission ("SEC") issued Staff Accounting Bulletin No. 101 "Revenue Recognition in Financial Statements" ("SAB 101"). SAB 101, as amended, summarizes some of the SEC's views in applying generally accepted accounting principles to revenue recognition in financial statements. We have adopted SAB 101 and determined it was not material.

2. Acquisition of American Backhaulers, Inc.

On December 16, 1999, we acquired all of the operations and certain assets and liabilities of American Backhaulers, Inc. (ABH). ABH was a privately held, non-asset-based third-party transportation provider, located primarily in Chicago, Illinois. The purchase price of the assets was \$136,925,000, including \$100,000,000 in cash and 2,241,430 newly issued shares of our common stock. We accounted for the acquisition using the purchase method of accounting, with assets acquired including primarily goodwill and other identifiable intangible assets. We are amortizing the goodwill associated with the acquisition over 40 years, and all other intangible assets over periods ranging from three to seven years. Our results of operations include the operations of ABH from the closing date through December 31, 2000. Pro forma operating results of the combined enterprise assuming this transaction had occurred on January I, 1998 are as follows for the years ended December 31 (unaudited, in thousands, except per share data):

	1999	1998
Net revenues		
Pro forma	\$345,706	\$286,185
Income before income taxes		
Pro forma	\$ 91,264	\$ 67,824
Net income		
Pro forma	\$ 55,032	\$ 40,898
Basic net income per share		
Pro forma	\$.65	\$.49
Diluted net income per share		
Pro forma	\$.64	\$.48

3. Marketable Securities

In December 1999, we liquidated our portfolio of marketable securities to fund the acquisition of ABH. We have historically classified all of our marketable securities as available-for-sale. Available-for-sale securities are carried at amortized cost, which approximates market value. The unrealized gains and losses were not material as the fair value approximates amortized cost. The gross realized gains and losses on sales of available-for-sale securities were not material for the years ended December 31, 1999 or 1998.

4. Lines of Credit

We have \$40.0 million available under an existing line of credit at an interest rate of LIBOR plus 60 basis points (6.60% as of December 31, 2000). During 2000, we had gross borrowings on this facility of \$210.5 million, all of which was repaid by June 2000. The maximum outstanding balance during the 12 months was \$14.0 million. There were no borrowings during 1999 or 1998. Our credit agreement contains certain financial covenants, but does not restrict the payment of dividends. We were in compliance with all covenants of the agreement as of December 31, 2000. The line of credit expires on December 16, 2002 and we expect to be able to renew the line of credit in the future.

We also have 20 million French francs available under a line of credit at an interest rate of Euribor plus 90 basis points (5.76% at December 31, 2000). This discretionary line of credit has no expiration date. As of December 31, 2000, the outstanding balance was 13.0 million French francs or \$1.8 million, which is included in income taxes and other current liabilities. 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, 2000.

5. Income Taxes

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

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

	2000	1999	1998
Tax provision:			
Federal	\$38,744	\$33,207	\$29,97 4
State	7,114	5,649	5,862
Foreign	1,171	1,094	1,708
	47,029	39,950	37,544
Deferred provision (benefit)	(513)	(4,822)	(9,272)
Total provision	\$46,516	\$35,128	\$28,272

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

	2000	1999	1998
Federal statutory rate	35.0%	35.0%	35.0%
State income taxes, net of federal benefit	3.1	2.7	4.1
Foreign and other	1.4	2.0	.6
	39.5%	39.7%	39.7%

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

	2000	1999
Deferred tax assets:		
Receivables	\$ 6,929	\$ 6,735
Accrued expenses	7,291	7,092
Amortization	_	1,303
Accrued compensation	3,995	1,409
Other	4,264	5,396
Deferred tax liabilities:		
Long-lived assets	(1,577)	(2,169)
Amortization	(623)	_
Net deferred taxes	\$20,279	\$19,766

6. Capital Stock and Stock Award Plans

Preferred Stock – Our Certificate of Incorporation (Certificate) authorizes the issuance of 20,000,000 shares of Preferred Stock, \$.10 per share, none of which is outstanding. The Preferred Stock may be issued by resolution of our board of directors from time to time without any action of the stockholders. The Preferred Stock may be issued in one or more series and the board of directors may fix the designation and relative powers, including voting powers, preferences, rights, qualifications, limitations and restrictions of each series, so authorized. The issuance of any such series may have an adverse effect on the rights of holders of Common Stock or impede the completion of a merger, tender offer or other takeover attempt.

Common Stock – Our Certificate authorizes 130,000,000 shares of Common Stock, par value \$.10 per share. Subject to the prior rights of any series of Preferred Stock which may from time to time be authorized and 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 pro rata the net assets of the Company legally available for distribution upon liquidation or dissolution.

Holders of Common Stock are entitled to one vote for each share of Common Stock held on each matter to be voted on by the holders of Common Stock, including the election of directors. Holders of Common Stock are not entitled to cumulative voting, which means that 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.

Share Repurchase Program – In conjunction with our initial public offering, our board of directors authorized a stock repurchase plan which allows management to repurchase 2,000,000 common shares for reissuance upon the exercise of employee stock options and other stock plans. During 1999, the board of directors also authorized a second stock repurchase plan, allowing for the repurchase of 4,000,000 shares. We purchased approximately 364,600, 170,000 and 276,000 shares of our common stock for the treasury at an aggregate cost of \$9,935,000, \$2,745,000 and \$3,131,000 in 2000, 1999 and 1998 under the initial stock repurchase plan. No shares have been repurchased under the 1999 stock repurchase plan.

Stock Award Plans – We have a 1997 Omnibus Stock Plan to grant certain stock awards, including stock options at fair market value and restricted shares, to our key employees and outside directors. A maximum of 4,000,000 shares can be granted under this plan; 892,680 shares were available for stock awards as of December 31, 2000. The contractual lives of all options granted are 10 years.

The following schedule summarizes activity in the plans:

		Stock Options Weighted
		Average
	Shares	Exercise Price
Outstanding at		
December 31, 1997	951,334	\$ 9.00
Granted	-	_
Exercised	_	_
Terminated	(87,242)	9.00
Outstanding at		
December 31, 1998	864,092	9.00
Granted	977,090	12.59
Exercised	(2,500)	9.00
Terminated	(77,620)	11.27
Outstanding at		
December 31, 1999	1,761,062	10.90
Granted	1,166,400	20.35
Exercised	(37,260)	9.00
Terminated	(59,934)	14.12
Outstanding at		
December 31, 2000	2,830,268	14.75
Exercisable at		
December 31, 1998	_	_
Exercisable at		
December 31, 1999	225,698	9.00
Exercisable at		
December 31, 2000	396,993	\$ 9.00

We follow the provisions of Statement of Financial Accounting Standards No. 123, "Accounting for Stock-Based Compensation" (SFAS No. 123) which encourages, but does not require, a fair value based method of accounting for employee stock options or similar equity instruments. As permitted under SFAS No. 123, we have continued to account for employee stock options using the intrinsic value method outlined in Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees."

Accordingly, we have not recognized any compensation expense for our stock options. Had compensation expense for our stock-based compensations plans been determined based on the fair value at the grant dates consistent with the method of SFAS No. 123, our net income and net income per share would have been as follows (in thousands, except per share amounts):

			2000		1999
Net income	As reported	\$7	1,242	\$53	3,349
	Adjusted	\$69	9,448	\$52	2,540
Basic income per share	As reported	\$.84	\$.65
	Adjusted	\$.82	\$.64
Diluted income per share	As reported	\$.83	\$.64
	Adjusted	\$.81	\$.63

The adjusted effects to net income presented reflect compensation costs for all outstanding options, which were granted during 1997, 1999 and 2000. The compensation cost is being reflected over the options' vesting period of five years. Therefore, the full impact of calculating compensation costs of options under SFAS No. 123 is not reflected.

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

2000 Grant		1999 Grant	1997 Grant
Risk-free interest rate	6.79%	5.10%	5.72%
Expected dividend yield	1.00%	1.00%	1.00%
Expected volatility factor	30.21%	30.00%	25.00%
Expected option term	7 years	7 years	7 years
Fair value per option	\$7.94	\$4.66	\$3.05

Restricted Share Award – During 2000, the Company awarded to certain key employees 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. During 2000, \$20,000 was charged to expense related to the restricted shares.

7. Commitments and Contingencies

Employee Benefit Plans – We participate in a defined contribution profit-sharing and savings plan which qualifies under section 401(k) of the Internal Revenue Code and covers all full-time employees with one or more years of continuous service. Annual profit-sharing contributions are determined by each company's 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. We contributed a 4% match in 2000 and a 3% match in 1999. Profit-sharing plan expense, including matching contributions, was approximately \$8,838,000 in 2000, \$5,928,000 in 1999 and \$4,560,000 in 1998.

Non-Qualified Deferred Compensation Plan – During 2000, the Company adopted the Robinson Companies Nonqualified Deferred Compensation Plan that provides to a select group of management and highly compensated employees the opportunity to defer a specified percentage or dollar amount of their cash compensation. Participants may elect to defer up to 100% of their cash compensation. The plan also permits participants to defer the delivery of shares of Company Common Stock representing the gain on the exercise of incentive stock options and nonqualified stock options. The Company's obligations under this plan are unfunded, and they are unsecured general obligations of the Company.

Lease Commitments – We lease certain facilities, equipment and automobiles under operating leases. Lease expense was \$18,191,000 for 2000, \$16,072,000 for 1999 and \$14,376,000 for 1998.

Minimum future lease commitments under noncancelable lease agreements in excess of one year as of December 31, 2000 are as follows (in thousands):

2001	\$12,803
2002	9,725
2003	5,921
2004	4,053
2005	1,151
Thereafter	496
	\$34,149

Litigation – We are currently not subject to any pending or threatened 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 financial condition or results of operations.

8. Supplementary Data (unaudited)

Our results of operations for each of the quarters in the years ended December 31, 2000 and 1999 are summarized below (in thousands, except per share data).

	Quarters Ended				
2000	March 3 I June 30		September 30	December 31	
Gross revenues	\$650,091	\$750,994	\$747,615	\$733,475	
Cost of transportation and products	551,716	644,596	640,461	626,059	
Net revenues	98,375	106,398	107,154	107,416	
Income from operations	25,089	31,436	30,150	30,333	
Net income	\$ 15,209	\$ 18,944	\$ 18,460	\$ 18,629	
Basic net income per share	\$.18	\$.22	\$.22	\$.22	
Diluted net income per share	\$.18	\$.22	\$.21	\$.22	
Basic weighted average shares outstanding	84,562	84,582	84,518	84,457	
Dilutive effect of outstanding stock awards	912	1,044	1,404	1,387	
Diluted weighted average shares outstanding	85,474	85,626	85,922	85,844	
		Quar	ters Ended		
1999	March 31	June 30	September 30	December 31	
Gross revenues	\$509,275	\$579,423	\$593,354	\$ 578,975	
Cost of transportation and products	442,256	506,027	518,351	501,110	
Net revenues	67,019	73,396	75,003	77,865	
Income from operations	16,911	22,060	22,193	22,664	
Net income	\$ 10,772	\$ 13,982	\$ 14,042	\$ 14,553	
Basic net income per share	\$.13	\$.17	\$.17	\$.18	
Diluted net income per share	\$.13	\$.17	\$.17	\$.17	
Basic weighted average shares outstanding	82,372	82,390	82,362	82,702	
Dilutive effect of outstanding stock awards	314	566	662	654	
Diluted weighted average shares outstanding	82,686	82,956	83,024	83,356	

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

C.H. Robinson Worldwide. Inc. and Subsidiaries

To C.H. Robinson Worldwide, Inc.:

We have audited the accompanying consolidated balance sheets of C.H. Robinson Worldwide, Inc. (a Delaware corporation) and Subsidiaries as of December 31, 2000 and 1999, and the related consolidated statements of operations, stockholders' investment and comprehensive income and cash flows for each of the three years in the period ended December 31, 2000. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial

statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of C.H. Robinson Worldwide, Inc. and Subsidiaries as of December 31, 2000 and 1999, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2000, in conformity with accounting principles generally accepted in the United States.

arthur andersen FJP

Minneapolis, Minnesota

January 29, 2001

REPORT OF MANAGEMENT

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

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

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

John P. Wiehoff

President

Chad M. Lindbloom

Vice President and Chief Financial Officer

CORPORATE AND SHAREHOLDER INFORMATION

C.H. Robinson Worldwide, Inc. and Subsidiaries

Board of Directors

D.R. Verdoorn, 62 Chairman of the Board and Chief Executive Officer C.H. Robinson Worldwide Director since 1975.

Looe Baker III, 51 Chief Executive Officer Brisan Ingredients, Inc. Director since 1984.

Barry W. Butzow, 54 Senior Vice President C.H. Robinson Worldwide Director since 1986.

Robert Ezrilov, 55 President Metacom, Inc. Director since 1995.

Owen P. Gleason, 49 Vice President, General Counsel and Secretary C.H. Robinson Worldwide Director since 1986.

Gregory D. Goven, 49 Senior Vice President C.H. Robinson Worldwide Director since 2000.

Dale S. Hanson, 62 Retired Vice President, Finance and Chief Financial Officer C.H. Robinson Worldwide Director since 1988.

Gerald A. Schwalbach, 56 Officer and Director Two S Properties, Inc. and Superior Storage I, LLC Director since 1997.

Corporate Officers

D.R. Verdoorn, 62 Chairman of the Board and Chief Executive Officer

John P. Wiehoff, 39 President

Barry W. Butzow, 54 Senior Vice President

Gregory D. Goven, 49 Senior Vice President

Owen P. Gleason, 49 Vice President, General Counsel and Secretary

James V. Larsen, 47 Vice President, Transportation

Chad M. Lindbloom, 36 Vice President and Chief Financial Officer

Thomas K. Mahlke, 29 Corporate Controller

Timothy P. Manning, 36 Vice President, Branch Operations

Joseph J. Mulvehill, 47 Vice President, International

Michael T. Rempe, 47 Vice President, Produce

Troy A. Renner, 36 Treasurer

Mark Walker, 43 Vice President and Chief Information Officer

Trading of Common Stock

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

2000*	Low	High
Fourth Quarter	\$23.969	\$32.500
Third Quarter	23.500	31.883
Second Quarter	17.500	25.938
First Quarter	18.625	25.500
1999*	Low	High
Fourth Quarter	\$ 14.063	\$ 21.031
Third Quarter	15.375	18.688
Second Quarter	12.875	18.375
First Quarter	12.500	14.813

^{*}Adjusted to reflect 2-for-1 stock split December 1, 2000.

Common Stock 2001 Dividend Dates

Expected Record: Expected Payment:

March 9 April 2

June 8 July 2

September 7 October 1

December 7 January 2, 2002

Investor/Analyst Contact

Chad M. Lindbloom
Vice President and
Chief Financial Officer

Angela K. Freeman
Director of Investor Relations
952-937-7847

952-937-7779

Annual Meeting

The annual meeting of stockholders is scheduled for Tuesday, May 1, 2001.

10-K Reports

Copies of the Annual Report on Form 10-K, filed with the Securities and Exchange Commission, are available on request from C.H. Robinson Worldwide, Inc., 8100 Mitchell Road, Eden Prairie, Minnesota 55344-2248.

Independent Public Accountants

Arthur Andersen LLP Minneapolis, Minnesota

Legal Counsel

Dorsey & Whitney LLP Minneapolis, Minnesota

Transfer Agent and Registrar

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

LOCATIONS

C.H. Robinson Worldwide, Inc. and Subsidiaries

11.5.10
United States
Alabama
Birmingham
Huntsville
Mobile
Arizona
Nogales
Phoenix
Arkansas
Arkansas Little Rock
Little Rock
Little Rock California
Little Rock California Fresno
Little Rock California Fresno Los Angeles

Commoducat
Hartford
Florida
Jacksonville
Miami
Orlando
Tampa

Connecticut

San Francisco

Colorado

Visalia

Denver

Georgia
Atlanta (2 locations

Illinois
Chicago (5 locations)
Peoria

lowa Des Moines Iowa City

Kansas Kansas City Wichita

Kentucky Louisville Louisiana

New Orleans Shreveport

Maryland **Baltimore** Massachusetts

Boston Michigan Ann Arbor Detroit

Charlotte Flint Raleigh **Grand Rapids**

Minnesota Minneapolis St. Paul

Mississippi Jackson Missouri St. Louis

Montana Whitefish

Springfield

Nebraska Omaha

Nevada Reno

New Jersey Secaucus

New Mexico Albuquerque

New York Buffalo New York City Rochester Syracuse

North Carolina Winston-Salem

North Dakota

Fargo

Ohio Akron Cincinnati Cleveland Columbus Toledo

Oklahoma Oklahoma City

Oregon Portland

Pennsylvania Philadelphia Pittsburgh Valley Forge

South Carolina Charleston Columbia Greenville

South Dakota Sioux Falls

Tennessee Knoxville Memphis Nashville

Texas Dallas El Paso Fort Worth Houston (2 locations) Laredo

Lubbock Plano San Antonio

Utah Salt Lake City

Virginia Richmond Roanoke

Washington Seattle Spokane Yakima

Wisconsin Madison Milwaukee

Canada

Calgary, Alberta London, Ontario Toronto, Ontario Montreal, Quebec Mexico

Guadalajara Mexico City Monterrey Nuevo Laredo TM

Europe

Brussels, Belgium Birmingham, England Leicester, England London, England Bordeaux, France Caen, France Lyon, France Metz, France Orleans, France Paris (Roissy), France Pau, France Augsburg, Germany Milan, Italy Warsaw, Poland Barcelona, Spain Bilbao, Spain Burgos, Spain Madrid, Spain

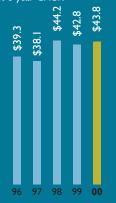
South America

Buenos Aires, Argentina São Paulo, Brazil Santiago, Chile Valencia.Venezuela

Transportation
Net Revenues

* Includes acquisition of American Backhaulers, Inc. on Dec. 16, 1999

Sourcing Net Revenues (in millions) 2.8% 5-year CAGR



Information Services
Net Revenues
(in millions)
33.2% 5-year CAGR



Transportation

C.H. Robinson is one of the largest third-party logistics companies in North America, and is a global provider of multimodal (truck, air, ocean and rail) transportation services. As a non-asset-based transportation provider, the company focuses on seeking solutions for its customers rather than its own asset utilization.

Major Customer Industry Segments Include:

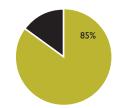
- Food and beveragePrinted materials
 - Retail
- Paper
- Agricultural products

Manufacturing

Competitive Advantages

- 137 offices
 - 40 states
- Europe
- Canada
- South America
- Mexico
- 2.3 million-plus shipments in 2000
- Flexibility of non-asset-based model
- Local knowledge with international capability
- Relationships with more than 20,000 motor carriers (one of the largest networks of capacity in North America)
- Complete multimodal capability
- Value-added logistics services
- Internet visibility for shippers and carriers via CHRWonline.com and CHRWtrucks.com

Percentage of CHRW Overall Net Revenues



Sourcing

When C.H. Robinson began in 1905, its primary business was in sourcing fresh produce. Today, the company still procures fresh produce for retailers, wholesalers and food service operators, yet also provides transportation logistics, category management, automatic vendor replenishment and electronic load tracking.

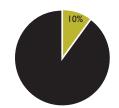
Markets Include:

- Wholesale food distributors
- Retail grocery
- Food service

Competitive Advantages

- Logistics capabilities
- · Branded products
- Custom sourcing programs
- · Global sourcing and infrastructure
- Category management
- Automatic vendor replenishment
- · Food safety and quality assurance programs
- 96 years of experience

Percentage of CHRW Overall Net Revenues



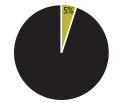
Information Services

C.H. Robinson's information services, primarily its subsidiary, T-Chek Systems, Inc., provides motor carriers with a full range of fuel purchase and technology services, including the T-Card® and online information related to fuel purchasing, route optimization, fuel tax reporting, driver funds transfer and fleet management.

Competitive Advantages

- · Utilization of industry-leading technology
- · Emphasis on customer service programs
- Underlying financial strength of CHRW

Percentage of CHRW Overall Net Revenues





8100 Mitchell Road Eden Prairie, Minnesota 55344-2248 952-937-8500 www.chrobinson.com



(Clockwise, from top)

Virma Behnke

Replenishment Analyst, Corporate Procurement and Distribution Services

Dennis White

Account Manager, Columbus, Ohio

Sean Christenson

Systems Analyst

Mary Jo Rudd

Logistics Analyst

Mike Ryan

Manager, Chicago Central

