One Year Price Chart

May 8, 2013

C.H. Robinson Worldwide, Inc. CHRW – NASDAQ Sell Trucking/Logistics

Analysis of Sales/Earnings

### 1Q13 Misses Street On Continued Y/Y Net Revenue Margin Decline; Reiterate Sell

Missed Street: 1Q13 EPS of \$0.64 missed the Street consensus by \$0.05. Furthermore, 1Q13 EPS decreased 1.5% y/y, or by \$0.01. We would point out that the 1Q13 EPS miss could have been worse if not for the company's variable compensation plan being reigned in as performance deteriorates.

**1Q13 net revenue margin (net revenue divided by gross revenue) declined from 16.3% in 1Q12 to 15.2% in the 1Q13.** The company generally continues to be unable to pass through all the increased cost of purchased services to its customers—especially in the company's truckload brokerage segment. Truckload net revenue (59% of 1Q13 net revenue) increased only 1.9% y/y while LTL net revenue (12.8% of 1Q13 net revenue) increased 12.9% y/y.

- Ocean, air, and customs revenue increased 4.5% y/y during 1Q13), after adjusting for the acquisition of Phoenix.
- Operating margin declined from 40.9% in 1Q13 to 37.0% in 1Q13 due to increases in personnel expense and depreciation/amortization expense as percentage of sales from headcount additions and the Phoenix acquisition.
- Phoenix acquisition continues to progress, with a long-term view towards net revenue margin improvement. 10 of the 35 overlapping offices have been combined. Long-term the company plans grow freight forwarding net revenue (ocean, air, and customs) from a pro forma combined \$300 million in 2012 to a range of \$500 million to \$600 million and return to the historical Phoenix operating margin of 30% in that time frame (currently in the low double digits—10% to 15%—in 1Q13).
- April net revenue margin in the company's North American Truckload brokerage business have been consistent y/y. However, 2Q12 net revenue margins were 14.4%—the lowest quarterly net revenue margins since 3Q02.
- Balance sheet remains strong, in our view. However, the company's debt-to-total capitalization and net debt-to-total capitalization ratios increased sequentially to 20.8% and 13.4%.
- We are decreasing our 2013, 2014, and 2015 EPS estimates from \$3.00, \$3.25, and \$3.50, to \$2.90, \$3.20, and \$3.45, respectively. Our updated estimates include the 1Q13 EPS miss, the continued softness in net revenue margin currently being experienced so far in 2Q13, as well as a reduction in net revenue and operating margin assumptions in our forecast period given management's comments regarding Phoenix.
- Reiterating our Sell. Our 12-month fair value estimate for the company's shares remains \$53 (or 15.5x our updated 2015 EPS estimate of \$3.45), and provides approximately 14% downside potential over the 12-month investment horizon—enough downside over the coming 12-months to reiterate our Sell

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Rating		ous	Current
Raung			Sell
Target Price			NA
FY13E EPS (Net	:) \$3.0	00	\$2.90
FY14E EPS (Net	:) \$3.2	25	\$3.20
FY13E Rev (Net)	\$1.8	8B	\$1.89B
FY14E Rev (Net)	\$1.9	8B	\$1.98B
Price (05/07/13):			\$61.56
52-Week Range:		\$	68 – \$51
Market Cap.(mm)	,		9,914.5
Shr.O/S-Diluted (	,		161.1
Enterprise Val. (r	,		10,145.2
Avg Daily Vol (3 I LT Debt/Total Ca	,	1	,659,218 20.8%
Net Cash/Share:	p.:		20.8% \$0.99
Book Value/Shar	e:		\$9.25
Dividend(\$ / %)		\$1.4	10 / 2.3%
			4 005 00
S&P Index			1,625.96
	2012.0	20125	
EPS (Net)	2012A	2013E	2014E
EPS (Net) Q1	\$0.65	\$0.64A	<b>2014E</b> \$0.72
EPS (Net) Q1 Q2	\$0.65 0.71	\$0.64A 0.74	<b>2014E</b> \$0.72 0.81
EPS (Net) Q1	\$0.65	\$0.64A	<b>2014E</b> \$0.72
EPS (Net) Q1 Q2	\$0.65 0.71	\$0.64A 0.74	<b>2014E</b> \$0.72 0.81
EPS (Net) Q1 Q2 Q3	\$0.65 0.71 0.72	\$0.64A 0.74 0.77	<b>2014E</b> \$0.72 0.81 0.85
EPS (Net) Q1 Q2 Q3 Q4	\$0.65 0.71 0.72 0.68	\$0.64A 0.74 0.77 0.75	<b>2014E</b> \$0.72 0.81 0.85 0.82

Rev (Net)	2012A	2013E	2014E
FY Dec	\$1.72B	\$1.89B	\$1.98B
EV/Revenue	5.9x	5.4x	5.1x



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1Q13 EPS of \$0.64 missed the Street consensus by \$0.05. Furthermore, 1Q13 EPS decreased 1.5% y/y, or by \$0.01. The 27 sell-side analysts carrying 1Q13 EPS estimates prior to the company's earnings release had published 1Q13 EPS estimates ranging from a low of \$0.65 to a high of \$0.71. Our estimate (\$0.67) sat slightly below the Street consensus (\$0.69). As such, the company missed the even the lowest estimate on the Street by \$0.01. Relative to our estimates, the company saw slightly higher top line revenue growth (17.3% y/y versus our forecasted increase of 15.4% y/y) but that was offset by a lower than forecasted net revenue margin (15.2% reported versus our forecast for 15.4% net revenue margin)—which also decreased 110 basis points y/y, as the company continues to experience increased competition from rapidly expanding high quality competitors—as well as higher personnel expenses y/y. We would point out that the 1Q13 EPS miss could have been worse if not for the company's variable compensation plan being reigned in as performance deteriorates. However, had the tax rate not been higher than previously anticipated (tax law change in California has increased management's 2013 expected tax rate from a range of 38% to 38.5% to a range of 38.25% to 38.75%)—equating to ~\$0.01 less in 1Q13 EPS—and had 1Q13 not included \$3.0 million in additional payroll tax expense (or ~\$0.01 in EPS) related to the delivery of previously vested restricted equity awards, 1Q13 EPS would have registered \$0.66, still below our EPS estimate as well as the Street consensus.

**Overall, 1Q13 net revenue margin (i.e., net revenue divided by gross revenue) declined from 16.3% in 1Q12 to 15.2% in the 1Q13.** In general, the company continues to be unable to pass through all the increased cost of purchased services to its customers. This is especially true in the company's truck brokerage segments (i.e., Truckload and LTL), which—even with the recent acquisitions and divestitures—combined to represent 72% of net revenue in 1Q13. Truckload volumes increased by 9% y/y and LTL shipments increased by 12% (both sequential declines from 4Q12's y/y growth rates of 12% and 16%, respectively). However, Truckload net revenue increased only 1.9% y/y as the y/y increase in cost per mile (+2.5% y/y) in North America outpaced the y/y increase in rate per mile (+1.5% y/y) in North America, leading to another y/y decline in Truckload net revenue margin—a continuing trend experienced over the last seven quarters. Similarly, the company noted that it experienced y/y net revenue margin compression in its LTL brokerage business although LTL net revenues increased 12.9% y/y from the volume increase and a slight increase in pricing.

**Intermodal net revenue decreased 6.4% y/y in 1Q13**. Despite increased pricing y/y, a decline in volumes and higher cost of capacity drove net revenue down y/y. This resulted as the company's Intermodal business continues to see a mix shift to larger customers, leading to lane mix change and less spot market/transactional business. The company does own domestic containers (~1,000) in its fleet and is looking to become more cost competitive in this segment, but it still has little impact on the company's EPS growth trajectory as it remains only 2.0% of net revenue in 1Q13 and has now seen y/y net revenue declines over the past four quarters.

Ocean freight forwarding net revenue increased 170% y/y in 1Q13, airfreight forwarding net revenue increased 89% y/y, and customs revenue increased 153% y/y, all due to the acquisition of Phoenix. Combined, the three increased 142% y/y. However, excluding revenue from the Phoenix acquisition, ocean, air, and customs net revenue increased 4.5% y/y. Increased net revenue in ocean resulted from increases in volume, pricing, and the segment's net revenue margin. In the airfreight forwarding segment, net revenues increased due to increased volumes in combination with increased pricing; however, net revenue margin did decline y/y. Combined, the ocean freight forwarding, airfreight forwarding, and

customs businesses represented 14.9% of net revenue during 1Q13, up from the 6.8% of net revenues they represented for the comparable period in 2012 due to the acquisition of Phoenix. In our forecast, we expect these three segments to increase to roughly 16% of net revenue by 2015, still relatively small compared to the ~70% share of net revenue that the company's truck brokerage business is forecasted to maintain.

**Other Logistics Services net revenues grew a robust 22% y/y in 1Q13.** As customers have more broadly utilized the company to perform warehousing, transportation management, small parcel, and other logistics services, the Other Logistics Services segment has emerged as a more meaningful contributor to the company's profitability. 1Q13 continued to be evidence of this trend as Other Logistics Services net revenues as a percentage of overall net revenues grew slightly y/y from 3.4% in 1Q12 to 3.8% in 1Q13.

Sourcing net revenues decreased 0.3% y/y in 1Q13 while 1Q13 payment services net revenues declined 83.2% y/y. The sourcing net revenue—which represented 7.0% of net revenue in the 1Q13, down from 7.7% in 1Q12—decline was due to a decrease in net revenue margin from volatile weather and commodity markets somewhat offset by volume growth of ~6% y/y. Payment services, which included T-Check revenue in the prior year period, were down y/y as a result of the completed divestiture. As such, payment services should continue to see large y/y declines throughout 2013.

**Operating margin declined from 40.9% in 1Q13 to 37.0% in 1Q13.** Operating margin (defined as operating income as a percentage of net revenue) deterioration was a result of increases in personnel expense and depreciation/amortization expense as percentage of sales. Personnel expenses increased y/y as a result of headcount additions, both from legacy C.H. Robinson businesses as well as the two completed acquisitions, in combination with a change in business mix—i.e. increase in lower operating margin businesses from the Phoenix acquisition. Note that the additions in headcount were partially offset by declines in variable incentive plans based on earnings growth, i.e., y/y operating margin deterioration could have been higher. Also of note, the company experienced additional payroll tax expense of \$3 million during the quarter (or ~\$0.01) related to the delivery of previously vested restricted equity awards—which occurs every three years (lookout 1Q16). Amortization expense increased y/y in 1Q13 as a percentage of sales to account for the Phoenix acquisition purchase price amortization expense.

Phoenix acquisition continues to progress, with a long-term view towards **net revenue margin improvement.** The company has focused on establishing a common leadership team and office locations in the five months post acquisition. As of the acquisition close back in November of 2012, the combined company had 140 offices (75 Phoenix and 65 C.H. Robinson), and 25% (35) of those offices were located in the same city as another. As such, the company is currently combining those offices, with 10 of the 35 having been physically combined to date. The other offices are currently sharing resources and working together under one common leadership. However, management expects that the integration of information systems—which management previously noted will need to occur in order to facilitate cross-selling, sharing account management practices, et cetera—and financial reporting will take an additional 18 months to get through. It appears that timeline has been pushed out slightly since the 4Q12 earnings conference call. Furthermore, management has plans to take its freight forwarding net revenue (ocean, air, and customs) from a pro forma combined \$300 million in 2012 to a range of \$500 million to \$600 million over the next five years, with a return to the historical Phoenix operating margin of 30% in that time frame. Currently, operating margins on the freight forwarding business have stepped down to low double digits (10% to 15%) on account of the mix of legacy lower

margin C.H. Robinson business and the inclusion of the purchase price allocation for Phoenix. Management is looking to deliver double digit revenue growth by taking share and expanding the company's network in a market that they expect to grow in the mid single digits. Margin expansion is expected to be attained from scale and increased efficiency.

April net revenue margin in the company's North American Truckload brokerage business have been consistent y/y. Although it is positive that the company is currently seeing flat y/y net revenue margins—when compared to continued y/y net revenue margin declines—we note that there is an easing of comps when comparing to 2Q12, where overall net revenue margins were 14.4%—the lowest quarterly net revenue margins since 3Q02.

**The company's balance sheet remains strong, in our view.** After the purchases of Phoenix International and Apreo Logistics as well as the divestiture of T-Chek, the company's debt-to-total capitalization and net debt-to-total capitalization ratios were only 20.8% and 13.4%—although that is up sequentially from 14.5% and 2.8% at the end of 2012. Additionally, the company repurchased 1.563 million shares of common stock at an average price of \$61.66 during 1Q13—851,555 from open market repurchases and 712,037 from withholding on the delivery of restricted stock in January—lowering its outstanding share count by 1.4% y/y. Going forward we expect the company to use its free cash flow to pay down debt, continue its share repurchase program, as well as pay its quarterly dividend. Additionally, we note that the company still maintains enormous financial dry powder to do additional acquisitions, but continues to have its hands full with the integration of recent acquisitions (namely Phoenix) and increased competition in the domestic truck brokerage market.

We are decreasing our 2013, 2014, and 2015 EPS estimates from \$3.00, \$3.25, and \$3.50, to \$2.90, \$3.20, and \$3.45, respectively. Our updated estimates include the 1Q13 EPS miss, the continued softness in net revenue margin currently being experienced so far in 2Q13, as well as a reduction in net revenue and operating margin assumptions in our forecast period given management's comments regarding Phoenix. Our estimates drive y/y EPS growth of 5.1%, 10.3%, and 7.8% in 2013, 2014, and 2015, respectively. Clearly our modeled y/y EPS growth rates do not fully rebound back to the company's stated long-term EPS growth objective (i.e., 15% EPS growth) as we believe that the company will struggle with acquisition integration, the law of big numbers, increased levels of competition in the domestic truckload brokerage arena, and a contraction of available capacity-even if the economy continues to grow modestly. Our model is predicated on a continuation of the 1.5% to 2.0% annual economic growth rate in the U.S. Our model assumes y/y gross revenue growth of 10.9%, 3.8%, and 3.1% and y/y net revenue growth of 10.0%, 5.0%, and 5.0% for the years 2013, 2014, and 2015, respectively. Lastly, for the three year forecast period, our net revenue (gross profit) margin assumptions are 15.0%, 15.2%, and 15.4%, and our operating margin assumptions are 40.3%, 41.5%, and 41.8%, respectively.

We are reiterating our Sell rating on the company's common shares. We continue to believe that the company will suffer from the law of large numbers and post unimpressive (<10% per year) year-over-year EPS growth versus the company's target EPS growth of 15% per year. We also believe that the company's truckload brokerage business will continue to see margin pressure as a result of the relative balance that has, of late, existed between supply and demand within the truckload sector—pushing up purchased transportation costs faster than the company can recoup with its customers under longer-term contracts—as well as from increased competition. Additionally, the company will be wrapped up with the integration of its recent fully priced acquisition of Phoenix International for over the next year, in our view. Our 12-month fair value estimate

for the company's shares remains \$53 (or 15.5x our updated 2015 EPS estimate of \$3.45). Given the common shares' recent trading price, approximately 14% downside potential exists over the 12-month investment horizon. That is enough downside over the coming 12-months to reiterate our Sell rating on the company's common shares. Furthermore, with the company's 2014 P/E multiple, book value multiple, PEG ratio, and enterprise value to projected 2013 EBITDA multiple all trading at respective, and varying, premiums to the both the non-asset-based forwarding/logistics group and the broader transportation and logistics group, we believe that the company's shares are currently overvalued.

#### **Company Description**

C.H. Robinson Worldwide, Inc., founded in 1905, is one of the largest third-party logistics companies in North America. The company is a global provider of multimodal transportation services and logistics solutions, serving 37,000 customers through a network of 234 offices in North America, South America, Europe and Asia. C.H. Robinson maintains the single largest network of motor carrier capacity in North America through contracts with more than 45,000 motor carriers, and is one of the largest third-party providers of intermodal services in the United States.

### **Equity Comps - Transportation**

	Comparative Valuation Matrix																					
(figures in \$US millions, except per share amounts)																						
		Closing Price	Diluted	Market	Total	Carl 6			ity value as		e of Book	TTM	Enterpris 2013E	e value as TTM	a multiple of TTM	TTM	TTM	TTM	TTM	PEG	Div.	2013E
Company name (Ticker)	Rating	5/7/2013	S/O	cap.	I otal Debt	Cash & equiv.	TEV (a)		nings per S 2013E <sup>(b)</sup>	2014E <sup>(b)</sup>	value	Revenue		EBITDA	EBITDAR <sup>(c)</sup>	EBIT	ROA	ROE	ROIC	ratio <sup>(d)</sup>	Div. Yield	FCF Yld
	ruung	5///2015	5,0	cup.	Beer	equit.					value	rtevenue	LDITDIT	LDITDIT		LDII	Ron	ROL	noie		Tield	101 14
Non-Asset-Based Forwarding / Logistics																						
C.H. Robinson Worldwide (CHRW)	Sell	61.56	161.1	9,914.5	390.6	159.9	10,145.2	22.3x	21.2x	19.2x	6.7x	5.8x	12.4x	13.3x	12.7x	14.1x	17.8%	32.3%		1.6		1.7%
DSV A/S (DSV-DK)	NC	DKK 137.10	188.3	25,816.5	1,161.1	72.1	26,954.7	NE	NE	NE	NM	3.6x	NE	NM	43.2x	NM	6.5%		14.5%	NM		NM
Echo Global Logistics (ECHO)	Buy	18.00	23.9	430.8	0.0	44.1	386.7	29.0x	22.0x	17.1x	3.0x	2.6x	9.2x	11.4x	10.7x	15.9x	6.7%	10.8%	10.8%	0.6	0.0%	5.3%
Expeditors International (EXPD)	Buy	38.73	206.5	7,997.6	0.0	1,394.7	6,618.8	24.7x	22.5x	20.6x	3.8x	3.6x	10.7x	11.5x	10.8x	12.4x	11.2%	16.0%	15.7%	2.1	1.5%	5.0%
Forward Air Corp. (FWRD)	Hold	38.29	31.1	1,190.9	0.2	71.6	1,119.5	21.5x	19.6x	17.8x	3.1x	1.9x	9.5x	10.8x	9.1x	13.6x	13.1%	15.5%	15.6%	1.7	1.0%	3.8%
Hub Group (HUBG)	Hold	38.45	37.7	1,448.2	0.0	86.3	1,362.0	21.0x	18.3x	16.2x	2.8x	3.8x	10.3x	11.2x	9.7x	11.9x	7.7%	14.4%	14.5%	1.2	0.0%	2.1%
Kuehne + Nagel International AG (KNIN-CH)	Hold	CHF 109.60	120.0	13,154.0	73.0	1,246.4	12,194.6	23.8x	22.1x	19.1x	4.7x	1.8x	12.6x	14.5x	9.4x	15.4x	9.0%	22.9%	22.5%	1.3	3.2%	5.7%
Landstar System (LSTR)	Hold	54.30	46.8	2,543.6	130.5	139.8	2,534.3	19.6x	19.3x	17.2x	6.2x	0.9x	10.4x	10.8x	10.8x	12.3x	15.3%	35.2%	26.2%	1.1	0.0%	5.2%
Pacer International (PACR)	Buy	6.39	35.5	226.9	0.0	27.7	199.2	NM	25.6x	16.0x	1.9x	0.9x	8.8x	9.8x	4.1x	16.5x	2.8%	5.5%	6.1%	1.1	0.0%	14.6%
Panalpina Welttransport Holding (PWTN-CH)	Hold	CHF 97.00	23.7	2,295.6	2.0	422.0	1,875.6	NM	NM	24.9x	2.9x	1.1x	15.7x	17.4x	8.0x	21.6x	1.5%	3.7%	3.4%	1.7	2.1%	2.9%
Roadrunner Transportation Svcs. (RRTS)	Buy	24.99	36.0	899.6	157.3	16.2	1,040.7	21.5x	18.5x	16.4x	2.2x	0.9x	10.1x	12.3x	10.9x	14.2x	6.3%	11.2%	8.9%	1.1	0.0%	-0.1%
Universal Truckload Svcs. (UACL)	Buy	25.15	30.1	757.1	136.0	4.8	888.3	18.6x	15.7x	13.7x	10.9x	0.9x	8.6x	8.9x	8.6x	10.9x	17.8%	69.9%	33.0%	0.7	0.0%	4.2%
UTi Worldwide (UTIW)	Buy	16.09	104.0	1,672.7	375.4	237.3	1,810.8	34.2x	NM	20.6x	2.0x	1.1x	10.9x	12.4x	8.1x	21.5x	1.7%	4.2%	3.5%	1.4	0.4%	1.3%
XPO Logistics, Inc. (XPO)	Buy	17.56	44.6	783.4	109.4	252.3	640.6	NM	NM	NM	3.2x	12.7x	NM	NM	NM	NM	-10.3%	-14.3%	-9.9%	NM	0.0%	NM
Min			[	226.9	0.0	4.8	199.2	18.6x	15.7x	13.7x	1.9x	0.9x	8.6x	8.9x	4.1x	10.9x	-10.3%	-14.3%	-9.9%	0.6	0.0%	-0.1%
Mean				4,938.0	181.1	298.2	4,840.8	23.6x	20.5x	18.2x	4.1x	3.0x	10.8x	12.0x	12.0x	15.0x	7.7%	18.2%	13.8%	1.3	0.8%	4.3%
Median				1,560.5	91.2	113.0	1,586.4	21.9x	20.4x	17.5x	3.1x	1.8x	10.3x	11.4x	9.7x	14.1x	7.2%	15.0%	14.5%	1.2	0.2%	4.0%
Max				25,816.5	1,161.1	1,394.7	26,954.7	34.2x	25.6x	24.9x	10.9x	12.7x	15.7x	17.4x	43.2x	21.6x	17.8%	69.9%	33.0%	2.1	3.2%	14.6%
Stifel Transportation Average				8,381.6	1,546.9	459.3	9,506.9	19.6x	17.7x	15.6x	2.9x	2.0x	8.7x	9.1x	6.7x	13.5x	5.0%	14.7%	10.2%	1.2	1.0%	5.5%

(a) Total Enterprise Value = Market Capitalization of Equity + Total Debt - Cash + Market Value of Minority Interest

(b) Stifel estimates for those rated and First Call mean estimates for unrated securities

(c) Enterprise value adjusted to include the capitalization of off balance sheet operating leases with lease expense (or rent expense) being added back to EBITDA for the valuation multiple calculation

(d) 2014E P/E divided by First Call mean or Stifel estimated long-term growth rate

Excludes non-recurring items

Calculations may vary due to rounding

Source: Company data , First Call, and Stifel estimates

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(figures in \$ millions, except per share amounts)														j		20	12				20	13		i		201	4			
Fiscal Year End December 31	1998A	1999A	2000A	2001A	2002A	2003A	2004A	2005A	2006A	2007A	2008A	2009A	2010A	2011A	1QA	2QA	3QA	4QA	2012A	1QA	2QE	3QE	4QE	2013E	1QE	2QE	3QE	4QE	2014E	2015E
Gross revenues	2,038.1	2,261.0	2,882.2	3,090.1	3,294.5	3,613.6	4,341.5	5,688.9	6,556.2	7,316.2	8,578.6	7,577.2	9,274.3	10,336.3	2,552.1	2,955.7	2,880.4	2,970.9	11,359.1	2,994.3	3,275.4	3,193.6	3,139.3	12,602.5	3,127.7	3,372.4	3,306.6	3,273.3	13,080.0	13,489.6
% change y/y	13.8%	10.9%	27.5%	7.2%	6.6%	9.7%	20.1%	31.0%	15.2%	11.6%	17.3%	-11.7%	22.4%	11.5%	7.9%	9.2%	6.9%	15.7%	9.9%	17.3%	10.8%	10.9%	5.7%	10.9%	4.5%	3.0%	3.5%	4.3%	3.8%	3.1%
Cost of transportation and products	1,792.5	1,967.7	2,462.8	2,633.5	2,810.7	3,068.8	3,680.5	4,809.2	5,473.7	6,072.4	7,150.5	6,195.2	7,806.3	8,703.7	2,137.4	2,530.2	2,447.7	2,526.2	9,641.5	2,538.5	2,797.2	2,714.5	2,662.1	10,712.4	2,649.1	2,869.9	2,804.0	2,772.5	11,095.5	11,405.6
Transportation																														
Truck	164.2	202.9	313.7	348.0	361.4	401.7	501.9	666.6	823.0	949.3	1.030.1	1.040.7	1.076.2	1.236.6	315.4	312.6	328.0	328.3	1.284.3	327.1	331.4	341.1	339.8	1.339.3	340.2	344.7	354.7	353.4	1.392.9	1,448.6
% change y/y	23.3%	23.6%	54.6%	10.9%	3.8%	11.2%	25.0%	32.8%	23.5%	15.3%	8.5%	1.0%	3.4%	14.9%	7.1%	-0.5%	2.1%	7.1%	3.9%	3.7%	6.0%	4.0%	3.5%	4.3%	4.0%	4.0%	4.0%	4.0%	4 0%	4.0%
Intermodal	6.7	10.7	14.4	16.1	21.1	28.1	30.0	31.4	36.2	38.7	43.6	35.2	36.6	41.2	9.7	10.0	10.1	9.0	38.8	9.1	10.6	10.8	9.4	39.9	9.5	11.0	11.2	9.8	41.5	43.2
% change y/y	-31.1%	61.0%	34.3%	11.8%	31.0%	33.1%	6.6%	4.8%	15.2%	6.9%	12.8%	-19.2%	3.7%	12.7%	1.2%	-7.8%	-4.4%	-11.6%	-5.8%	-6.3%	6.0%	7.0%	4.5%	2.8%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Ocean	10.2	11.5	16.3	16.3	17.0	19.0	20.6	29.2	37.2	43.5	62.1	54.2	60.8	66.9	15.8	17.0	18.5	33.7	84.9	42.5	44.1	44.4	44.5	175.5	45.9	47.6	47.5	47.6	188.6	202.8
% change y/y	10.7%	12.3%	42.4%	0.0%	4.1%	11.9%	8.0%	41.9%	27.3%	17.2%	42.6%	-12.7%	12.1%	10.1%	1.2%	3.4%	3.5%	98.0%	27.0%	169.6%	160.0%	140.0%	32.0%	106.6%	8.0%	8.0%	7.0%	7.0%	7.5%	7.5%
Air	3.4	2.9	3.6	2.7	3.1	4.9	8.6	13.3	21.5	31.3	35.4	32.7	42.3	39.4	8.9	10.6	9.0	15.9	44.4	16.8	19.6	17.1	18.4	71.9	18.0	21.0	18.4	19.9	77.3	83.2
% change y/y	75.4%	-16.6%	24.4%	-24.1%	13.7%	59.4%	75.2%	55.4%	61.6%	45.4%	13.0%	-7.7%	29.6%	-7.0%	-3.4%	-7.5%	-9.0%	81.0%	12.9%	89.0%	85.0%	89.0%	15.5%	61.7%	7.5%	7.5%	7.5%	8.0%	7.6%	7.6%
Other	5.3	5.9	7.2	7.3	8.8	11.0	14.7	19.8	28.2	35.2	41.4	44.8	57.3	59.9	17.5	18.8	17.2	22.2	75.7	25.8	27.5	26.5	28.9	108.6	28.1	29.9	28.9	31.5	118.4	129.0
% change y/y	0.2%	11.3%	21.7%	1.5%		25.1%	34.0%	34.8%	42.0%	25.2%	17.5%	8.2%	27.8%	4.6%	24.2%	26.7%	16.6%	37.0%	26.4%	47.7%	46.0%	54.0%	30.0%	43.5%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%
Total transportation	189.8	233.8	355.1	390.4	411.3	464.7	575.7	760.3	946.0	1,098.0	1,212.6	1,207.6	1,273.1	1,443.9	367.2	369.0	382.8	409.1	1,528.1	421.3	433.1	439.8	441.0	1,735.2	441.7	454.3	460.7	462.1	1,818.8	1,906.8
% change y/y	19.2%	23.2%	51.9%	9.9%	5.3%	13.0%	23.9%	32.1%	24.4%	16.1%	10.4%	-0.4%	5.4%	13.4%	7.1%	0.3%	2.2%	14.1%	5.8%	14.7%	17.4%	14.9%	7.8%	13.5%	4.8%	4.9%	4.7%	4.8%	4.8%	4.8%
Sourcing	44.2	42.8	43.8	45.2	46.5	50.4	51.8	81.5	94.2	100.2	111.6	128.6	139.4	128.4	31.9	40.2	33.7	30.5	136.4	31.8	42.6	36.8	31.8	143.0	34.1	45.6	39.4	34.0	153.0	163.7
% change y/y	16.2%	-3.3%	2.4%	3.1%	3.1%	8.2%	2.8%	57.3%	15.7%	6.4%	11.4%	15.2%	8.4%	-7.8%	-3.2%	15.1%	2.0%	11.3%	6.2%	-0.3%	6.0%	9.0%	4.0%	4.8%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%
Payment Services	11.6	16.7	20.4	21.0	25.9	29.8	33.5	38.0	42.4	45.5	50.8	45.8	55.5	60.3	15.6	16.3	16.1	4.9	53.0	2.6	2.4	2.4	4.5	11.9	2.8	2.6	2.6	4.7	12.7	13.4
% change y/y	33.8%	43.3%	22.4%	2.8%	23.6%	14.8%	12.5%	13.4%	11.5%	7.5%	11.5%	-9.8%	21.1%	8.7%	8.1%	8.1%	4.2%	-67.6%	-12.1%	-83.2%	-85.0%	-85.0%	-10.0%	-77.5%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
Net revenues (Gross profits)	245.7	293.3	419.3	456.6	483.8	544.8	661.0	879.8	1,082.5	1,243.8	1,375.0	1,382.0	1,468.0	1,632.7	414.7	425.5	432.7	444.6	1,717.6	455.7	478.2	479.0	477.2	1,890.1	478.5	502.5	502.6	500.8	1,984.4	2,084.0
% change y/y	19.2%	19.4%	43.0%	8.9%	6.0%	12.6%	21.3%	33.1%	23.1%	14.9%	10.5%	0.5%	6.2%	11.2%	6.3%	1.8%	2.3%	10.8%	5.2%	9.9%	12.4%	10.7%	7.3%	10.0%	5.0%	5.1%	4.9%	5.0%	5.0%	5.0%
% of gross revenues	12.1%	13.0%	14.5%	14.8%	14.7%	15.1%	15.2%	15.5%	16.5%	17.0%	16.0%	18.2%	15.8%	15.8%	16.3%	14.4%	15.0%	15.0%	15.1%	15.2%	14.6%	15.0%	15.2%	15.0%	15.3%	14.9%	15.2%	15.3%	15.2%	15.4%
Operating expenses:																														
Personnel expenses	115.0	136.1	205.1	225.0	244.3	279.0	334.1	427.3	515.9	568.0	601.8	597.6	632.1	696.2	183.4	177.2	179.3	191.5	731.4	212.6	208.8	204.9	208.3	834.7	216.0	216.0	211.3	215.7	859.0	897.8
Depreciation and amortization	8.5	10.1	17.3	19.1	14.0	11.0	11.8	18.5	23.9	27.4	31.2	30.5	29.4	32.5	8.4	8.8	8.9	12.0	38.1	13.8	14.1	13.8	14.1	55.8	14.6	14.3	14.0	14.0	56.9	58.2
Other selling, general and administrative expenses <sup>(5)</sup>	53.7	63.2	79.9	78.2	76.5	78.8	92.3	110.4	124.8	138.7	170.4	169.1	183.7	205.3	53.3	54.6	57.2	63.9	229.0	60.6	59.2	58.1	59.1	237.1	61.3	61.6	60.2	61.8	244.9	257.2
Total operating expenses	177.2	209.5	302.3	322.3	334.8	368.8	438.2	556.2	664.7	734.1	803.4	797.1	845.1	934.0	245.2	240.6	245.4	267.3	998.5	287.0	282.1	276.9	281.5	1,127.6	291.9	291.9	285.5	291.5	1,160.8	1,213.3
Operating ratio (gross)	96.6%	96.3%	95.9%	95.7%	95.5%	95.1%	94.9%	94.3%	93.6%	93.0%	92.7%	92.3%	93.3%	93.2%	93.4%	93.7%	93.5%	94.0%	93.7%	94.4%	94.0%	93.7%	93.8%	93.9%	94.0%	93.8%	93.4%	93.6%	93.7%	93.5%
Operating ratio (net)	72.1%	71.4%	72.1%	70.6%	69.2%	67.7%	66.3%	63.2%	61.4%	59.0%	58.4%	57.7%	57.6%	57.2%	59.1%	56.5%	56.7%	60.1%	58.1%	63.0%	59.0%	57.8%	59.0%	59.7%	61.0%	58.1%	56.8%	58.2%	58.5%	58.2%
EBIT	68.4	83.8	117.0	134.3	148.9	176.0	222.8	323.6	417.8	509.7	571.6	584.8	622.9	698.6	169.5	184.9	187.3	177.3	719.0	168.7	196.1	202.2	195.6	762.6	186.6	210.5	217.1	209.3	823.6	870.7
% margin (net revenues)	27.9%	28.6%	27.9%	29.4%	30.8%	32.3%	33.7%	36.8%	38.6%	41.0%	41.6%	42.3%	42.4%	42.8%	40.9%	43.5%	43.3%	39.9%	41.9%	37.0%	41.0%	42.2%	41.0%	40.3%	39.0%	41.9%	43.2%	41.8%	41.5%	41.8%
EBITDA	77.0	94.0	134.3	153.4	163.0	187.0	234.6	342.1	441.8	537.1	602.8	615.3	652.2	731.1	178.0	193.7	196.1	189.3	757.1	182.5	210.2	216.0	209.7	818.4	201.2	224.8	231.1	223.3	880.5	929.0
% margin (net revenues)	31.3%	32.0%	32.0%	33.6%	33.7%	34.3%	35.5%	38.9%	40.8%	43.2%	43.8%	44.5%	44.4%	44.8%	42.9%	45.5%	45.3%	42.6%	44.1%	40.0%	44.0%	45.1%	44.0%	43.3%	42.1%	44.7%	46.0%	44.6%	44.4%	44.6%
						2.1	3.1		11.8	10.0		2.3				0.7	0.1			(2.4)				(10.0)						(6.1)
Investment and other income (expense), net Other income (expense), net	2.8	4.6	0.8	4.1	1.3	2.1	0.2	6.2 0.2	0.1	13.8	6.8 0.0	2.5	1.2	2.0	0.2	0.7	0.1	0.6	1.6	(0.1)	(3.9)	(3.4)	(2.6)	(10.0)	(2.5)	(2.6)	(2.1)	(1.8)	(9.0) 0.0	(6.1)
Onici meonie (expense), net	0.0	0.0	0.0	0.0	0.1	0.4	0.2	0.2	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Profit before tax	71.3	88.5	117.8	138.4	150.3	178.6	226.0	330.0	429.7	523.5	578.4	587.1	624.1	700.6	169.8	185.6	187.3	177.9	720.6	168.6	192.2	198.7	193.1	752.6	184.2	207.9	215.0	207.5	814.6	864.6
% margin (net revenues)	29.0%	30.2%	28.1%	30.3%	31.1%	32.8%	34.2%	37.5%	39.7%	42.1%	42.1%	42.5%	42.5%	42.9%	40.9%	43.6%	43.3%	40.0%	42.0%	37.0%	40.2%	41.5%	40.5%	39.8%	38.5%	41.4%	42.8%	41.4%	41.1%	41.5%
Tax rate	39.7%	39.7%	39.5%	39.3%	40.2%	39.9%	39.3%	38.9%	37.9%	38.1%	37.9%	38.5%	38.0%	37.9%	37.3%	38.3%	37.9%	39.0%	38.1%	38.7%	38.5%	38.5%	38.5%	38.5%	38.5%	38.5%	38.5%	38.5%	38.5%	38.5%
Net income (loss) from continuing operations	43.0	53.3	71.2	84.0	89.8	107.4	137.3	201.7	266.9	324.3	359.2	360.8	387.0	435.3	106.5	114.6	116.3	108.6	446.0	103.3	118.2	122.2	118.8	462.5	113.3	127.9	132.3	127.6	501.0	531.8
Extraordinary item (net of tax) (1)(5)	0.0	0.0	0.0	0.0	2.5	0.0	0.0	1.7	0.0	0.0	0.0	0.0	0.0	(3.6)	0.0	0.0	0.0	147.8	147.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income	43.0	53.3	71.2	84.0	92.3	107.4	137.3	203.4	266.9	324.3	359.2	360.8	387.0	431.6	106.5	114.6	116.3	256.4	593.8	103.3	118.2	122.2	118.8	462.5	113.3	127.9	132.3	127.6	501.0	531.8
% margin (net revenues)	17.5%	18.2%	17.0%	18.4%	19.1%	19.7%	20.8%	23.1%	24.7%	26.1%	26.1%	26.1%	26.4%	26.4%	25.7%	26.9%	26.9%	57.7%	34.6%	22.7%	24.7%	25.5%	24.9%	24.5%	23.7%	25.4%	26.3%	25.5%	25.2%	25.5%
							100.1		1810		188.0									1.40 8	1.50.0	150.1								
Average shares outstanding - diluted (2)	165.2	166.0	171.4	171.5	171.7	172.1	173.1	174.7	174.8	174.2	172.8	169.2	166.0	164.8	163.0	161.9	161.0	161.8	161.9	160.7	159.8	159.1	158.4	159.5	157.7	157.0	156.3	155.7	156.7	154.1
EPS - diluted	\$0.26	\$0.32	\$0.42	\$0.49	\$0.52	\$0.62	\$0,79	\$1.16	\$1.53	\$1.86	\$2.08	\$2.13	\$2.33	\$2.62	\$0.65	\$0.71	\$0.72	\$1.58	\$3.67	\$0.64	\$0.74	\$0.77	\$0.75	\$2.90	\$0.72	\$0.81	\$0.85	\$0.82	\$3.20	\$3.45
% change y/y	19.0%	23.4%	31.3%	16.7%	6.1%	19.2%	27.4%	46.8%	31.9%	21.6%	11.8%	2.4%	9.4%	12.4%	10.2%	6.0%	2.9%	135.8%	40.1%	-1.5%	4.2%	6.9%	-52.5%	-21.0%	12.5%	9.5%	10.4%	9.3%	10.3%	7.8%
EPS - diluted (continuing operations)	\$0.26	\$0.32	\$0.42	\$0.49	\$0.54	\$0.62	\$0.79	\$1.15	\$1.53	\$1.86	\$2.08	\$2.13	\$2.33	\$2.64	\$0.65	\$0.71	\$0.72	\$0.68	\$2.76	\$0.64	\$0.74	\$0.77	\$0.75	\$2.90	\$0.72	\$0.81	\$0.85	\$0.82	\$3.20	\$3.45
% change y/y	19.0%	23.4%	31.3%	16.7%	10.2%	14.8%	27.4%	45.6%	33.0%	21.6%	11.8%	2.4%	9.4%	13.3%	6.6%	6.0%	2.9%	1.5%	4.5%	-1.5%	4.2%	6.9%	10.3%	5.1%	12.5%	9.5%	10.4%	9.3%	10.3%	7.8%

(1) 4Q02 one-time item of \$4.25 million pretax relates to the settlement of a wrongful death lawsuit stemming from a multi-vehicle accident involving a motor carrier hired by C.H. Robinson (2) Adjusted for 2:1 stock split in 4Q00 (in which a 100% stock dividend was paid) (3) Excludes 52 million of operating income on the ODER 52,64.B funce resulting from a lawsuit settlement against two of the company's insurance carriers in which C.H. Robinson sought recovery for the amount it contributed to settle a wrongful death law (4) Adjusted for 2:1 stock split, split functions for a multi-vehicle accident interest for an accident that occurred in 2004

Financial statements have been restated for 2002 and 2003 to reflect retroactive adoption of fair value recognition provisions of SFAS 123 regarding stock option grants Source: Company data and Stifel estimates

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# STIFEL

#### C.H. Robinson Worldwide Balance Sheet

(figures in \$ millions, except per share amounts)										[	201				201							
Fiscal Year End December 31	2003A	2004A	2005A	2006A	2007A	2008A	2009A	2010A	2011A	10A	201 2QA	3QA	40A	10E	201 2QE	3QE	4QE	1QE	4QE	2015E		
ASSETS											- 4				- 1 -			- 1-	2QE	3QE		
Current assets																						
Cash and cash equivalents (1)	198.5	166.5	230.6	348.6	338.9	494.7	337.3	398.6	373.7	311.4	240.6	273.0	210.0	159.9	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Available-for-sale securities	45.7	121.6	122.6	124.8	115.8	2.6	48.3	9.3	0.0	0.0	0.0	72.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Receivables, less allowances	457.5	544.3	716.7	765.0	911.8	828.9	885.5	1,036.1	1,189.6	1,245.4	1,415.4	1,334.6	1,412.1	1,469.3	1,551.5	1,554.3	1,512.3	1,541.1	1,617.0	1,592.4	1,569.6	1,591.8
Deferred tax asset	9.5	8.2	6.0	7.6	7.2	5.4	6.5	5.5	8.4	6.1	6.7	6.6	11.8	11.8	6.1	6.2	6.3	6.4	6.4	6.5	6.5	6.7
Prepaid expenses and other	6.1	5.5	8.9	10.2	15.5	16.2	29.7	32.3	39.9	38.3	44.8	39.8	38.4	49.6	48.5	49.7	50.4	50.9	51.3	51.8	52.3	54.0
Inventories	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total current assets	717.3	846.0	1,084.8	1,256.1	1,389.2	1,347.9	1,307.3	1,481.8	1,611.5	1,601.1	1,707.6	1,726.2	1,672.3	1,690.5	1,706.0	1,710.2	1,669.0	1,698.4	1,774.7	1,750.6	1,728.5	1,752.5
Property and equipment	70.3	102.4	113.8	145.3	179.7	191.6	220.5	233.2	220.1				265.0									
Less accumulated depreciation	(44.7)	(51.3)	(53.1)	(63.2)	(78.0)	(87.5)	(102.8)	(118.9)	(93.2)				(115.2)									
Property and equipment, net	25.6	51.1	60.7	82.1	101.7	104.1	117.7	114.3	126.8	130.8	132.3	134.5	149.9	150.9	149.8	151.0	151.9	152.3	153.0	156.0	159.0	168.8
Goodwill, net	155.1	171.2	223.1	261.8	278.7	324.7	361.7	359.1	359.7	360.0	359.4	359.6	822.2	822.2	822.2	822.2	822.2	822.2	822.2	822.2	822.2	822.2
Other intangible assets, net	3.8	5.7	18.5	16.0	14.5	14.9	18.4	21.3	10.0	0.0	0.0	0.0	137.4	137.4	137.4	137.4	137.4	137.4	137.4	137.4	137.4	137.4
Other assets	6.3	6.7	7.9	15.8	27.3	24.2	29.2	19.2	30.0	42.4	40.8	23.1	22.5	29.5	29.5	29.5	29.5	29.5	29.5	29.5	29.5	29.5
Total assets	908.1	1,080.7	1,395.1	1,631.7	1,811.3	1,815.7	1,834.2	1,995.7	2,138.0	2,134.3	2,240.0	2,243.3	2,804.2	2,830.5	2,844.9	2,850.3	2,810.0	2,839.8	2,916.8	2,895.7	2,876.6	2,910.4
LIABILITIES AND EQUITY																						
Current liabilities																						
Current maturities of debt	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	253.6	390.5	392.6	298.4	214.4	278.3	250.2	168.4	199.9	98.4
Accounts payable	311.9	358.9	410.7	468.5	618.2	485.2	529.3	568.0	642.7	747.6	834.7	729.7	639.5	780.1	824.2	895.3	857.0	891.5	949.6	983.9	915.6	944.3
Outstanding checks	0.0	0.0	0.0	71.6	0.0	83.6	77.3	59.6	62.1	0.0	0.0	0.0	68.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accrued compensation and profit-sharing contribution	46.6	60.3	94.3	98.4	101.9	93.4	90.9	97.0	117.5	46.7	65.3	86.5	103.3	53.1	60.6	68.4	88.2	89.2	89.8	90.6	91.6	94.4
Accrued income taxes and other	22.7	33.6	107.4	48.4	37.5	35.5	34.4	47.1	54.4	77.5	49.4	121.8	167.8	47.2	72.7	74.6	126.0	50.9	77.0	77.7	78.5	80.9
Total current liabilities	381.2	452.8	612.5	686.9	757.6	697.7	731.8	771.6	876.6	871.9	949.3	938.1	1,232.2	1,270.9	1,350.1	1,336.6	1,285.6	1,309.9	1,366.6	1,320.6	1,285.5	1,218.0
Deferred tax liabilities	5.0	4.2	1.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	5.6	4.2	1.5	0.0	0.0	0.0	0.0	0.0		13.3		13.4	65.7		12.1	0.0	0.0	0.0 12.7		0.0		
Non-current income taxes payable	0.0		0.0	0.0	10.2	9.9	10.5	10.7	11.3		11.5	13.4		90.3 0.0		12.4	12.6 0.0		12.8	12.9 0.0	13.1	13.5
Nonqualified deferred compensation obligation	2.6	2.9	1.1	1.0	1.2	1.0	0.0	0.0	0.0	0.0	0.0		0.0		0.0	0.0		0.0	0.0		0.0	0.0
Long-term debt	0.0	0.0	0.0	0.0	0.0	0.0	12.0	9.4	1.6	1.0	1.0	0.9	1.9	0.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Preferred stock	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0									
Common stock	8.5	8.5	17.3	17.3	17.1	17.0	16.7	16.6	16.3	16.3	16.2	16.1	16.1									
Additional paid-in capital	174.0	172.0	244.3	184.5	190.3	177.5	165.1	178.1	205.8	202.0	206.8	207.2	303.5									
Retained earnings	404.8	498.4	640.6	808.0	1,003.0	1,207.4	1,402.3	1,613.9	1,845.0	1,897.0	1,957.5	2,020.1	2,218.2									
Deferred compensation	(52.3)	(34.2)	(87.2)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0									
Cumulative other comprehensive loss	(0.4)	(34.2)	(87.2)	(0.2)	0.0	2.2	(1.6)	(6.4)	(9.1)	(8.9)	(11.7)	(9.9)	(9.3)					1				
Treasury stock, at cost	(0.4)	(25.5)	(33.0)	(65.8)	(168.4)	(296.9)	(502.6)	(598.1)	(809.6)	(858.3)	(890.6)	(942.7)	(1.024.1)									
Total stockholders' equity	518.7	620.9	780.0	943.7	1.042.2	1.107.2	1.079.9	1.204.1	1.248.5	1,248.1	1,278.2	1.290.9	1.504.4	1.468.5	1.482.7	1,501.2	1.511.8	1.517.1	1.537.3	1.562.2	1,578.0	1.678.8
Total stochilokacio equity	510.7	020.9	/00.0	2.05.7	1,012.2	1,107.2	1,077.5	1,20	1,210.5	1,210.1	1,270.2	1,270.7	1,001.1	1,100.5	1,102.7	1,001.2	1,011.0	1,01711	1,00710	1,002.2	1,570.0	1,070.0
Total liabilities and stockholders' equity	908.1	1,080.7	1,395.1	1,631.7	1,811.3	1,815.7	1,834.2	1,995.7	2,138.0	2,134.3	2,240.0	2,243.3	2,804.2	2,830.5	2,844.9	2,850.3	2,810.0	2,839.8	2,916.8	2,895.7	2,876.6	2,910.4
																					-	
Book value per share	\$3.01	\$3.58	\$4.44	\$5.42	\$5.98	\$6.46	\$6.44	\$7.25	\$7.62	\$7.66	\$7.90	\$8.02	\$9.30	\$9.14	\$9.28	\$9.44	\$9.54	\$9.62	\$9.79	\$9.99	\$10.13	\$10.95
Cash and short-term investments per share	\$1.42	\$1.66	\$2.01	\$2.72	\$2.61	\$2.90	\$2.30	\$2.46	\$2.28	\$1.91	\$1.49	\$2.14	\$1.30	\$1.00	\$0.63	\$0.63	\$0.63	\$0.63	\$0.64	\$0.64	\$0.64	\$0.65
Average age of receivables (days)	43.4	41.8	40.8	43.1	43.2	45.4	40.2	42.9	44.4	44.5	41.1	43.6	43.4	44.8	42.1	44.4	44.5	45.0	42.7	44.3	44.4	43.7
Net working capital	336.1	393.2	472.3	569.2	631.5	650.2	575.5	710.2	734.9	729.3	758.3	788.1	440.1	419.7	355.9	373.6	383.4	388.5	408.1	430.0	442.9	534.4
Current ratio	1.9x	1.9x	1.8x	1.8x	1.8x	1.9x	1.8x	1.9x	1.8x	1.8x	1.8x	1.8x	1.4x	1.3x	1.3x	1.3x	1.3x	1.3x	1.3x	1.3x	1.3x	1.4x
Total assets	908.1	1,080.7	1,395.1	1,631.7	1,811.3	1,815.7	1,834.2	1,995.7	2,138.0	2,134.3	2,240.0	2,243.3	2,804.2	2,830.5	2,844.9	2,850.3	2,810.0	2,839.8	2,916.8	2,895.7	2,876.6	2,910.4
Long-term debt	0.0	0.0	0.0	0.0	0.0	0.0	12.0	9.4	1.6	1.0	1.0	0.9	1.9	0.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total debt	0.0	0.0	0.0	0.0	0.0	0.0	12.0	9.4	1.6	1.0	1.0	0.9	255.6	391.4	392.6	298.4	214.4	278.3	250.2	168.4	199.9	98.4
Net debt (cash)	(244.2)	(288.1)	(353.2)	(473.4)	(454.7)	(497.4)	(373.6)	(398.5)	(372.1)	(310.4)	(239.7)	(344.3)	45.6	231.5	292.6	198.4	114.4	178.3	150.2	68.4	99.9	(1.6)
Debt/total book capitalization	0.0x	0.0x	0.1x	0.2x	0.2x	0.2x	0.1x	0.2x	0.1x	0.1x	0.1x	0.1x										
Debt/EBITDA	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.1x	0.1x	0.0x	0.0x	0.0x	0.0x	1.3x	2.1x	1.9x	1.4x	1.0x (	) 1.4x	1.1x	0.7x	0.9x	0.4x
Debt/EBIT	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.1x	0.1x	0.0x	0.0x	0.0x	0.0x	1.4x	2.3x	2.0x	1.5x	1.1x (		1.2x	0.8x	1.0x	0.4x
Stockholders' equity	518.7	620.9	780.0	943.7	1,042.2	1,107.2	1,079.9	1,204.1	1,248.5	1,248.1	1,278.2	1,290.9	1,504.4	1,468.5	1,482.7	1,501.2	1,511.8	1,517.1	1,537.3	1,562.2	1,578.0	1,678.8

(1) In the consolidated balance sheet as of December 31, 2004, C.H. Robinson reclassified \$75.1 million

Financial statements have been restated for 2002 and 2003 to reflect retroactive adoption of fair value recognition provisions of SFAS 123 regarding stock option grants

Source: Company data and Stifel estimates

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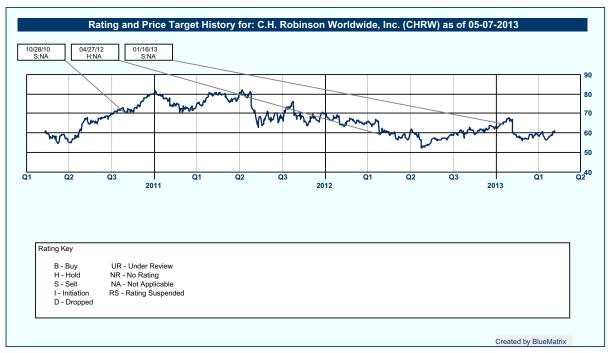
							C.E	I. Robir	ison W	orldwid	le Cash	Flow S	statem	ent											
(figures in \$ millions, except per share amounts)											201	2		1		201					201				
Fiscal Year End December 31	2003A	2004A	2005A	2006A	2007A	2008A	2009A	2010A	2011A	1QA	2QA	3QA	4QA	2012A	1QE	2QE	3QE	4QE	2013E	1QE	2QE	3QE	4QE	2014E	2015E
Operating Activities																									
Net income	107.4	137.3	203.4	266.9	324.3	359.2	360.8	387.0	431.6	106.5	114.6	116.3	256.4	593.8	103.3	118.2	122.2	118.8	462.5	113.3	127.9	132.3	127.6	501.0	531.8
Adjustments	11.0	11.0	10.5	22.0	27.4	21.2	20.5	20.4	22.5				12.0	20.1	12.0	14.1	12.0	14.1	55.0	14.6	14.2	14.0	14.0	56.0	50.0
Depreciation and amortization	11.0	11.8	18.5	23.9 0.0	27.4	31.2 0.0	30.5 0.0	29.4	32.5	8.4 0.0	8.8 0.0	8.9 0.0	12.0	38.1	13.8 0.0	14.1 0.0	13.8 0.0	14.1	55.8 0.0	14.6 0.0	14.3 0.0	14.0 0.0	14.0	56.9 0.0	58.2
Gain on divestiture	0.0	(1.2)	0.0 8.9	7.1	0.0			0.0	0.0	4.8		4.5	(281.6) 2.3	(281.6)	0.0	0.0	0.0	0.0 0.0	0.0	0.0	0.0	0.0	0.0 0.0		0.0 0.0
Provision for doubtful accounts Deferred compensation expense	0.0 8.5	8.8 0.0	8.9 0.0	0.0	6.7 0.0	14.3 0.0	16.7 0.0	13.9 0.0	9.1 0.0	4.8	(1.2) 0.0	4.5	2.5	10.5 0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0 0.0	0.0
	8.5 0.0	0.0	28.4	47.3	38.0	20.8	21.3	37.0	38.6	9.8	6.8	4.5	38.3	59.4	0.0	0.0	0.0	0.0	0.0	0.0 0.0	0.0	0.0	0.0	0.0	0.0
Stock-based compensation Other non-cash expense	12.2	22.4	28.4	47.5	0.0	20.8	21.5	2.4	0.8	9.8 4.4	1.6	4.5 0.4	(5.8)	0.5	24.6	(78.2)	0.3	0.0	(53.1)	0.0	0.0	0.0	0.0	0.0	0.0
Deferred income taxes	9.1	3.2	4.5	(8.9)	(8.9)	3.0	(0.6)	7.6	5.8	4.4 0.0	0.0	0.4	(14.4)	(14.4)	(0.0)	5.7	(0.2)	(0.1)	(33.1)	(0.1)	(0.0)	(0.1)	(0.1)	(0.2)	(0.2)
(Gain) loss on sale of assets	9.1 0.4	0.2	4.5	0.1	0.3	0.3	0.3	7.6 0.6	0.8	0.0	0.0	0.0	(14.4)	3.2	(0.0) 0.0	0.0	(0.2) 0.0	(0.1) 0.0	0.0	(0.1) 0.0	(0.0) 0.0	(0.1) 0.0	(0.1) 0.0	0.0	0.0
(Gain) loss on sale of assets	0.4	0.2	0.2	0.1	0.5	0.5	0.5	0.0	0.8	0.0	0.0	0.0	3.2	3.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Changes in certain working capital items:																									
Receivables	(65.8)	(90.3)	(150.8)	(55.5)	(153.2)	100.2	(57.9)	(164.1)	(162.7)	(60.6)	(168.8)	26.0	115.3	(88.1)	(57.1)	(82.2)	(2.8)	42.0	(100.2)	(28.7)	(75.9)	24.6	22.8	(57.3)	(22.2)
Prepaid expenses and other	(05.8)	0.6	(130.8)	(1.3)	(133.2)	0.2	(12.9)	(104.1)	(102.7)	0.8	(108.8)	3.6	7.3	5.3	(11.2)	1.1	(1.3)	(0.7)	(100.2)	(0.5)	(0.4)	(0.5)	(0.5)	(1.9)	(1.6)
Inventories	0.0	0.0	0.0	0.0	0.0	0.2	0.0	0.0	0.0	0.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accounts payable	33.3	39.9	78.9	57.6	70.5	(70.9)	21.9	14.7	68.0	43.1	87.3	(18.8)	(49.9)	61.7	72.6	44.2	71.0	(38.3)	149.5	34.5	58.1	34.3	(68.3)	58.6	28.7
Accrued compensation and profit-sharing contribution	7.0	13.6	31.5	5.0	5.5	(6.8)	(1.9)	6.7	20.0	(69.7)	18.1	23.3	9.2	(19.1)	(50.2)	7.5	7.8	19.8	(15.1)	0.9	0.7	0.8	0.9	3.3	2.9
Accrued income taxes and other	(11.6)	97	8.0	1.1	3.1	(3.8)	(6.2)	77	(3.2)	29.5	(27.8)	(11.6)	101.0	91.1	(120.5)	25.5	1.9	51.4	(41.7)	(75.1)	26.1	0.7	0.8	(47.5)	2.5
Total change in net working capital	(39.0)	(26.4)	(34.7)	6.9	(79.3)	18.9	(57.0)	(133.2)	(89.4)	(56.8)	(97.6)	22.5	182.8	50.9	(126.5)	(4.0)	76.7	74.3	(19.6)	(68.9)	8.6	59.9	(44.3)	(44.8)	10.2
Total change in her working capital	(33.0)	(20.1)	(31.7)	0.9	(17.5)	10.5	(37.0)	(155.2)	(0).1)	(50.0)	(77.0)	22.0	102.0	50.9	(100.5)	(1.0)	10.1	7115	(1).0)	(00.57)	0.0	57.7	(11.5)	(11.0)	10.2
Net cash provided by operations	109.5	155.9	229.1	343.4	308.4	447.6	372.6	344.8	429.7	77.1	32.9	157.1	193.2	460.3	(24.8)	55.9	212.9	207.2	451.1	59.0	150.8	206.2	97.3	513.3	600.4
as % of revenue	20.1%	23.6%	26.0%	31.7%	24.8%	32.6%	27.0%	23.5%	26.3%	18.6%	7.7%	36.3%	43.4%	26.8%	-5.4%	11.7%	44.4%	43.4%	23.9%	12.3%	30.0%	41.0%	19.4%	25.9%	28.8%
as to or revenue	20.170	23.070	20.070	51.770	21.070	52.070	27.070	2010/0	20.570	10.070	1.170	501570	15.170	20.070	5.170	11.770	11.170	13.170	20.070	12.570	50.070	11.070	17.170	20.770	20.070
Investing Activities																									
Purchases of property and equipment	(8.6)	(34.7)	(21.8)	(43.2)	(43.7)	(23.7)	(34.5)	(28.7)	(52.8)	(13.8)	(11.2)	(13.9)	(11.8)	(50.7)	(14.9)	(13.0)	(15.0)	(15.0)	(57.9)	(15.0)	(15.0)	(17.0)	(17.0)	(64.0)	(68.0)
Sales of property and equipment	0.3	0.0	0.0	1.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Insurance proceeds	0.0	1.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cash paid for acquisitions, net of cash acquired	(2.1)	(19.1)	(60.2)	(39.7)	(22.2)	(59.7)	(41.1)	0.0	0.0	0.0	0.0	0.0	(308.8)	(308.8)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Sales of long-term investments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Sales/maturities of available-for-sale securities	55.8	69.4	113.7	118.8	214.3	251.1	4.0	53.1	9.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Purchases of available-for-sale securities	(56.3)	(70.1)	(114.7)	(119.9)	(204.0)	(137.0)	(52.4)	(10.8)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Change in other assets/liabilities, net	(0.1)	0.2	(3.7)	1.1	(0.1)	0.8	0.2	(5.1)	5.2	0.0	0.2	0.0	0.2	0.4	(7.0)	0.0	0.0	0.0	(7.0)	0.0	0.0	0.0	0.0	0.0	0.0
	()		()		(012)			()							()				(,						
Net cash (used in) provided by investing activities	(11.0)	(52.9)	(86.7)	(81.2)	(55.7)	31.5	(123.9)	8.6	(38.3)	(13.8)	(11.0)	(13.9)	(320.4)	(359.1)	(21.9)	(13.0)	(15.0)	(15.0)	(64.9)	(15.0)	(15.0)	(17.0)	(17.0)	(64.0)	(68.0)
Cook quailable for (convined by) financing	00.5	102.1	142.4	262.1	252.7	479.1	248.7	252.4	201.4	62.2	22.0	142.2	(127.2)	101.2	(467)	42.9	107.0	192.2	286.2	44.0	125.9	180.2	80.2	449.3	532.4
Cash available for (required by) financing	98.5	103.1	142.4	262.1	252.7	4/9.1	248.7	353.4	391.4	63.3	22.0	143.2	(127.2)	101.3	(46.7)	42.9	197.9	192.2	386.2	44.0	135.8	189.2	80.3	449.3	532.4
Stock issued for employee benefit plans	10.1	10.5	15.5	18.2	13.7	23.3	17.7	17.7	9.6	0.5	2.2	1.0	4.4	8.1	2.0	2.0	2.0	2.0	8.0	2.0	2.0	2.0	2.0	8.0	8.0
Payment of contingent purchase price	0.0	0.0	0.0	0.0	0.0	25.5	0.0	0.0	(4.3)	(11.6)	0.0	0.0	(1.0)	(12.7)	0.0	0.0	0.0	2.0 0.0	8.0 0.0	2.0 0.0	0.0	0.0	2.0 0.0	0.0	0.0
Repurchase of common stock	(16.1)	(29.6)	(38.8)	(85.3)	(167.3)	(200.8)	(266.9)	(151.1)	(240.9)	(65.5)	(40.0)	(61.6)	(78.0)	(245.1)	(85.0)	(50.0)	(50.0)	(50.0)	(235.0)	(50.0)	(50.0)	(50.0)	(50.0)	(200.0)	(200.0)
Excess tax benefit on stock-based compensation plans	(16.1)	(29.6)	(38.8)	(83.3)	16.7	(200.8)	(200.9)	13.1	(240.9)	(63.3)	(40.0)	2.2	2.5	(243.1) 12.3	(83.0) 0.0	(30.0) 0.0	(30.0) 0.0	(30.0) 0.0	(255.0)	(30.0) 0.0	(30.0) 0.0	(30.0) 0.0	(30.0) 0.0	(200.0)	0.0
Cash dividends and distributions	(27.0)	(40.9)	(51.5)	(90.8)	(125.2)	(151.2)	(162.9)	(168.9)	(194.7)	(54.7)	(54.4)	(54.1)	(112.1)	(275.4)	(56.2)	(55.9)	(55.7)	(60.2)	(228.1)	(59.9)	(59.7)	(59.4)	(63.8)	(242.8)	(238.9)
Cash (used in) provided by debt financing	0.0	(40.9)	0.0	0.0	0.0	(131.2)	0.0	(108.9)	0.0	0.0	0.0	0.0	248.4	248.4	135.8	(33.9)	(94.2)	(84.0)	(41.2)	63.9	(28.1)	(81.8)	31.5	(14.5)	(101.5)
Net cash (used in) provided by deor mancing Net cash (used in) provided by financing activities	(33.0)	(60.0)	(74.8)	(145.8)	(262.1)	(326.0)	(402.1)	(289.1)	(415.1)	(125.3)	(90.5)	(112.6)	64.1	(264.3)	(3.4)	(102.8)	(197.9)	(192.2)	(496.2)	(44.0)	(135.8)	(189.2)	(80.3)	(449.3)	(532.4)
the cash (used in) provided by infancing activities	(33.0)	(00.0)	(74.8)	(145.8)	(202.1)	(520.0)	(402.1)	(209.1)	(415.1)	(120.0)	(90.5)	(112.0)	04.1	(204.3)	(3.4)	(102.0)	(177.7)	(192.2)	(490.2)	(44.0)	(155.0)	(109.2)	(00.3)	(447.3)	(552.4)
Beginning cash balance	133.0	198.5	166.5	230.6	348.6	338.9	494.7	337.3	398.6	373.7	311.4	240.6	273.0	373.7	210.0	159.9	100.0	100.0	210.0	100.0	100.0	100.0	100.0	100.0	100.0
Reclassification of (cash)/available-for-sale securities	0.0	(75.1)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Effect of exchange rates on cash	NM	NM	(3.5)	1.7	(0.3)	2.8	(4.1)	(2.9)	(1.2)	(0.2)	(2.2)	1.7	0.1	(0.6)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net increase (decrease) in cash and equivalents	65.5	43.1	67.7	116.3	(9.4)	153.0	(153.4)	64.2	(23.7)	(62.1)	(68.6)	30.6	(63.1)	(163.1)	(50.1)	(59.9)	0.0	0.0	(110.0)	0.0	0.0	0.0	0.0	0.0	0.0
Net increase (decrease) in cash and equivalents	05.5	45.1	07.7	110.5	())	155.0	(155.4)	04.2	(23.7)	(02.1)	(00.0)	50.0	(05.1)	(105.1)	(50.1)	(5).))	0.0	0.0	(110.0)	0.0	0.0	0.0	0.0	0.0	0.0
Ending cash balance	198.5	166.5	230.6	348.6	338.9	494.7	337.3	398.6	373.7	311.4	240.6	273.0	210.0	210.0	159.9	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Free cash flow	74.2	80.3	155.8	211.0	139.5	272.6	175.2	147.2	182.2	8.5	(32.6)	89.1	69.3	134.3	(96.0)	(13.0)	142.2	132.0	165.2	(15.9)	76.1	129.8	16.5	206.5	293.5
FCF margin (as % of gross profits)	13.6%	12.1%	17.7%	19.5%	11.2%	19.8%	12.7%	10.0%	11.2%	2.1%	-7.7%	20.6%	15.6%	7.8%	-21.1%	-2.7%	29.7%	27.7%	8.7%	-3.3%	15.1%	25.8%	3.3%	10.4%	14.1%
Per share	\$0.43	\$0.46	\$0.89	\$1.21	\$0.80	\$1.58	\$1.04	\$0.89	\$1.11	\$0.05	(\$0.20)	\$0.55	\$0.43	\$0.83	(\$0.60)	(\$0.08)	\$0.89	\$0.83	\$1.04	(\$0.10)	\$0.48	\$0.83	\$0.11	\$1.32	\$1.90
Current share price \$61.56																									
FCF yield	0.7%	0.8%	1.4%	2.0%	1.3%	2.6%	1.7%	1.4%	1.8%					1.3%					1.7%					2.1%	3.1%
	24.00			10.00	00.5				104.00					205.5					100.1						
Dividend/FCF	36.5%	50.9%	33.0%	43.1%	89.7%	55.5%	92.9%		106.9%					205.0%					138.1%					117.6%	81.4%
CapEx, net/OCF	7.5%	22.3%	9.5%	12.1%	14.2%	5.3%	9.3%	8.3%	12.3%					11.0%					12.8%					12.5%	11.3%

Financial statements have been restated for 2002 and 2003 to reflect retroactive adoption of fair value recognition provisions of SFAS 123 regarding stock option grants Effect of exchange rate on cash included in changes in other assets/liabilities, net in the cash flows from investing section

Source: Company data and Stifel estimates

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