

As we all live through the recession and financial crisis, C.H. Robinson's financial health and stability enable us to continue focusing on people, process, technology, and relationships.

The third area I would like to highlight is that our capable team of people continues to be the most important driver of our success. Our talent pool is as strong as ever. Our employees' work ethic, expertise, creativity, and drive to be successful are at the core of our success. That's a simple statement, but one that we really try to stay focused on, especially when times get challenging like they are now.

#### **Adapting to economic uncertainty**

We pride ourselves on our ability to build relationships and increase our market share by providing better service, better cost, and better solutions. As our customers are adjusting to economic conditions, we believe there are ways we can help them adapt. We remain very active in the market and are aggressively selling, bringing high service, financial stability, and variable-cost solutions to both shippers' and carriers' changing freight needs. The value of flexibility is as high as it has ever been.

As we continue to pursue market share, we are also carefully managing our risks. We continue to closely monitor our receivables and our credit risk to preserve our sound balance sheet.

It is also important that we continue to ensure that our variable cost model is as flexible as possible. People are our main asset, and managing our culture, staffing levels, and financial incentives are some of the primary challenges at C.H. Robinson. Our total number of employees at the end of 2008 was 7,961, down slightly from the end of the third quarter of 2008, but about an eight percent increase of total employees from the beginning of 2008. We pride ourselves on adapting to the market conditions and having variable compensation plans that enable us to share proportionately in the company's success. We think those plans worked well during 2008, and you see that in our results.

While we will certainly be managing and executing the same way during 2009, a prolonged environment of weak demand is the most challenging for us to manage through. Our model thrives on growth, new talent, and new relationships. Margin expansion and contraction of our variable compensation plans are helpful in shorter-term cycles, but they get more challenging as comparisons lap. And while we try to keep as much of our expenses as variable as possible, there are fixed components which cannot adjust as quickly or as completely as the marketplace has deteriorated. We will continue to work hard to aggressively manage our expenses and keep our model as variable as possible.

#### **Well-positioned for the challenges ahead**

We think we're as prepared as possible to manage through this recession. We feel very good about our longer-term outlook and our positioning for growth when freight demand returns and the economy strengthens. We feel great about the strength and depth of our team and the continued effectiveness of our business model, and we remain committed to our long-term growth goals. Our strategy of expanding services and building a global network is working. Our balance sheet and financial foundation are very sound. Our core asset remains our team of service-oriented, performance driven people. With their hard work and leadership, we are confident we will continue to find successes and emerge stronger and more competitive as we navigate through this very challenging period.

Thank you for your continued support,



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