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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-K

(Mark One)

[X] Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the fiscal year ended December 31, 2002
OR
[ ] Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Commission File No. 0-27754

HUB GROUP, INC.
(Exact name of registrant as specified in its charter)

DELAWARE	36-4007085
(State or other jurisdiction of incorporation of organization)	(I.R.S. Employer Identification No.)

3050 HIGHLAND PARKWAY, SUITE 100
DOWNERS GROVE, ILLINOIS 60515
(Address and zip code of principal executive offices)
(630) 271-3600
(Registrant's telephone number, including area code)

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

Securities registered pursuant to Section 12(g) of the Act:

CLASS A COMMON STOCK, $.01 PAR VALUE
(Title of Class)

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No __

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [X]

Indicate by check mark whether the registrant is an accelerated filer (as defined in Exchange Act Rule 12b-2).
Yes _____ No X

The aggregate market value of the Registrant's voting stock held by non-affiliates on June 28, 2002, based upon the last reported sale price on that date on the NASDAQ National Market of $9.25 per share, was $58,033,761.

On March 12, 2003, the Registrant had 7,046,250 outstanding shares of Class A common stock, par value $.01 per share, and 662,296 outstanding shares of Class B common stock, par value $.01 per share.

DOCUMENTS INCORPORATED BY REFERENCE

The Registrant's definitive Proxy Statement for the Annual Meeting of Stockholders to be held on May 13, 2003, (the "Proxy Statement") is incorporated by reference in Part III of this Form 10-K to the extent stated herein. Except with respect to information specifically incorporated by reference in this Form 10-K, the Proxy Statement is not deemed to be filed as a part hereof.

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PART I

ITEM 1. BUSINESS

GENERAL

Hub Group, Inc. ("Hub Group" or the "Company") is a Delaware corporation that was incorporated on March 8, 1995. Since its founding as an intermodal marketing company ("IMC") in 1971, Hub Group has grown to become the largest IMC in the United States and a full service transportation provider, offering intermodal, truck brokerage and comprehensive logistics services.

The Company operates through an extensive nationwide network of 22 offices or "Hubs" and Hub Group Distribution Services ("HGDS" or "Hub Distribution"). Each Hub is strategically located in a market that has a significant concentration of shipping customers and one or more railheads. Each Hub functions essentially as a stand-alone business managed locally by an executive with significant transportation experience. Local management is responsible for operations, customer service and regional marketing. Corporate management is responsible for group strategic planning and administration, financial services, relationships with the railroads and management information systems support. Hub Distribution, which performs certain specialized logistics services, is responsible for its own operations, customer service, marketing and management information systems support. Hub Group also maintains a National Accounts sales force to provide centralized marketing of the Company's services to large and geographically diversified shippers.

Through a series of acquisitions, including the purchase of the remaining

35% partnership interest in Hub Distribution on August 14, 2002 for $4 million, Hub Group now wholly-owns Hub Distribution and each of its other operating subsidiaries. Unless the context otherwise requires, references to Hub Group or the Company include the Hubs, Hub Distribution and their respective subsidiaries.

SERVICES PROVIDED

The Company's transportation services can be broadly placed into the following categories:

INTERMODAL As an IMC, the Company arranges for the movement of its customers' freight in containers and trailers over long distances. Hub Group contracts with railroads to provide transportation over the long-haul portion of the shipment and with local trucking companies, known as "drayage companies," for pickup and delivery. In markets where adequate service is not available, the Company supplements third party drayage services with Company-owned drayage operations. As part of its intermodal services, the Company negotiates rail and drayage rates, electronically tracks shipments in transit, consolidates billing and handles claims for freight loss or damage on behalf of its customers.

The Company uses its Hub network, connected through its proprietary Network Management System, to access containers and trailers owned by leasing companies, railroads and steamship lines. Because each Hub not only handles its own outbound shipments but also handles inbound shipments from other Hubs, each Hub is able to track trailers and containers entering its service area and reuse that equipment to fulfill its customers' outbound shipping requirements. This effectively allows the Company to "capture" containers and trailers and keep them within the Hub network without having to make a capital investment in transportation equipment. The Company also has exclusive use of the containers in its Premier Service Network.

HIGHWAY SERVICES The Company arranges for the transportation of freight by truck, providing customers another option for their transportation needs. This is accomplished by matching customers' needs with carriers' capacity to provide the appropriate service and price combination. The Company has contracts with a substantial base of carriers allowing it to meet the varied needs of its customers. The Company negotiates rates, tracks shipments in transit and handles claims for freight loss and damage on behalf of its customers.

The Company's brokerage operation also provides customers with specialized programs. Through the Dedicated Trucking program, certain carriers have informally agreed to move freight for Hub's customers on a continuous basis. This arrangement allows the Company to effectively meet its customer's needs without owning the equipment. Through the Core Carrier-Plus One program, the Company assumes the responsibility for over-the-road truckload shipments that the customer's core carriers cannot handle. This service supplements the customer's core carrier program and helps ensure the timely delivery of the customer's freight.

LOGISTICS The Company has expanded its service capabilities as customers increasingly outsource their transportation needs. The Company has established a Supply Chain Solutions group with logistics expertise at its headquarters in Downers Grove. In addition, many of the Hubs have hired experienced logistics personnel exclusively dedicated to selling and servicing Hub Group's logistics service offering. The Supply Chain Solutions group acts as a central resource for the Hubs who then perform the actual logistics services.

The Company currently offers various logistics services, including comprehensive transportation management, arranging for delivery to multiple locations at the shipment's destination, third party warehousing, less-than-truckload consolidation and other customized logistics services. When providing complete transportation services, the Company essentially replaces the customer's transportation department. Once the Company is hired as a single source logistics provider, it negotiates with intermodal, railcar, truckload and less-than-truckload carriers to move the customer's product through the supply chain and then dispatches the move for the customer.

DISTRIBUTION SERVICES Hub Distribution offers non-traditional logistics services such as installation of point of sale merchandise displays and delivery of sample pharmaceuticals to sales representatives.

HUB NETWORK

Over the past 32 years, Hub Group has grown from a single office with two employees into a network of 22 Hubs and Hub Distribution. Hub Group also has several satellite sales offices. In developing this network, the Company has carefully selected each location to ensure coverage in areas with significant concentrations of shipping customers and one or more railheads. Hub Group currently has Hubs in the following cities:

Atlanta	Houston	New York City	San Francisco
Baltimore	Indianapolis	Pittsburgh	Seattle
Boston	Kansas City	Portland	Toledo
Chicago	Los Angeles	Rochester	Toronto
Cleveland	Memphis	St. Louis	
Detroit	Milwaukee	Salt Lake City	

The entire Hub network is interactively connected through the Company's proprietary Network Management System. This enables Hub Group to move freight into and out of every major city in the United States and most locations in Canada and Mexico.

Each Hub manages the freight originating in or destined for its service area. In a sample intermodal transaction, the customer contacts the local Hub, known as the selling Hub, to obtain shipping schedules and a price quote for a particular freight movement. The local Hub obtains the necessary intermodal equipment, arranges for it to be delivered to the customer by a drayage company and, after the freight is loaded, arranges for the transportation of the container or trailer to the rail ramp. Information is entered into the Network Management System by the local Hub. This information is simultaneously transmitted through the Network Management System to the Hub closest to the point of delivery. The Company's predictive track and trace technology then monitors the shipment to ensure that it will arrive as scheduled, alerting the customer service personnel at the local Hub if there are service delays. The Hub closest to the point of delivery arranges for and confirms delivery by a drayage company. This arrangement among the Hubs is transparent to the customer and allows the customer to maintain its relationship solely with the selling Hub.

The Company provides brokerage services to its customers in a similar manner. In a sample brokerage transaction, the customer contacts the local Hub to obtain transit information and a price quote for a particular freight movement. The customer then provides appropriate shipping information to the local Hub. The local Hub makes the delivery appointment and arranges with the appropriate carrier to pick up the freight. Once it receives confirmation that the freight has been picked up, the local Hub monitors the movement of the freight until it reaches its destination and the delivery has been confirmed. If the carrier notifies Hub Group that after delivering the load it will need additional freight, the Hub located nearest the destination is notified of the carrier's availability. Although it is under no obligation to do so, the local Hub then may attempt, if requested by the carrier, to secure freight for the carrier.

MARKETING AND CUSTOMERS

The Company believes that fostering long-term customer relationships is critical to the Company's success. Through these long-term relationships, the

Company is able to better understand its customer's needs and to tailor transportation services for a specific customer, regardless of the customer's size or volume. The Company currently has full time marketing representatives at each Hub and Hub Distribution with primary responsibility for servicing local and regional accounts. These sales representatives work from the local Hubs, Hub Distribution and the Company's satellite sales offices. This network provides a local marketing contact for small and medium shippers in most major metropolitan areas within the United States.

In 1985, the Company established the National Accounts group to service the needs of the nation's largest shippers. The Company recognized that although most large shippers originate freight from multiple locations throughout the country, their logistics function is usually centralized. The Company essentially mirrored this structure by servicing national accounts from a central location and parceling out the servicing of individual freight shipments to the appropriate Hub. There are currently 14 National Accounts sales representatives who report either directly or indirectly to the Company's Executive Vice President of Marketing. The National Accounts sales representatives regularly call on the nation's largest shippers to develop business relationships and to expand the Company's participation in servicing their transportation needs. When a business opportunity is identified by a National Accounts sales representative, the Company's market development and pricing personnel and the local Hubs work together to provide a transportation solution tailored to the customer's needs. Local Hubs provide transportation services to National Accounts customers. After the plan is implemented, National Accounts' personnel maintain regular contact with the shipper to ensure customer satisfaction, to refine the process as necessary and attempt to sell additional services to the customer.

In October 2002, the Company established a joint marketing relationship with TMM Logistics, a wholly owned subsidiary of Grupo TMM. The agreement calls for TMM Logistics to provide all sales support and operational execution within Mexico and Hub Group to furnish the same capabilities in Canada and the United States. A newly formed division of Hub Group, called Hub Mexico, provides joint marketing, door-to-door oversight, coordination and pricing support.

This unique combination of local and regional marketing has produced a large, diverse customer base. The Company services customers in a wide variety of industries, including automotive, chemicals, consumer products, electronics, paper, printing, and retail.

MANAGEMENT INFORMATION SYSTEMS

A primary component of the Company's business strategy is the continued improvement of its Network Management System and other technology to ensure that the Company will remain a leader among transportation providers in information processing for transportation services. Hub Group's Network Management System consists of proprietary software running on IBM AS/400 computers located at a secure offsite data center. All of the Hubs are linked with these AS/400 computers and each other using a frame relay network. This configuration provides a real time environment for transmitting data among the Hubs and the Company's headquarters. The Company also makes extensive use of electronic data interchange ("EDI"), allowing each Hub to communicate electronically with each railroad, certain drayage companies and those customers with EDI capabilities.

The Company's Network Management System is the primary mechanism used by the Hubs to handle the Company's intermodal and highway services business. The Network Management System processes customer transportation requests, schedules and tracks shipments, prepares customer billing, establishes account profiles and retains critical information for analysis. The Network Management System provides connectivity with each of the major rail carriers, enabling the Company to electronically schedule and track shipments in a real time environment. In addition, the Network Management System's EDI features offer customers with EDI capability a completely paperless process, including load tendering, shipment tracking, customer billing and remittance processing. The Company aggressively pursues opportunities to establish EDI interfaces with its customers and carriers.

To help manage its logistics business, the Company uses specialized software that includes planning and execution solutions. This sophisticated transportation management software enables Hub Group to offer supply chain planning tools and logistics managing, modeling, optimizing and monitoring tools for its customers. This software may be used by the Company when offering logistics management services to customers that ship via multiple modes, including intermodal, truckload, and less-than-truckload, allowing the Company to optimize mode and carrier selection and routing for its customers. This software is integrated with Hub Group's Network Management System and Hub Group's accounting system.

The Company's website, www.hubgroup.com, is designed to allow Hub Group's customers and vendors to easily do business with Hub Group online. Through

Vendor Interface, the Company tenders loads to its drayage partners using the Internet rather than phones or faxes. Vendor Interface also captures event status information, allows vendors to view outstanding paperwork requirements and helps facilitate paperless invoicing for payment. Hub Group currently tenders 98% of its drayage loads using Vendor Interface or EDI. Customer Advantage allows customers to receive immediate pricing, place orders, track shipments and review historical shipping data through a variety of reports over the Internet. Current Internet applications are integrated with the Network Management System.

RELATIONSHIP WITH RAILROADS

A key element of the Company's business strategy is to strengthen its close working relationship with each of the major intermodal railroads in the United States. The Company views its relationship with the railroads as a partnership. Due to the Company's size and relative importance, many railroads have dedicated support personnel to focus on the Company's day-to-day service requirements. On a regular basis, senior executives of the Company and each of the railroads meet to discuss major strategic issues concerning intermodal transportation. Several of the Company's executive officers, including both the Company's Chairman and President, are former railroad employees, which makes them well-suited to understand the railroads' service capabilities.

The Company has contracts with each of the following major railroads:

Burlington Northern Santa Fe Railway	Kansas City Southern
Canadian National	Norfolk Southern
Canadian Pacific	Union Pacific
CSX	

The Company also has contracts with each of the following major fourth-party service providers: Mitsui O.S.K. Lines (America) Inc., Pacer International, Inc., K-Line America, Inc. and Maersk Sea-Land.

These contracts govern the transportation services and payment terms pursuant to which the Company's intermodal shipments are handled by the railroads. The contracts have staggered renewal terms with the earliest expiration occurring during 2003. While there can be no assurances that these contracts will be renewed, the Company has in the past successfully negotiated extensions of these contracts. Transportation rates are market driven and are typically negotiated between the Company and the railroads or fourth-party service providers on a customer specific basis. Consistent with industry practice, many of the rates negotiated by the Company are special commodity quotations ("SCQs"), which provide discounts from published price lists based on competitive market factors and are designed by the railroads or fourth-party service providers to attract new business or to retain existing business. SCQ rates are generally issued for the account of a single IMC. SCQ rates apply to specific customers in specified shipping lanes for a specific period of time, usually six to 12 months.

The Company also manages a fleet of containers under its Premier Service Network. This program began with the Burlington Northern and Santa Fe Railway Company ("BNSF") in May 1998 and in 1999 expanded to include the Norfolk Southern Corporation ("NS"). Under agreements with both the BNSF and NS, the Company manages, as of March 1, 2003, approximately 4,900 containers owned by the BNSF and 1,300 containers owned by the NS. These containers are for Hub Group's dedicated use on the BNSF and NS rail systems. The BNSF containers and the NS containers are fully interchangeable across both the BNSF and NS rail networks.

RELATIONSHIP WITH DRAYAGE COMPANIES

The Company has a "Quality Drayage Program," which consists of agreements and rules that govern the framework pursuant to which certain drayage companies perform services for the Company. Participants in the program commit to provide high quality service along with clean and safe equipment, maintain a defined on-time performance level and follow specified procedures designed to minimize freight loss and damage. The local Hubs negotiate drayage rates for transportation between specific origin and destination points. These rates generally are valid, with minor exceptions for fuel surcharge increases, for a period of one year.

RELATIONSHIP WITH TRUCKLOAD CARRIERS

The Company's brokerage operation has a large and growing number of active carriers in its database which it uses to transport freight. The local Hubs deal daily with these carriers on an operational level. Hub Highway Services handles the administrative and regulatory aspects of the carrier relationship. Hub

Group's relationships with its carriers are important since these relationships determine pricing, load coverage and overall service.

RISK MANAGEMENT AND INSURANCE

The Company requires all drayage companies participating in the Quality Drayage Program to carry at least $1.0 million in general liability insurance, $1.0 million in truckman's auto liability insurance and to obtain, either on their own or through the Company's insurance, $1.0 million in cargo insurance. Railroads, which are self-insured, provide limited cargo protection, generally up to $250,000 per shipment. To cover freight loss or damage when a carrier's liability cannot be established or a carrier's insurance is insufficient to cover the claim, the Company carries its own cargo insurance with a limit of $1.0 million per container or trailer and a limit of $20.0 million aggregate. The Company also carries general liability insurance with limits of $1.0 million per occurrence and $2.0 million in the aggregate with a companion $25.0 million umbrella policy on this general liability insurance.

GOVERNMENT REGULATION

Hub Highway Services is licensed by the Department of Transportation ("DOT") as a broker in arranging for the transportation of general commodities by motor vehicle. To the extent that the Hubs perform truck brokerage services, they do so under the license granted to Hub Highway Services. The DOT prescribes qualifications for acting in this capacity, including a $10,000 surety bond which the Company has posted. To date, compliance with these regulations has not had a material adverse effect on the Company's results of operations or financial condition. However, the transportation industry is subject to legislative or regulatory changes that can affect the economics of the industry by requiring changes in operating practices or influencing the demand for, and cost of providing, transportation services.

COMPETITION

The transportation services industry is highly competitive. The Company competes against other IMCs, as well as logistics companies, third party brokers, over-the-road truckload carriers and railroads that market their own intermodal services. There is an emerging trend for larger truckload carriers to enter into agreements with railroads to market intermodal services nationwide. In addition, many existing and start-up companies are using the Internet to market transportation services. Competition is based primarily on freight rates, quality of service, reliability, transit time and scope of operations. Several transportation service companies and truckload carriers, and all of the major railroads, have substantially greater financial and other resources than the Company.

GENERAL

EMPLOYEES: As of February 28, 2003, the Company had approximately 1,405 employees. The Company is not a party to any collective bargaining agreement and considers its relationship with its employees to be satisfactory.

OTHER: No material portion of the Company's operations is subject to renegotiation of profits or termination of contracts at the election of the federal government. None of the Company's trademarks are believed to be material to the Company. The Company's business is seasonal to the extent that certain customer groups, such as retail, are seasonal.

ITEM 2. PROPERTIES

The Company directly, or indirectly through its subsidiaries, operates 38 offices throughout the United States and in Canada, including the Company's headquarters in Downers Grove, Illinois and its Company-owned drayage operations. The office building used by the Hub located in Toledo is owned, and the remainder are leased. Most office leases have initial terms of more than one year, and many include options to renew. While some of the Company's leases expire in the near term, the Company does not believe that it will have difficulty in renewing them or in finding alternative office space. The Company believes that its offices are adequate for the purposes for which they are currently used.

ITEM 3. LEGAL PROCEEDINGS

On February 19, 2002, a purported class action lawsuit was filed by Riggs Partners, LLC in the United States District Court for the Northern District of Illinois, Eastern Division. On October 23, 2002, the federal district court granted the Company's motion to dismiss the complaint in its entirety for failing to allege facts sufficient to state a claim. The court also granted the motion of the Company's former auditors. The Court's order required plaintiffs to file any amended complaint by November 22, 2002. The plaintiffs did not file an amended complaint by this date and agreed that they would not appeal the court's order of October 23, 2002 dismissing the lawsuit. The suit is therefore terminated.

In addition, the Company is a party to litigation incident to its business, including claims for freight lost or damaged in transit, improperly shipped or improperly warehoused. Some of the lawsuits to which the Company is party are covered by insurance and are being defended by the Company's insurance carriers. Some of the lawsuits are not covered by insurance and are being defended by the Company. Management does not believe that the outcome of this litigation will have a materially adverse effect on the Company's financial position or results of operations. See Item 1 Business - Risk Management and Insurance.

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

There were no matters submitted to a vote of the Company's security holders during the fourth quarter of 2002.

EXECUTIVE OFFICERS OF THE REGISTRANT

In reliance on General Instruction G to Form 10-K, information on executive officers of the Registrant is included in this Part I. The table sets forth certain information as of March 12, 2003 with respect to each person who is an executive officer of the Company.

NAME	AGE	POSITION
Phillip C. Yeager	75	Chairman of the Board of Directors
David P. Yeager	49	Vice Chairman of the Board of Directors and Chief Executive Officer
Thomas L. Hardin	57	President, Chief Operating Officer and Director
Mark A. Yeager	38	President- Field Operations
Thomas M. White	45	Senior Vice President, Chief Financial Officer and Treasurer
Richard M. Rogan	63	Executive Vice President-Marketing
Dennis R. Polsen	49	Vice President and Chief Information Officer
David C. Zeilstra	33	Vice President, Secretary and General Counsel

Phillip C. Yeager, the Company's founder, has been Chairman of the Board since October 1985. From April 1971 to October 1985, Mr. Yeager served as President of Hub City Terminals, Inc. ("Hub Chicago"). Mr. Yeager became involved in intermodal transportation in 1959, five years after the introduction of intermodal transportation in the United States, as an employee of the Pennsylvania and Pennsylvania Central Railroads. He spent 19 years with the Pennsylvania and Pennsylvania Central Railroads, 12 of which involved intermodal transportation. In 1991, Mr. Yeager was named Man of the Year by the Intermodal Transportation Association. In 1995, he received the Salzburg Practitioners Award from Syracuse University in recognition of his lifetime achievements in the transportation industry. In October 1996, Mr. Yeager was inducted into the Chicago Area Entrepreneurship Hall of Fame sponsored by the University of Illinois at Chicago. In March 1997, he received the Presidential Medal from Dowling College for his achievements in transportation services. In September 1998 he received the Silver Kingpin award from the Intermodal Association of North America and in February 1999 he was named Transportation Person of the Year by the New York Traffic Club. Mr. Yeager graduated from the University of Cincinnati in 1951 with a Bachelor of Arts degree in Economics. Mr. Yeager is the father of David P. Yeager and Mark A. Yeager.

David P. Yeager has served as the Company's Vice Chairman of the Board since January 1992 and as Chief Executive Officer of the Company since March 1995. From October 1985 through December 1991, Mr. Yeager was President of Hub Chicago. From 1983 to October 1985, he served as Vice President, Marketing of Hub Chicago. Mr. Yeager founded the St. Louis Hub in 1980 and served as its President from 1980 to 1983. Mr. Yeager founded the Pittsburgh Hub in 1975 and served as its President from 1975 to 1977. Mr. Yeager received a Masters in Business Administration degree from the University of Chicago in 1987 and a Bachelor of Arts degree from the University of Dayton in 1975. Mr. Yeager is the son of Phillip C. Yeager and the brother of Mark A. Yeager.

Thomas L. Hardin has served as the Company's President since October 1985 and has served as Chief Operating Officer and a director of the Company since March 1995. From January 1980 to September 1985, Mr. Hardin was Vice President-Operations and from June 1972 to December 1979, he was General Manager of the Company. Prior to joining the Company, Mr. Hardin worked for the Missouri Pacific Railroad where he held various marketing and pricing positions. Mr. Hardin is the former Chairman of the Intermodal Association of North America.

Mark A. Yeager has been the Company's President-Field Operations since July 1999. From November 1997 through June 1999 Mr. Yeager was Division President, Secretary and General Counsel. From March 1995 to November 1997, Mr. Yeager was Vice President, Secretary and General Counsel. From May 1992 to March 1995, Mr. Yeager served as the Company's Vice President-Quality. Prior to joining the Company in 1992, Mr. Yeager was an associate at the law firm of Grippo & Elden from January 1991 through May 1992 and an associate at the law firm of Sidley & Austin from May 1989 through January 1991. Mr. Yeager received a Juris Doctor degree from Georgetown University in 1989 and a Bachelor of Arts degree from Indiana University in 1986. Mr. Yeager is the son of Phillip C. Yeager and the brother of David P. Yeager.

Thomas M. White has been the Company's Senior Vice President, Chief Financial Officer and Treasurer since June 2002. Prior to joining the Company, Mr. White was a Managing Partner-Business Process Outsourcing at Arthur Andersen, LLP. Mr. White worked for Arthur Andersen, LLP for 23 years, holding various positions including Managing Partner of the Kansas City, Missouri office and Omaha, Nebraska office. Mr. White received a Masters in Science and Industrial Administration from Purdue University in 1985 and a Bachelor of Business Administration from Western Michigan University in 1979. Mr. White is a CPA and a member of the American Institute of Certified Public Accountants.

Richard M. Rogan has been Executive Vice President of Marketing since November 1997 and was President of Hub Highway Services from May 1995 through February 2002. Prior to joining the Company, Mr. Rogan was Executive Vice President of National Freight, Inc. from May 1993 to April 1995. Prior to that, Mr. Rogan was with Burlington Motor Carriers, Inc., where he served as President and Chief Executive Officer from March 1988 to April 1993 and as an Executive Vice President from July 1985 to February 1988. Mr. Rogan's transportation career spans 25 years and includes earlier assignments with the Illinois Central Railroad, North American Van Lines and Schneider National. He received a Bachelor of Business Administration degree from Loyola University of Chicago in 1962 and a Master of Business Administration degree from the Wharton School of the University of Pennsylvania in 1963. He has served on the Board of Directors of the ATA Foundation as well as the Interstate Truckload Carrier Conference ("ITCC"). He is a past Chairman of the ITCC Highway Policy Committee and has also served on the Advisory Board of the Trucking Profitability Strategies Conference at the University of Georgia.

Dennis R. Polsen has been the Company's Vice President - Chief Information Officer since September 2001. From March 2000 through August 2001, Mr. Polsen was the Company's Vice-President of Application Development. Prior to joining the Company, Mr. Polsen was Director of Applications for Humana, Inc. from September 1997 through February 2000 and spent 14 years prior to that developing, implementing, and directing transportation logistics applications at Schneider National, Inc. Mr. Polsen received a Bachelor of Business Administration in May of 1976 from the University of Wisconsin, Milwaukee and a Masters in Business Administration in May of 1983 from the University of Wisconsin Graduate School of Business. Mr. Polsen is a past member of the American Trucking Association.

David C. Zeilstra has been the Company's Vice President, Secretary and General Counsel since July 1999. From December 1996 through June 1999, Mr. Zeilstra was the Company's Assistant General Counsel. Prior to joining the Company, Mr. Zeilstra was an associate with the law firm of Mayer, Brown & Platt from September 1994 through November 1996. Mr. Zeilstra received a Juris Doctor degree from the Duke University School of Law in 1994 and a Bachelor of Arts degree from Wheaton College in 1990.

DIRECTORS OF THE REGISTRANT

In addition to Phillip C. Yeager, David P. Yeager and Thomas L. Hardin, the following three individuals are also on the Company's Board of Directors: Gary D. Eppen - currently retired and formerly the Ralph and Dorothy Keller Distinguished Service Professor of Operations Management and Deputy Dean for part-time Masters in Business Administration Programs at the Graduate School of Business at the University of Chicago; Charles R. Reaves- Chief Executive Officer of Reaves Enterprises, Inc., a real estate development company and Martin P. Slark - President, Chief Operating Officer and Director of Molex, Incorporated, a manufacturer of electronic, electrical and fiber optic interconnection products and systems.

PART II

ITEM 5. MARKET FOR REGISTRANTS COMMON EQUITY AND RELATED SHAREHOLDER MATTERS

The Class A common stock of the Company ("Class A Common Stock") trades on the NASDAQ National Market tier of the NASDAQ Stock Market under the symbol "HUBG." Set forth below are the high and low closing prices for shares of the Class A Common Stock of the Company for each full quarterly period in 2001 and 2002.

	2001		2002	
	HIGH	LOW	HIGH	LOW
First Quarter	$11.88	$8.00	$11.28	$7.55
Second Quarter	$14.20	$8.00	$11.20	$9.01
Third Quarter	$15.14	$10.60	$9.70	$4.18
Fourth Quarter	$11.19	$8.75	$8.19	$4.75

On March 5, 2003, there were approximately 98 stockholders of record of the Class A Common Stock and, in addition, there were an estimated 1,520 beneficial owners of the Class A Common Stock whose shares were held by brokers and other fiduciary institutions. On March 5, 2003, there were 11 holders of record of the Company's Class B common stock (the "Class B Common Stock" together with the Class A Common Stock, the "Common Stock").

The Company was incorporated in 1995 and has never paid cash dividends on either the Class A Common Stock or the Class B Common Stock. The declaration and payment of dividends by the Company are subject to the discretion of the Board of Directors. Any determination as to the payment of dividends will depend upon the results of operations, capital requirements and financial condition of the Company, and such other factors as the Board of Directors may deem relevant. Accordingly, there can be no assurance that the Board of Directors will declare or pay dividends on the shares of Common Stock in the future. The certificate of incorporation of the Company requires that any cash dividends must be paid equally on each outstanding share of Class A Common Stock and Class B Common Stock. The Company's credit facility and private placement debt prohibit the Company from paying dividends on the Common Stock if there has been, or immediately following the payment of a dividend would be, a default or an event of default under the credit facility or private placement debt. The Company is currently in compliance with the covenants contained in the credit facility and private placement debt.

ITEM 6. SELECTED FINANCIAL DATA

SELECTED FINANCIAL DATA
(in thousands except per share data)

	YEARS ENDED DECEMBER 31,				
	2002 (1)	2001	2000	1999	1998
STATEMENT OF OPERATIONS DATA:					
Revenue	$1,335,660	$1,319,331	$ 1,382,880	$ 1,295,502	$ 1,145,906
Gross margin	162,812	178,963	167,767	159,863	138,334
Operating income	11,141	10,548	13,495	26,453	26,406
Income before minority interest and taxes	2,015	902	2,878	19,928	25,324
Income before income taxes	2,539	751	4,547	15,941	15,205
Net income	1,498	443	2,683	9,405	8,908
Basic earnings per common share	$ .19	$ .06	$ 0.35	$ 1.22	$ 1.16
Diluted earnings per common share	$ .19	$ .06	$ 0.35	$ 1.21	$ 1.15

	AS OF DECEMBER 31,				
	2002	2001	2000	1999	1998
BALANCE SHEET DATA:					
Working capital (deficiency)	$ (7,109)	$ (5,380)	$ (5,902)	$ 20,202	$ 20,313
Total assets	399,262	416,024	469,373	441,421	304,791
Long-term debt, excluding current portion	94,027	96,059	109,089	131,414	29,589
Stockholders' equity	134,340	132,453	132,397	129,683	119,673

(1) As of January 1, 2002, the Company adopted Financial Accounting Standards Board Statement No. 142, "Goodwill and Other Intangible Assets ("Statement 142")". Under Statement 142, goodwill is no longer amortized. Amortization expense for the years ended December 31, 2001, 2000, 1999 and 1998 was $5,741,000, $5,741,000, $5,069,000 and $2,912,000, respectively. The per share effect of amortization expense related to goodwill, net of tax was $0.44, $0.44, $0.39 and $0.22 for the years ended December 31, 2001, 2000, 1999 and 1998, respectively.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

CAPITAL STRUCTURE

Hub Group, Inc. (the "Company") has authorized common stock comprised of Class A common stock and Class B common stock. The rights of holders of Class A common stock and Class B common stock are identical, except each share of Class B common stock entitles its holder to 20 votes, while each share of Class A common stock entitles its holder to one vote.

RESULTS OF OPERATIONS

YEAR ENDED DECEMBER 31, 2002, COMPARED TO YEAR ENDED DECEMBER 31, 2001

REVENUE

Revenue for the Company increased 1.2% to $1,335.7 million in 2002 from $1,319.3 million in 2001. The Company estimates that the West Coast port lockout negatively impacted revenue by between $7.0 and $9.0 million during the fourth quarter of 2002. Intermodal revenue increased 1.1% and truckload brokerage revenue increased 8.3% over 2001 primarily due to increased volume. The increase in intermodal revenue is partially offset by a $32.8 million reduction in demand from the Company's steamship customers when comparing the first quarter of 2002 with the first quarter of 2001. These customers ceased doing business with the Company early in the second quarter of 2001. Supply chain solutions logistics services revenue increased 21.1% to $109.2 million in 2002 from $90.2 million in 2001 as a result of adding new customers and increased business from existing customers. HGDS revenue decreased 27.1% to $80.9 million in 2002 from $110.9 million in 2001. HGDS experienced a significant revenue decline due to the loss of a large logistics customer as well as a temporary decrease in their installation business from a large customer during the first and second quarter of 2002.

GROSS MARGIN

Gross margin decreased to $162.8 million in 2002 from $179.0 million in 2001. As a percent of revenue, gross margin decreased to 12.2% from 13.6% in 2001. Intermodal gross margin, as a percentage of revenue, decreased due to changes in customer mix, competitive pricing, and increased transportation costs as compared to 2001. In addition, the Company revised its estimates of accrued transportation costs resulting in an increase in gross margin for the year ended December 31, 2002 of $1.6 million.

SALARIES AND BENEFITS

Salaries and benefits decreased 1.6% to $93.5 million in 2002 from $95.0 million in 2001. As a percentage of revenue, salaries and benefits decreased to 7.0% from 7.2% in 2001. Salaries and benefits include a severance charge of $0.5 million in 2002 related to the termination of employees during the fourth quarter. The decrease as a percentage of revenue is due to a decrease in headcount and the increase in revenue.

SELLING, GENERAL AND ADMINISTRATIVE

Selling, general and administrative expenses decreased 12.7% to $46.8 million in 2002 from $53.6 million in 2001. As a percentage of revenue, these expenses decreased to 3.5% in 2002 from 4.1% in 2001. The decrease as a percentage of revenue is primarily attributed to a $4.7 million write-off in 2001 associated with the bankruptcy and forced liquidation of a Korean steamship line customer and a decrease in costs associated with the outsourcing of our data center. During 2002, the Company incurred $1.4 million of expenses for professional fees related to the investigation and restatement of HGDS's results of operations for the years ended December 31, 2000 and 1999. During the fourth quarter of 2002, the Company recorded a charge of $0.5 million related to a liability for the remaining lease obligation associated with a closed facility.

DEPRECIATION AND AMORTIZATION OF PROPERTY AND EQUIPMENT

Depreciation and amortization increased 6.5% to $11.4 million in 2002 from $10.7 million in 2001. This expense as a percentage of revenue increased to 0.9% from 0.8% in 2001. The increase in depreciation expense in 2002 is due primarily to new software applications placed in service throughout 2002 and accelerated depreciation and amortization of leasehold improvements related to office relocations.

AMORTIZATION OF GOODWILL

As of January 1, 2002, the Company adopted Statement of Financial Accounting Standards (SFAS) No. 142 "Goodwill and Other Intangible Assets". Under SFAS No. 142, goodwill is no longer amortized and is tested annually for impairment. Amortization of goodwill was $5.7 million in 2001.

IMPAIRMENT OF PROPERTY AND EQUIPMENT

There was no impairment charge in 2002. The $3.4 million impairment charge in 2001 was due to HGDS's exit from its initiative surrounding the home delivery of large box items purchased over the internet.

OTHER INCOME (EXPENSE)

Interest expense decreased 8.6% to $9.5 million in 2002 from $10.3 million in 2001. The decrease in interest expense is due primarily to carrying a lower average debt balance this year as compared to the prior year and lower interest rates.

Interest income decreased to $0.2 million in 2002 from $0.7 million in 2000 primarily as a result of lower customer finance charges.

MINORITY INTEREST

Minority interest was a $0.5 million benefit in 2002 compared with a $0.2 million charge in 2001. Minority interest represented the 35% interest in HGDS prior to the Company's purchase of this interest in August 2002. See Note 4 to the Consolidated Financial Statements.

PROVISION FOR INCOME TAXES

The provision for income taxes increased to $1.0 million in 2002 compared to $0.3 million in 2001. The Company provided for income taxes using an effective rate of 41.0% in 2002 and 2001.

NET INCOME

Net income increased to $1.5 million in 2002 from $0.4 million in 2001.

EARNINGS PER COMMON SHARE

Basic and diluted earnings per common share increased to $0.19 in 2002 from $0.06 in 2001.

YEAR ENDED DECEMBER 31, 2001 COMPARED TO YEAR ENDED DECEMBER 31, 2000

REVENUE

Revenue for the Company decreased 4.6% to $1,319.3 million in 2001 from $1,382.9 million in 2000. Overall, management believes that a soft economy has negatively impacted the current year growth. Intermodal revenue decreased 9.9% from 2000. The decline in intermodal revenue was primarily due to a $71.8 million reduction in demand for intermodal service from the Company's steamship customers. Two large steamship customers ceased doing business with the Company in the second quarter of 2001. While one steamship customer has terminated operations worldwide, the other has changed its method of business. Truckload brokerage revenue increased 2.7% from 2000. Logistics revenue, which includes revenue from the Company's supply chain solutions services and revenue from HGDS, increased 17.8% compared to 2000. This increase was primarily due to significant growth from the Company's supply chain solutions business.

GROSS MARGIN

Gross margin increased 6.7% to $179.0 million in 2001 from $167.8 million in 2000. As a percent of revenue, gross margin increased to 13.6% from 12.1% in 2000. The increase in gross margin as a percent of revenue is primarily due to the increase in the intermodal gross margin percentage resulting in part from the loss of the high volume, lower margin steamship business.

SALARIES AND BENEFITS

Salaries and benefits decreased 1.3% to $95.0 million in 2001 from $96.2 million in 2000. As a percentage of revenue, salaries and benefits increased to 7.2% from 7.0% in 2000. The increase as a percentage of revenue is due to the decrease in revenue.

SELLING, GENERAL AND ADMINISTRATIVE

Selling, general and administrative expenses increased 16.0% to $53.6 million in 2001 from $46.2 million in 2000. As a percentage of revenue, these expenses increased to 4.1% from 3.3% in 2000. The increase as a percentage of revenue is primarily attributed to a $4.7 million write-off associated with the bankruptcy and forced liquidation of a Korean steamship line customer, increased costs associated with the outsourced data center and the decrease in revenue.

DEPRECIATION AND AMORTIZATION OF PROPERTY AND EQUIPMENT

Depreciation and amortization increased 75.1% to $10.7 million in 2001 from $6.1 million in 2000. This expense as a percentage of revenue increased to 0.8% from 0.4% in 2000. The increase in depreciation and amortization is due in part to the depreciation of software applications placed into service throughout 2000 and 2001. Additionally, during the first half of the year, the Company recognized $1.5 million in additional depreciation due primarily to a change in estimated useful lives for various assets. Of this amount, $0.9 million relates to various assets, that in December 2000, were determined to be no longer useful once the Company's new operating system was completed. The remaining $0.6 million of additional depreciation relates to the Company's decision to accelerate depreciation for a piece of communications software that was replaced with a more stable and cost effective software application during the second quarter of 2001.

AMORTIZATION OF GOODWILL

Amortization of goodwill remained constant at $5.7 million in both 2001 and 2000.

IMPAIRMENT OF PROPERTY AND EQUIPMENT

The $3.4 million impairment charge in 2001 was due to Hub Distribution's exit from its initiative surrounding the home delivery of large box items purchased over the internet.

OTHER INCOME (EXPENSE)

Interest expense decreased 10.3% to $10.3 million in 2001 from $11.5 million in 2000. The decrease in interest expense is due primarily to carrying a lower average debt balance this year as compared to the prior year and lower interest rates.

Interest income decreased to $0.7 million in 2001 from $0.8 million in 2000.

Other income decreased to $0.0 million in 2001 from $0.1 million in 2000.

MINORITY INTEREST

Minority interest decreased to a charge of $0.2 million in 2001 compared to a benefit of $1.7 million in 2000. Minority interest represents the 35% minority interest in Hub Distribution.

PROVISION FOR INCOME TAXES

The provision for income taxes decreased 83.5% to $0.3 million in 2001 compared to $1.9 million in 2000. The Company provided for income taxes using an effective rate of 41.0% in both years.

NET INCOME

Net income decreased to $0.4 million in 2001 from $2.7 million in 2000.

EARNINGS PER COMMON SHARE

Basic and diluted earnings per common share decreased to $0.06 in 2001 from $0.35 in 2000.

LIQUIDITY AND CAPITAL RESOURCES

The Company has funded its operations and capital expenditures through cash flows from operations and bank borrowings.

Cash provided by operating activities for the year ended December 31, 2002, was approximately $12.6 million, which resulted primarily from net income from operations, non-cash charges of $16.9 million and a net decrease in working capital of $5.8 million. The decrease in working capital was primarily related to reduced accounts payable and accrued expenses offset by a reduction in accounts receivable due to improved collection efforts.

Net cash used in investing activities for the year ended December 31, 2002, was $10.5 million and related to the purchase of the minority interest in HGDS and capital expenditures. The capital expenditures were principally made to enhance the Company's information system capabilities.

The net cash used in financing activities for the year ended December 31, 2002, was $2.0 million. This was primarily comprised of $6.0 million of borrowings on the Company's line of credit and $8.0 million of scheduled payments on the Company's term debt and capital leases.

The Company maintains a multi-bank credit facility (the "Credit Facility"). The Credit Facility is comprised of term debt and a revolving line of credit. The revolving line of credit has a term that expires on June 24, 2005 and bears interest at a maximum of LIBOR plus 3.0% or Prime plus 1.5%. Borrowings and weighted average interest rates on the revolving line of credit were $25.0 million and 4.18% and $19.0 million and 4.46% at December 31, 2002 and 2001, respectively. There was $24.3 million and $31.0 million unused and available under the revolving line of credit at December 31, 2002 and 2001, respectively. The term debt has quarterly payments ranging from $1.2 million to $2.0 million with a balloon payment of $9.0 million due on June 24, 2005. Interest on the term debt is a maximum of LIBOR plus 3.25% or Prime plus 1.75%. Borrowings and weighted average interest rates on the term debt were $27.0 million and 4.40% and $35.0 million and 4.66% at December 31, 2002 and 2001, respectively.

The Credit Facility was amended three times during 2002. On March 27, 2002, the Credit Facility was amended to waive any historical covenant violations that resulted from the restatement of the Company's financial statements from 1999 and 2000 and the adjustment made to the Company's financial statements in the fourth quarter of 2001. The amendment also revised the minimum borrowing rate from January 1, 2002 through September 30, 2002. On August 14, 2002, the Credit Facility was amended to waive the Company's non-compliance as of June 30, 2002 with certain covenants relating to the fixed charge coverage ratio, minimum earnings before interest, taxes, depreciation and minority interest and cash flow leverage ratio. The amendment modified certain financial covenants for the quarters ending September 30, 2002 and December 31, 2002. On October 15, 2002, the Credit Facility was amended to modify the fixed charge coverage ratio, minimum earnings before interest, taxes, depreciation, amortization and minority interest and the cash flow leverage ratio for all periods subsequent to December 31, 2002. In addition, the capital expenditure limitation was reduced to $9.0 million for the year ended December 31, 2003. The amendment also provided that loans under the Credit Facility are secured by substantially all assets of the Company. The Credit Facility, as amended, provides for certain financial covenants including a fixed charge coverage ratio, minimum earnings before interest, taxes, depreciation, amortization, minority interest and certain other charges (EBITDAM) and a cash flow leverage ratio. The Company was in compliance with its debt covenants as of December 31, 2002. Subsequent to December 31, 2002, the Company extended the expiration date of the Credit Facility to June 24, 2005, modified the definition of EBITDAM and set covenants through the end of the extended term. The modified covenants are consistent with the covenants of the private placement debt for the same time period.

The Company maintains $50.0 million of private placement debt (the "Notes"). These Notes have an eight-year average life and bear interest at 9.14% which is paid quarterly. These Notes mature on June 25, 2009, with annual payments of $10.0 million commencing on June 25, 2005. The Notes were amended three times during 2002. The amendments were made currently with the changes to the Credit Facility discussed above and the revisions were similar to the amendments made to the Credit Facility. The Notes, as amended through October 15, 2002, provide for certain financial covenants including a fixed charge coverage ratio and a cash flow leverage ratio. The loans are secured by substantially all assets of the Company. The Company was in compliance with the covenants as of December 31, 2002.

As of December 31, 2002, the Company has standby letters of credit totaling $725,000 that expire from 2003 to 2012. At December 31, 2001, the Company had standby letters of credit totaling $925,000.

CONTRACTUAL OBLIGATIONS

The Company has ongoing commitments under various contractual and commercial obligations at December 31, 2002, as follows (in millions):

	PAYMENTS DUE BY YEAR						
	TOTAL	2003	2004	2005	2006	2007	THEREAFTER
Long-term debt	$ 102.1	$ 8.1	$ 8.0	$ 46.0	$ 10.0	$ 10.0	$ 20.0
Operating leases	39.3	12.0	7.6	4.6	3.2	2.8	9.1
Total	$ 141.4	$ 20.1	$ 15.6	$ 50.6	$ 13.2	$ 12.8	$ 29.1

CRITICAL ACCOUNTING POLICIES

The Company's significant accounting policies are discussed in the notes to the consolidated financial statements. The application of certain of these policies and the preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make significant judgments or rely on an estimation process 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 revenue and expense during the reporting period. The Company bases it estimates on historical experience, current events and other assumptions that it believes are reasonable. Significant estimates include the allowance for doubtful accounts, cost of purchased transportation and services and reserves for pricing and billing adjustments. If actual amounts are ultimately different from previous estimates, the revisions are included in the Company's results of operations for the period in which the actual amounts became known. The accounting policies that can have a significant impact upon the results of operations, financial position and footnote disclosures of the Company are as follows:

ALLOWANCE FOR UNCOLLECTIBLE TRADE ACCOUNTS: In the normal course of business, the Company extends credit to customers after a review of each customer's credit history. An allowance for uncollectible trade accounts has been established through an analysis of the accounts receivable aging, an assessment of collectibility based on historical trends and an evaluation of the current economic conditions. Actual collections of accounts receivable could differ from management's estimates due to changes in future economic, industry or customer financial condition.

VALUATION OF LONG-LIVED ASSETS: The Company reviews long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of such assets many not be recoverable. An estimate of undiscounted cash flows produced by the asset or appropriate group of assets is compared to the carrying value to determine whether impairment exists. The estimate of future cash flows involves considerable management judgment and is based upon assumptions about anticipated future operating performance. The actual cash flow could differ from management's estimates due to changes in business conditions, operating performance and economic conditions.

VALUATION OF GOODWILL: As of January 1, 2002, the Company adopted Financial Accounting Standards Board Statement No. 142, "Goodwill and Other Intangible Assets" ("Statement 142"). Under Statement 142, goodwill and intangible assets that have indefinite useful lives are no longer amortized. In accordance with Statement 142, the Company reviews goodwill for impairment on an annual basis or whenever events of changes in circumstances indicate the carrying amount of goodwill may not be recoverable. The Company utilizes a third-party independent valuation firm to assist in performing the necessary valuations to be used in the impairment testing. The valuations are based on market capitalization, discounted cash flow analysis or a combination of both methodologies. The assumptions used by the Company in the above valuations include expectations regarding future operating performance, discount rates, control premiums and other factors which are subjective in nature. As previously mentioned, actual cash flows from operations could differ from management's estimates due to changes in business conditions, operating performance and economic conditions. Should estimates differ materially from actual results, the Company may be required to record impairment charges in the future.

DEFERRED INCOME TAXES: Deferred income taxes are recognized for the future tax effects of temporary differences between financial and income tax reporting using tax rates in effect for the years in which the differences are expected to reverse. An assessment is made as to the likelihood that deferred tax assets will be recoverable. As part of this assessment, management has considered tax-planning strategies that it believes to be prudent and feasible to allow for the realization of deferred tax assets. In the event the probability of realizing the deferred tax assets do not meet the more likely than not threshold in the future, a valuation allowance would be established for the deferred tax assets deemed unrecoverable.

OUTLOOK, RISKS AND UNCERTAINTIES

Except for historical data, the information contained in this Annual Report constitutes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are inherently uncertain and subject to risks. Such statements should be viewed with caution. Actual results or experience could differ materially from the forward-looking statements as a result of many factors. Forward-looking statements in this report include, but are not limited to, those contained in this "Outlook, Risks and Uncertainties" section regarding expectations, hopes, beliefs, estimates, intentions or strategies regarding the future. The Company assumes no liability to update any such forward-looking statements. In addition to those mentioned elsewhere in this section, such risks and uncertainties include the impact of competitive pressures in the marketplace, including the entry of new, web-based competitors and direct marketing efforts by the railroads, the degree and rate of market growth in the intermodal, brokerage and logistics markets served by the Company, changes in rail and truck capacity, further consolidation of rail carriers, deterioration in relationships with existing rail carriers, rail service conditions, changes in governmental regulation, adverse weather conditions, fuel shortages, changes in the cost of services from rail, drayage and other vendors, the threat of war or the commencement of a war in the Middle East and fluctuations in interest rates.

BUSINESS COMBINATIONS/DIVESTITURES

Management believes that future acquisitions or dispositions made by the Company could significantly impact financial results. Financial results most likely to be impacted include, but are not limited to, revenue, gross margin, salaries and benefits, selling general and administrative expenses, depreciation and amortization, interest expense, net income and the Company's debt level. Financial results may be impacted by additional factors as discussed below.

REVENUE

Management believes that the performance of the railroads and a more severe or prolonged slow-down of the economy are the most significant factors that could negatively influence the Company's revenue growth rate. Should there be further consolidation in the rail industry causing a service disruption, the Company believes its intermodal growth rate would likely be negatively impacted. Should there be another significant service disruption similar to the lock out of West Coast dock workers, the Company expects there may be some customers who would switch from using the Company's intermodal service to other carriers' over-the-road service. The Company expects these customers may choose to continue to utilize these carriers even when intermodal service levels are restored. Other factors that could negatively influence the Company's growth rate include, but are not limited to, the elimination of fuel surcharges, the entry of new web-based competitors, inadequate drayage service and inadequate equipment supply.

GROSS MARGIN

Management expects fluctuations in the gross margin percentage from quarter-to-quarter caused by various factors including, but not limited to, changes in business mix, intermodal margins, highway brokerage margins, logistics business margins, trailer and container capacity, vendor pricing, fuel costs, intermodal industry growth, intermodal industry service levels, competition and accounting estimates. Unlike the Company's other service offerings, the Company's distribution services are comprised of certain higher margin projects. There can be no assurance these higher margin projects will continue in the future.

SALARIES AND BENEFITS

It is anticipated that salaries and benefits as a percentage of revenue could fluctuate from quarter-to-quarter as there are timing differences between revenue increases and changes in levels of staffing. Should the Company eliminate more positions due to automation resulting from systems enhancements or centralizing functions, this expense, as a percent of revenue, is likely to be reduced. Factors that could affect the percentage from staying in the recent historical range include, but are not limited to, revenue growth rates significantly higher or lower than forecasted, a management decision to invest in additional personnel to stimulate new or existing businesses, such as the Company's expedited services initiative, changes in customer requirements and changes in railroad intermodal service levels which could result in a lower or higher cost of labor per move.

SELLING, GENERAL AND ADMINISTRATIVE

Management believes there are several factors that could cause selling, general and administrative expenses to increase as a percentage of revenue. As customer expectations and the competitive environment require the development of web-based business interfaces and the restructuring of the Company's information systems and related platforms, the Company believes there could be significant expenses incurred, some of which would not be capitalized. Costs incurred to formulate the Company's strategy as well as any costs that would be identified as reengineering or training would be expensed.

DEPRECIATION AND AMORTIZATION OF PROPERTY AND EQUIPMENT

Management estimates that depreciation and amortization of property and equipment will increase in the future. The most significant factor that could cause an increase in depreciation and amortization expense is increased software amortization related to improvements in the Company's information systems. Additional factors that could cause an increase in depreciation expense include, but are not limited to, if the Company decided to purchase rather than lease a greater proportion of assets or accelerating depreciation due to changes in useful lives of existing assets.

AMORTIZATION OF GOODWILL

With the adoption of Statement 142 effective January 1, 2002, the Company's goodwill is no longer being amortized but is subject to periodic impairment reviews.

IMPAIRMENT OF PROPERTY AND EQUIPMENT

On an ongoing basis, the Company assesses the realizability of its assets. If, at any point during the year, management determines that an impairment exists, the carrying amount of the asset is reduced by the estimated impairment with a corresponding charge to earnings. If it is determined that an impairment exists, management estimates that the write down of specific assets could have a material adverse impact on earnings.

OTHER INCOME (EXPENSE)

Factors that could cause interest to fluctuate higher or lower than forecasted include, but are not limited to, changes in lending rates, unanticipated debt repayments, unanticipated working capital needs, unanticipated software development expenses and unanticipated capital expenditures.

Management estimates that interest income will likely remain relatively consistent with the prior year. Factors that could cause a change include, but are not limited to, the possible use of cash to make debt repayments, fund working capital needs and fund capital expenditures.

LIQUIDITY AND CAPITAL RESOURCES

The Company believes that cash to be provided by operations, cash available under its lines of credit and the Company's ability to obtain additional credit will be sufficient to meet the Company's short-term working capital and capital expenditure needs. The Company believes that the aforementioned items are sufficient to meet its anticipated long-term working capital, capital expenditure and debt repayment needs.

The Company estimates that its capital expenditures will not exceed $9.0 million in 2003.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Company is exposed to market risk related to changes in interest rates on its bank line of credit and term notes which may adversely affect its results of operations and financial condition. The Company seeks to minimize the risk from interest rate volatility through its regular operating and financing activities and, when deemed appropriate, through the use of derivative financial instruments. The Company does not use financial instruments for trading purposes.

The Company has both fixed and variable rate debt as described in Note 8 to the Consolidated Financial Statements. The Company had an interest rate swap designated as a hedge on a portion of the Company's variable rate debt that matured September 30, 2002. The purpose of the swap was to fix the interest rate on a portion of the variable rate debt and reduce certain exposures to interest rate fluctuations. As of December 31, 2002, the Company did not have any interest rate swap agreements outstanding. A ten percent increase in market interest rates would not have a material impact on the results of operations for the year ended December 31, 2002.

The main objective of interest rate risk management is to reduce the total funding cost to the Company and to alter the interest rate exposure to the desired risk profile.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

INDEX TO FINANCIAL STATEMENTS
AND FINANCIAL STATEMENT SCHEDULE

REPORT OF INDEPENDENT AUDITORS

The Board of Directors and Stockholders of Hub Group, Inc.:

We have audited the consolidated balance sheet of Hub Group, Inc. as of December 31, 2002, and the related consolidated statements of operations, stockholders' equity, and cash flows for the year then ended. Our audit also included the financial statement schedule listed in the index at Item 15(a) for the year ended December 31, 2002. These financial statements and schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of Hub Group, Inc. as of December 31, 2001, and for each of the two years in the period ended December 31, 2001 were audited by other auditors who have ceased operations. Those auditors expressed an unqualified opinion on those statements in their report dated March 27, 2002 and included an explanatory paragraph which disclosed that the selected quarterly financial data included in Note 19 contained information that they did not audit and were unable to review in accordance with standards established by the American Institute of Certified Public Accountants because the Company did not restate its results on a quarterly basis.

We conducted our audit 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 consolidated financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the 2002 financial statements referred to above present fairly, in all material respects, the consolidated financial position of Hub Group, Inc. at December 31, 2002, and the consolidated results of their operations and their cash flows for the year then ended in conformity with accounting principles generally accepted in the United States. Also, in our opinion, the related financial statement schedule for the year ended December 31, 2002, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

As discussed in Note 1 to the consolidated financial statements, effective on January 1, 2002, the Company changed its method of accounting for goodwill to conform with Statement of Financial Accounting Standards (Statement) 142, "Goodwill and Other Intangible Assets".

As discussed, the consolidated financial statements of Hub Group, Inc. as of December 31, 2001, and for each of the two years in the period ended December 31, 2001 were audited by other auditors who have ceased operations. As described in Note 1, these consolidated financial statements have been revised to include the transitional disclosures required by Statement 142, "Goodwill and Other Intangible Assets", which was adopted by the Company as of January 1, 2002. Our audit procedures with respect to the disclosures in Note 1 with respect to 2001 and 2000 included (a) agreeing the previously reported net income to the previously issued financial statements and the adjustments to reported net income representing amortization expense, including any related tax effects, recognized in those periods related to goodwill as a result of initially applying Statement 142, to the Company's underlying records obtained from management, and (b) testing the mathematical accuracy of the reconciliation of adjusted net income to reported net income, and the related earnings-per-share amounts. In our opinion, the disclosures for 2001 and 2000 in Note 1 are appropriate. However, we were not engaged to audit, review, or apply any procedures to the 2001 and 2000 financial statements of the Company other than with respect to such disclosures and, accordingly, we do not express an opinion or any other form of assurance on the 2001 and 2000 financial statements taken as a whole.

ERNST & YOUNG LLP

Chicago, Illinois
February 19, 2003

PREDECESSOR AUDITOR (ARTHUR ANDERSEN LLP) OPINION

NOTE: THIS IS A COPY OF THE AUDIT REPORT PREVIOUSLY ISSUED BY ARTHUR ANDERSEN LLP ("ANDERSEN") IN CONNECTION WITH HUB GROUP, INC.'S FORM 10-K FILING FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001. THE INCLUSION OF THIS PREVIOUSLY ISSUED ANDERSEN REPORT IS PURSUANT TO THE " TEMPORARY FINAL RULE AND FINAL RULE REQUIREMENTS FOR ARTHUR ANDERSEN LLP AUDITING CLIENTS," ISSUED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION IN MARCH 2002. NOTE THAT THIS PREVIOUSLY ISSUED ANDERSEN REPORT INCLUDES REFERENCES TO CERTAIN FISCAL YEARS, WHICH ARE NOT REQUIRED TO BE PRESENTED IN THE ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000. THIS AUDIT REPORT HAS NOT BEEN REISSUED BY ARTHUR ANDERSEN LLP IN CONNECTION WITH THIS FILING ON FORM 10-K.

To the Board of Directors and Stockholders of Hub Group, Inc.:

We have audited the accompanying consolidated balance sheets of Hub Group, Inc. (a Delaware corporation) as of December 31, 2001 and 2000 and the related consolidated statements of operations, stockholders' equity and cash flows for each of the three years in the period ended December 31, 2001 (2000 and 1999 as restated - see Note 2). These consolidated financial statements and the schedule referred to below are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements and the schedule 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.

The selected quarterly financial data included in Note 20 contains information that we did not audit, and, accordingly, we do not express an opinion on that data. We were unable to review the quarterly financial data in accordance with standards established by the American Institute of Certified Public Accountants because the Company did not restate its results on a quarterly basis (see Note 2).

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

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedule on page S-1 is presented for purposes of complying with the Securities and Exchange Commissions rules and is not part of the basic financial statements. This schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

ARTHUR ANDERSEN LLP

Chicago, Illinois
March 27, 2002

HUB GROUP, INC.
CONSOLIDATED BALANCE SHEETS
(IN THOUSANDS, EXCEPT SHARE AMOUNTS)

	DECEMBER 31, 2002	DECEMBER 31, 2001
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ -	$ -
Accounts receivable		
Trade, net	126,736	137,463
Other	13,715	12,302
Deferred taxes	3,221	11,147
Prepaid expenses and other current assets	4,732	3,840
TOTAL CURRENT ASSETS	148,404	164,752
PROPERTY AND EQUIPMENT, net	34,209	39,098
GOODWILL, net	215,175	208,166
OTHER ASSETS	1,474	1,507
MINORITY INTEREST	-	2,501
TOTAL ASSETS	$ 399,262	$ 416,024
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable		
Trade	$ 124,980	$ 135,588
Other	3,226	1,275
Accrued expenses		
Payroll	10,275	11,195
Other	8,971	14,020
Current portion of long-term debt	8,061	8,054
TOTAL CURRENT LIABILITIES	155,513	170,132
LONG-TERM DEBT, EXCLUDING CURRENT PORTION	94,027	96,059
DEFERRED TAXES	15,382	17,380
CONTINGENCIES AND COMMITMENTS		
STOCKHOLDERS' EQUITY:		
Preferred stock, $.01 par value, 2,000,000 shares authorized; no shares issued or outstanding in 2002 and 2001	-	-
Common stock, Class A: $.01 par value; 12,337,700 shares authorized; 7,046,250 shares issued and outstanding in 2002 and 2001	70	70
Class B: $.01 par value; 662,300 shares authorized; 662,296 shares issued and outstanding in 2002 and 2001	7	7
Additional paid-in capital	110,819	110,819
Purchase price in excess of predecessor basis, net of tax benefit of $10,306	(15,458)	(15,458)
Retained earnings	38,902	37,404
Accumulated other comprehensive loss	-	(389)
TOTAL STOCKHOLDERS' EQUITY	134,340	132,453
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 399,262	$ 416,024

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

HUB GROUP, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

	YEARS ENDED DECEMBER 31,		
	2002	2001	2000
Revenue	$ 1,335,660	$ 1,319,331	$ 1,382,880
Transportation costs	1,172,848	1,140,368	1,215,113
Gross margin	162,812	178,963	167,767
Costs and expenses:			
Salaries and benefits	93,476	94,982	96,201
Selling, general and administrative	46,824	53,613	46,233
Depreciation and amortization of property and equipment	11,371	10,678	6,097
Amortization of goodwill	-	5,741	5,741
Impairment of property and equipment	-	3,401	-
Total costs and expenses	151,671	168,415	154,272
Operating income	11,141	10,548	13,495
Other income (expense):			
Interest expense	(9,453)	(10,345)	(11,532)
Interest income	230	693	779
Other, net	97	6	136
Total other expense	(9,126)	(9,646)	(10,617)
Income before minority interest and provision for income taxes	2,015	902	2,878
Minority interest	(524)	151	(1,669)
Income before provision for income taxes	2,539	751	4,547
Provision for income taxes	1,041	308	1,864
Net income	$ 1,498	$ 443	$ 2,683
Basic earnings per common share	$ 0.19	$ 0.06	$ 0.35
Diluted earnings per common share	$ 0.19	$ 0.06	$ 0.35
Basic weighted average number of shares outstanding	7,709	7,708	7,708
Diluted weighted average number of shares outstanding	7,714	7,716	7,716

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

HUB GROUP, INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(IN THOUSANDS, EXCEPT SHARES)

	YEARS ENDED DECEMBER 31, 2002	2001	2000
Class A & B Common Stock Shares			
Beginning of year	7,708,546	7,708,346	7,706,246
Exercise of non-qualified stock options	-	200	2,100
Ending balance	7,708,546	7,708,546	7,708,346
Class A & B Common Stock Amount			
Beginning of year	$ 77	$ 77	$ 77
Ending balance	77	77	77
Additional Paid-in Capital			
Beginning of year	110,819	110,817	110,786
Exercise of non-qualified stock options	-	2	31
Ending balance	110,819	110,819	110,817
Purchase Price in Excess of Predecessor Basis, Net of Tax			
Beginning of year	(15,458)	(15,458)	(15,458)
Ending balance	(15,458)	(15,458)	(15,458)
Retained Earnings			
Beginning of year	37,404	36,961	34,278
Net income	1,498	443	2,683
Ending balance	38,902	37,404	36,961
Accumulated Other Comprehensive (Loss) Income			
Beginning of year	(389)	-	-
Other comprehensive income (loss)	389	(389)	-
Ending balance	-	(389)	-
TOTAL STOCKHOLDERS' EQUITY	$ 134,340	$ 132,453	$ 132,397
Comprehensive Income			
Net income	$ 1,498	$ 443	$ 2,683
Cumulative effect of adopting Statement 133, net of tax	-	79	-
Unrealized interest rate swap income (loss), net of taxes	389	(468)	-
Other comprehensive income (loss)	389	(389)	-
Total comprehensive income	$ 1,887	$ 54	$ 2,683

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

HUB GROUP, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(IN THOUSANDS)

	YEARS ENDED DECEMBER 31, 2002	2001	2000
Cash flows from operating activities:			
Net income	$ 1,498	$ 443	$ 2,683
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization of property and equipment	11,476	11,248	6,875
Amortization of goodwill	-	5,741	5,741
Impairment of property and equipment	-	3,401	-
Deferred taxes	5,928	308	1,864
Minority interest	(524)	151	(1,669)
(Gain) loss on sale of assets	(33)	426	128
Other assets	33	670	(215)
Changes in working capital:			
Accounts receivable, net	9,314	43,204	(4,044)
Prepaid expenses and other current assets	(892)	697	(1,188)
Accounts payable	(8,657)	(43,676)	26,446
Accrued expenses	(5,580)	5,021	4,729
Net cash provided by operating activities	12,563	27,634	41,350
Cash flows from investing activities:			
Purchase of minority interest	(4,000)	-	-
Purchases of property and equipment, net	(6,538)	(10,319)	(26,613)
Net cash used in investing activities	(10,538)	(10,319)	(26,613)
Cash flows from financing activity:			
Proceeds from sale of common stock	-	2	31
Distributions to minority interest	-	-	(454)
Net borrowings (payments) on revolver	6,000	(5,000)	(10,000)
Payments on long-term debt	(8,025)	(12,317)	(6,179)
Net cash used in financing activities	(2,025)	(17,315)	(16,602)
Net increase (decrease) in cash and cash equivalents	-	-	(1,865)
Cash and cash equivalents beginning of period	-	-	1,865
Cash and cash equivalents end of period	$ -	$ -	$ -
Supplemental disclosures of cash flow information Cash paid for:			
Interest	$ 8,283	$ 10,143	$ 12,520
Income taxes	-	-	567
Non-cash activity:			
Unrealized income (loss) on derivative instrument	$ 389	$ (389)	$ -

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

NOTE 1. DESCRIPTION OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BUSINESS: Hub Group, Inc. (the "Company") provides intermodal transportation services utilizing primarily third party arrangements with railroads and drayage companies. The Company also arranges for transportation of freight by truck and performs logistics services.

PRINCIPLES OF CONSOLIDATION: The consolidated financial statements include the accounts of the Company and all entities in which the Company has more than a 50% equity ownership or otherwise exercises unilateral control. All significant intercompany balances and transactions have been eliminated.

CASH AND CASH EQUIVALENTS: The Company considers as cash equivalents all highly liquid instruments with an original maturity of three months or less. Checks outstanding, of approximately $4,259,000 and $12,320,000 at December 31, 2002 and 2001, respectively, are included in accounts payable trade.

ACCOUNTS RECEIVABLE AND ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS: The Company carries its accounts receivable at face amount less an allowance for uncollectible accounts. The allowance for uncollectible accounts is determined through an analysis of the accounts receivable aging, an assessment of collectibility based on historical trends and an evaluation of current economic conditions. The Company's reserve for uncollectible accounts was approximately $5,362,000 and $4,020,000 at December 31, 2002 and 2001, respectively. The Company does not generally charge interest on past due accounts receivables. Recoveries of receivables previously charged off are recorded when received.

PROPERTY AND EQUIPMENT: Property and equipment are stated at cost. Depreciation of property and equipment is computed using the straight-line and various accelerated methods at rates adequate to depreciate the cost of the applicable assets over their expected useful lives: buildings and improvements, 15 to 40 years; leasehold improvements, the shorter of useful life or lease term; computer equipment and software, 3 to 5 years; furniture and equipment, 3 to 10 years; and transportation equipment and automobiles, 3 to 12 years. Direct costs related to internally developed software projects are capitalized and amortized over their expected useful life on a straight-line basis not to exceed five years. Interest is capitalized on qualifying assets under development for internal use. Maintenance and repairs are charged to operations as incurred and major improvements are capitalized. The cost of assets retired or otherwise disposed of and the accumulated depreciation thereon are removed from the accounts with any gain or loss realized upon sale or disposal charged or credited to operations. The Company reviews long-lived assets for impairment when events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. In the event that the undiscounted future cash flows resulting from the use of the asset group is less than the carrying amount, an impairment loss equal to the excess of the assets carrying amount over its fair value is recorded. See Note 6 for impairment charges recorded in 2001.

GOODWILL: Goodwill represents the excess of purchase price over the fair market value of net assets acquired in connection with the Company's business combinations. As of January 1, 2002, the Company adopted Financial Accounting Standards Board Statement No. 142, "Goodwill and Other Intangible Assets" ("Statement 142"). Under Statement 142, goodwill and intangible assets that have indefinite useful lives are no longer amortized. Accumulated goodwill amortization was $21,517,000 as of December 31, 2002 and 2001.

In connection with the adoption of SFAS 142, the Company completed the required transitional and annual goodwill impairment testing. This testing used discounted cash flow and market capitalization methodologies to determine a fair market value of the reporting units. The results of the testing indicated no impairment. The impairment testing was based on the Company's estimates of the value of the reporting units, future operating performance and discount rates. Should the estimates differ materially from actual results, the Company may be required to record impairment charges in future periods. The Company will continue to test the value of its goodwill for any impairment at least annually as of November 1 and impairment, if any, will be recorded as expense in the period of impairment. The following table presents net income for 2002 in comparison to 2001 and 2000, exclusive of amortization expense recognized in the previous years related to goodwill which is no longer being amortized. Amounts are in thousands except per share information:

	YEARS ENDED DECEMBER 31, 2002	2001	2000
Net income as reported	$ 1,498	$ 443	$ 2,683
Add back amortization of goodwill, net of tax	-	3,387	3,387
Adjusted net income	$ 1,498	$ 3,830	$ 6,070
Basic and diluted earnings per share, as reported	$ 0.19	$ 0.06	$ 0.35
Add back amortization of goodwill, net of tax	-	0.44	0.44
Adjusted basic and diluted earnings per share	$ 0.19	$ 0.50	$ 0.79

DEFERRED FINANCING COSTS: The accumulated amortization related to the deferred financing costs was $1,808,000 and $1,108,000 as of December 31, 2002 and 2001, respectively. The amortization expense related to deferred financing costs was $700,000, $476,000 and $387,000 for the years ending December 31, 2002, 2001 and 2000, respectively. Deferred financing costs net of accumulated amortization were $1,592,327 at December 31, 2002.

FAIR VALUE OF FINANCIAL INSTRUMENTS: The carrying value of cash and cash equivalents, accounts receivable and accounts payable approximates fair value at December 31, 2002 due to their short-term nature. The carrying value of the Company's term debt and revolving line of credit approximates fair value due to their variable interest rates. The fair value of the Notes, estimated using discounted cash flow analysis based on the Company's incremental borrowing rate for similar instruments, approximates the carrying value at December 31, 2002.

CONCENTRATION OF CREDIT RISK: The Company's financial instruments that are exposed to concentrations of credit risk consist primarily of cash and cash equivalents and accounts receivable. The Company places its cash and temporary investments with high quality financial institutions. The Company primarily serves customers located throughout the United States with no significant concentration in any one region. No one customer accounted for more than 10% of revenue in 2002, 2001 and 2000. The Company reviews a customer's credit history before extending credit. In addition, the Company routinely assesses the financial strength of its customers and, as a consequence, believes that its trade accounts receivable risk is limited.

DERIVATIVE FINANCIAL INSTRUMENTS: The Company accounts for derivatives in accordance with Financial Accounting Standards Board Statement No. 133, "Accounting for Derivatives and Hedging Activities" as amended (Statement 133). Under Statement 133, any derivatives are recorded on the balance sheet at fair value. Changes in the fair value of derivatives are recorded in earnings or other comprehensive income, based on hedge type. Gains or losses on derivative instruments are reclassified into earnings in the period in which earnings are impacted by the underlying hedged item. Any ineffective portion of hedges is recognized in earnings in the current period. As of December 31, 2002, the Company was not a party to any derivative contracts.

REVENUE RECOGNITION: Revenue represents sales of services to customers. Revenue is recognized at the time the transportation services are provided. Revenue for logistics customers is recognized on the date the services are performed.

INCOME TAXES: The Company accounts for certain income and expense items differently for financial reporting and income tax purposes. Deferred tax assets and liabilities are determined based on the difference between the financial statement and tax bases of assets and liabilities applying enacted statutory tax rates in effect for the year in which the differences are expected to reverse.

EARNINGS PER COMMON SHARE: In accordance with Statement of Financial Accounting Standards No. 128 ("Statement 128"), "Earnings per Share", basic earnings per common share are based on the average quarterly weighted average number of Class A and Class B shares of common stock outstanding. Diluted earnings per common share are adjusted for the assumed exercise of dilutive stock options. In computing the per share effect of assumed exercise, funds which would have been received from the exercise of options, including tax benefits assumed to be realized, are considered to have been used to purchase shares at current market prices, and the resulting net additional shares are included in the calculation of weighted average shares outstanding.

STOCK BASED COMPENSATION: The Company currently utilizes Accounting Principles Board Opinion No. 25 in accounting for stock based compensation plans. APB No.

25 requires the use of the intrinsic value method which measures compensation costs as the excess of the quoted market price of the stock at the date of grant over the amount the employee must pay to acquire the stock. The following table illustrates the effect on net income and income per share if the Company applied the fair value recognition provisions of Statement of Financial Accounting Standards No. 123 ("Statement 123"), "Accounting for Stock-based Compensation."

	YEARS ENDED DECEMBER 31,		
	2002	2001	2000
Net income as reported (000's)	$ 1,498	$ 443	$ 2,683
Net income (loss) pro forma for Statement 123 (000's)	858	(288)	1,869
Basic earnings (loss) per common share pro forma for Statement 123	$ 0.11	$ (0.04)	$ 0.24
Diluted earnings (loss) per common share pro forma for Statement 123	$ 0.11	$ (0.04)	$ 0.24

The pro forma disclosure is not likely to be indicative of pro forma results which may be expected in future years because of the fact that options vest over several years, pro forma compensation expense is recognized as the options vest and additional awards may also be granted. The Company's stock based compensation plans are discussed further in Note 11.

USE OF ESTIMATES: The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense during the reporting period. Significant estimates include the allowance for doubtful accounts, cost of purchased transportation and services and reserves for pricing and billing adjustments. Actual results could differ from those estimates.

RECLASSIFICATIONS: Certain prior year amounts have been reclassified to conform with the current year presentation.

NOTE 2. CAPITAL STRUCTURE

The Company has authorized common stock comprised of Class A common stock and Class B common stock. The rights of holders of Class A common stock and Class B common stock are identical, except each share of Class B common stock entitles its holder to 20 votes, while each share of Class A common stock entitles its holder to one vote. The Company has authorized 2,000,000 shares of preferred stock.

NOTE 3. EARNINGS PER SHARE

The following is a reconciliation of the Company's earnings per share:

	YEAR ENDED DECEMBER 31, 2002			YEAR ENDED DECEMBER 31, 2001			YEAR ENDED DECEMBER 31, 2000		
	(000'S)			(000'S)			(000'S)		
	INCOME	SHARES	Per-Share AMOUNT	INCOME	SHARES	Per-Share AMOUNT	INCOME	SHARES	Per-Share AMOUNT
BASIC EPS									
Income available to common stockholders	$1,498	7,709	$0.19	$ 443	7,708	$0.06	$2,683	7,708	$0.35
EFFECT OF DILUTIVE SECURITIES									
Stock options	-	5	-	-	8	-	-	8	-
DILUTED EPS									
Income available to common stockholders plus assumed exercises	$1,498	7,714	$0.19	$ 443	7,716	$0.06	$2,683	7,716	$0.35

NOTE 4. PURCHASE OF MINORITY INTEREST

HGDS was a 65% owned partnership until August of 2002 when Hub purchased the minority partners' interest in HGDS. Pursuant to the HGDS Partnership Agreement, each of the partners had a legal obligation to the partnership for any deficit balance in their respective capital accounts. Accordingly, there was a debit balance reflected in minority interest in the accompanying consolidated balance sheets related to the minority partner's deficit capital account balance of approximately $2.5 million at December 31, 2001. Management believed that the balance in the minority account was collectable at December 31, 2001. Hub had a legal right to pursue the minority partner for the deficit balance in the capital account. In August of 2002, the Company entered into a settlement agreement and release with the minority partner that resulted in the relinquishment of the minority partner's 35% interest in HGDS and release of the minority partner's claims against the Company in exchange for $4.0 million in cash and release of Hub's claims against the minority partner including the $3.0 million balance in minority interest. The acquisition resulted in goodwill of approximately $7.0 million.

NOTE 5. PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	YEARS ENDED DECEMBER 31,	
	2002	2001
	(000'S)	
Building and improvements	$ 57	$ 57
Leasehold improvements	1,582	2,126
Computer equipment and software	52,095	49,373
Furniture and equipment	8,234	7,542
Transportation equipment and automobiles	2,127	3,690
	64,095	62,788
Less: Accumulated depreciation and amortization	(29,886)	(23,690)
Property and Equipment, net	$ 34,209	$ 39,098

Depreciation expense, which includes depreciation of assets under capital leases, was $11,476,000, $11,248,000 and $6,875,000 for 2002, 2001 and 2000, respectively. Depreciation expense for 2000 included approximately $500,000 of additional depreciation due to the change in estimated useful lives of various assets that were no longer used once the new operating system was completed.

NOTE 6. IMPAIRMENT OF PROPERTY AND EQUIPMENT

On March 30, 2001, a $3.4 million pretax charge was recorded due to the impairment of HGDS's e-Logistics software ("e-software"). This e-software was used to process orders relating to the home delivery of large box items purchased over the internet. Management made the decision to exit the internet home delivery business and in conjunction with this decision, all customer contracts associated with the internet home delivery business were terminated as of March 30, 2001. Consequently, the e-software's fair value was reduced to zero based on the lack of any future cash flows attributable to Hub Distribution's e-Logistics initiative. The Company does not intend to use the software in the future.

NOTE 7. INCOME TAXES

The following is a reconciliation of the Company's effective tax rate to the federal statutory tax rate:

	YEARS ENDED DECEMBER 31,		
	2002	2001	2000
U.S. federal statutory rate	34.0%	34.0%	34.0%
State taxes, net of federal benefit	(7.4)	3.9	3.9
Goodwill amortization	-	1.1	1.1
Nondeductible expenses	14.8	-	-
Other	(0.4)	2.0	2.0
Net effective rate	41.0%	41.0%	41.0%

The Company and its subsidiaries file both, unitary and separate company, state income tax returns. The state tax benefit shown above is a result of the tax benefit of the net operating losses incurred on a separate company basis exceeding the tax expense incurred on the Company's unitary state filing.

The following is a summary of the Company's provision for income taxes:

	YEARS ENDED DECEMBER 31,		
	2002	2001	2000
		(000's)	
Current			
Federal	$ (2,092)	$ -	$ -
State and local	-	-	-
	(2,092)	-	-
Deferred			
Federal	3,221	276	1,672
State and local	(188)	32	192
	3,133	308	1,864
Total provision	$ 1,041	$ 308	$ 1,864

The following is a summary of the Company's deferred tax assets and liabilities:

	YEARS ENDED DECEMBER 31,	
	2002	2001
	(000'S)	
Reserve for uncollectible accounts receivable	$ 1,751	$ 1,537
Accrued compensation	2,514	163
Net operating loss carryforward	-	9,500
Other reserves	1,149	1,179
Current deferred tax assets	5,414	12,379
Accrued compensation	-	1,636
Net operating loss and tax credit carryforwards	13,340	2,307
Other	1	31
Income tax basis in excess of financial basis of goodwill	6,845	7,678
Long-term deferred tax assets	20,186	11,652
Total deferred tax assets	$ 25,600	$ 24,031
Prepaids	$ (33)	$ -
Receivables	(2,160)	(1,232)
Current deferred tax liabilities	(2,193)	(1,232)
Property and equipment	(9,937)	(9,929)
Goodwill	(25,631)	(19,103)
Long-term deferred tax liabilities	(35,568)	(29,032)
Total deferred tax liabilities	$ (37,761)	$ (30,264)

The Company had federal net operating loss carryforwards of approximately $23,495,000 at December 31, 2002. These federal net operating loss carryforwards expire as follows:

(In thousands)	
2020	$ 5,530
2021	6,190
2022	11,775

The Company had federal tax credits of approximately $1,130,000 at December 31, 2002. The portion of the federal tax credits that have expiration dates, expire as follows:

(In thousands)	
2019	$ 139
2020	543
2021	448

NOTE 8. LONG-TERM DEBT AND FINANCING ARRANGEMENTS

The Company's outstanding debt is as follows (in thousands):

	YEARS ENDED DECEMBER 31,	
	2002	2001
Bank line of credit	$ 25,000	$ 19,000
Term notes with quarterly payments ranging from $1,250,000 to $2,000,000 with a balloon payment of $9,000,000 due June 24, 2005; Interest is due quarterly at a floating rate. At December 31, 2002 and 2001, the weighted average interest rate was 4.40% and 4.66%, respectively	27,000	35,000
Notes due on June 25, 2009 with annual payments of $10,000,000 commencing on June 25, 2005; interest is paid quarterly at a fixed rate of 9.14%	50,000	50,000
Capital lease obligations collateralized by certain equipment	88	113
Total long-term debt	102,088	104,113
Less current portion	(8,061)	(8,054)
	$ 94,027	$ 96,059

Aggregate principal payments, in thousands, due subsequent to December 31, 2002, are as follows:

2003	$ 8,061
2004	8,007
2005	46,009
2006	10,007
2007	10,004
2008 and thereafter	20,000
	$ 102,088

The Company maintains a multi-bank credit facility (the "Credit Facility"). The Credit Facility is comprised of term debt and a revolving line of credit. The revolving line of credit has a term that expires on June 24, 2005 and bears interest at a maximum of LIBOR plus 3.0% or Prime plus 1.5%. Borrowings and weighted average interest rates on the revolving line of credit were $25.0 million and 4.18% and $19.0 million and 4.46% at December 31, 2002 and 2001, respectively. There was $24.3 million and $31.0 million unused and available under the revolving line of credit at December 31, 2002 and 2001, respectively. The term debt has quarterly payments ranging from $1.2 million to $2.0 million with a balloon payment of $9.0 million due on June 24, 2005. Interest on the term debt is a maximum of LIBOR plus 3.25% or Prime plus 1.75%. Borrowings and weighted average interest rates on the term debt were $27.0 million and 4.40% and $35.0 million and 4.66% at December 31, 2002 and 2001, respectively.

The Credit Facility was amended three times during 2002. On March 27, 2002, the Credit Facility was amended to waive any historical covenant violations that resulted from the restatement of the Company's financial statements from 1999 and 2000 and the adjustment made to the Company's financial statements in the fourth quarter of 2001. The amendment also revised the minimum borrowing rate from January 1, 2002 through September 30, 2002. On August 14, 2002, the Credit Facility was amended to waive the Company's non-compliance as of June 30, 2002 with certain covenants relating to the fixed charge coverage ratio, minimum earnings before interest, taxes, depreciation and minority interest and cash flow leverage ratio. The amendment modified certain financial covenants for the quarters ending September 30, 2002 and December 31, 2002. On October 15, 2002, the Credit Facility was amended to modify the fixed charge coverage ratio, minimum earnings before interest, taxes, depreciation, amortization and minority interest and the cash flow leverage ratio for all periods subsequent to December 31, 2002. In addition, the capital expenditure limitation was reduced to $9.0 million for the year ended December 31, 2003. The amendment also provided that loans under the Credit Facility are secured by substantially all assets of the Company. The Credit Facility, as amended, provides for certain financial covenants including a fixed charge coverage ratio, minimum earnings before interest, taxes, depreciation, amortization, minority interest and certain other charges (EBITDAM) and a cash flow leverage ratio. The Company was in compliance with its debt covenants as of December 31, 2002. Subsequent to December 31, 2002, the Company extended the expiration date of the Credit Facility to June 24, 2005, modified the definition of EBITDAM and set covenants through the end of the extended term. The modified covenants are consistent with the covenants of the private placement debt for the same time period.

The Company maintains $50.0 million of private placement debt (the "Notes"). These Notes have an eight-year average life and bear interest at 9.14% which is paid quarterly. These Notes mature on June 25, 2009, with annual payments of $10.0 million commencing on June 25, 2005. The Notes were amended three times during 2002. The amendments were made currently with the changes to the Credit Facility discussed above and the revisions were similar to the amendments made to the Credit Facility. The Notes, as amended through October 15, 2002, provide for certain financial covenants including a fixed charge coverage ratio and a cash flow leverage ratio. The loans are secured by substantially all assets of the Company. The Company was in compliance with the covenants as of December 31, 2002.

As of December 31, 2002, the Company has standby letters of credit totaling $725,000 that expire from 2003 to 2012. At December 31, 2001, the Company had standby letters of credit totaling $925,000.

NOTE 9. CAPITALIZED INTEREST AND INTEREST EXPENSE

Capitalized interest on qualifying assets under development and total interest were as follows:

	YEARS ENDED DECEMBER 31,		
	2002	2001	2000
		(000'S)	
Capitalized interest	$ 28	$ 365	$ 836
Interest expensed	9,453	10,345	11,532
Total interest incurred	$ 9,481	$ 10,710	$ 12,638

NOTE 10. RENTAL EXPENSE, USER CHARGES AND LEASE COMMITMENTS

Minimum annual rental commitments, in thousands, at December 31, 2002, under noncancellable operating leases, principally for real estate and equipment, are payable as follows:

2003	$ 11,965
2004	7,647
2005	4,646
2006	3,148
2007	2,789
2008 and thereafter	9,066
	$ 39,261

Total rental expense included in selling general and administrative expense was approximately, $15,492,000, $15,157,000, and $13,230,000 for 2002, 2001 and 2000, respectively. Many of the leases contain renewal options and escalation clauses which require payments of additional rent to the extent of increases in the related operating costs.

Hub incurs user charges for its use of a fleet of dedicated containers which are included in transportation costs. Such charges, included in transportation costs, were $27,751,000 for the year ended December 31, 2002. Under the agreements, the Company has the ability to return the containers. As a result, no minimum commitment has been included in the table above.

NOTE 11. STOCK-BASED COMPENSATION PLAN

In 1996, the Company adopted a Long-Term Incentive Plan (the "1996 Incentive Plan"). The number of shares of Class A Common Stock reserved for issuance under the 1996 Incentive Plan was 450,000. In 1997, the Company adopted a second Long-Term Incentive Plan (the "1997 Incentive Plan"). The number of shares of Class A Common Stock reserved for issuance under the 1997 Incentive Plan was 150,000. For the purpose of attracting and retaining key executive and managerial employees, in 1999 the Company adopted a third Long-Term Incentive

Plan (the "1999 Incentive Plan"). The number of shares of Class A Common Stock reserved for issuance under the 1999 Incentive Plan was 600,000. In 2002, the Company adopted a fourth Long-Term Incentive Plan (the "2002 Incentive Plan"). The number of shares of Class A Common Stock reserved for issuance under the 2002 Incentive Plan was 600,000. Under the 1996, 1997, 1999 and 2002 Incentive Plans, stock options, stock appreciation rights, restricted stock and performance units may be granted for the purpose of attracting and motivating key employees and non-employee directors of the Company. The options granted to non-employee directors vest ratably over a three-year period and expire 10 years after the date of grant. The options granted to employees vest over a range of three to five years and expire 10 years after the date of grant.

Information regarding these option plans for 2002, 2001 and 2000 is as follows:

	2002		2001		2000	
	SHARES	WEIGHTED AVG. EXERCISE PRICE	SHARES	WEIGHTED AVG. EXERCISE PRICE	SHARES	WEIGHTED AVG. EXERCISE PRICE
Options outstanding, beginning of year	951,500	$ 16.28	877,800	$ 17.07	892,800	$ 17.86
Options exercised	0	--	(200)	10.43	(2,100)	14.00
Options granted	537,000	6.04	106,000	10.15	100,000	13.32
Options forfeited	(86,500)	15.14	(32,050)	17.64	(122,900)	20.11
Options outstanding, end of year	1,402,050	$ 12.43	951,550	$ 16.28	877,800	$ 17.07
Weighted average fair value of options granted during the year	$ 2.65		$ 4.66		$ 6.53	
Options exercisable at year end	615,250		520,900		355,300	
Option price range at end of year	$ 4.87 to $28.16		$ 8.06 to $28.16		$ 8.31 to $28.16	
Option price for exercised shares	$ --		$ 10.43		$ 14.00	
Options available for grant at end of year	337,950		188,450		262,400	

The following table summarizes information about options outstanding at December 31, 2002:

OPTIONS OUTSTANDING				OPTIONS EXERCISABLE	
RANGE OF EXERCISE PRICES	NUMBER OF SHARES	WEIGHTED AVG. REMAINING CONTRACTUAL LIFE	WEIGHTED AVG. EXERCISE PRICE	NUMBER OF SHARES	WEIGHTED AVG. EXERCISE PRICE
$ 4.87 to $ 5.20	350,000	9.96	$ 5.19	--	$ --
$ 5.66 to $10.81	273,000	9.16	$ 8.23	22,000	$ 9.25
$11.23 to $18.56	349,800	4.22	$ 14.33	299,500	$ 14.25
$18.75 to $28.16	429,250	6.72	$ 19.45	293,750	$ 19.60
$ 4.87 to $28.16	1,402,050	7.38	$ 12.43	615,250	$ 16.63

For purposes of determining the pro forma effect of these options as discussed in Note 1, the fair value of each option is estimated on the date of grant based on the Black-Scholes single-option pricing model assuming:

	YEARS ENDED DECEMBER 31,		
	2002	2001	2000
Dividend yield	0.00%	0.00%	0.00%
Risk-free interest rate	3.40%	4.50%	6.25%
Volatility factor	40.00%	40.00%	40.00%
Expected life in years	6.0	6.0	6.0

NOTE 12. BUSINESS SEGMENT

The Company has no separately reportable segments in accordance with Statement of Financial Accounting Standards No. 131 ("Statement 131") "Disclosure About Segments of an Enterprise and Related Information". Under the enterprise wide disclosure requirements of Statement 131, the Company reports revenue, in thousands, for Intermodal Services, Brokerage Services, Logistics Services and Distribution Services as follows:

	YEARS ENDED DECEMBER 31,		
	2002	2001	2000
Intermodal Services	$ 914,577	$ 904,999	$ 1,004,434
Brokerage Services	230,928	213,153	207,617
Logistics Services	109,239	90,236	63,262
Distribution Services	80,916	110,943	107,567
Total Revenue	$ 1,335,660	$ 1,319,331	$ 1,382,880

NOTE 13. EMPLOYEE BENEFIT PLANS

The Company has two profit-sharing plans and trusts under section 401(k) of the Internal Revenue Code. Qualified contributions made by employees to the plan are partially matched by the Company. The Company expensed approximately $1,291,000 and $1,365,000 related to these plans in 2002 and 2001, respectively. Prior to 2001, for every dollar the employee contributed, the Company had contributed an additional $.20 up to $100. In addition, prior to 2001, the Company, at its discretion, typically had made profit sharing contributions. Historically, the Company had contributed an amount equal to 3% of each participant's compensation up to a maximum of $5,100. The Company's contributions to these plans were approximately $1,684,000 for 2000.

The Company provides a deferred compensation plan that permits certain officers and certain management employees to defer portions of their compensation. Contributions made by employees to the plan are partially matched by the Company. The Company expensed $654,000, $472,000 and $274,000 related to this plan in 2002, 2001 and 2000, respectively.

NOTE 14. RELATED PARTY TRANSACTIONS

A shareholder of the Company is the owner of 20% of the Class A membership interest of SmartOffices Services, LLC ("SmartOffices"). SmartOffices is in the business of selling office supplies to various companies. The Company spent $290,400, $334,200 and $166,200 buying various office supplies from SmartOffices in 2002, 2001 and 2000, respectively. The shareholder sold this 20% interest in SmartOffices subsequent to December 31, 2002.

NOTE 15. LEGAL MATTERS

On February 19, 2002, a purported class action lawsuit was filed by Riggs Partners, LLC in the United States District Court for the Northern District of Illinois, Eastern Division. On October 23, 2002, the federal district court granted the Company's motion to dismiss the complaint in its entirety for failing to allege facts sufficient to state a claim. The court also granted the motion of the Company's former auditors. The Court's order required plaintiffs to file any amended complaint by November 22, 2002. The plaintiffs did not file an amended complaint by this date and agreed that they would not appeal the court's order of October 23, 2002 dismissing the lawsuit. The suit is therefore terminated.

In addition, the Company is a party to litigation incident to its business, including claims for freight lost or damaged in transit, improperly shipped or improperly warehoused. Some of the lawsuits to which the Company is party are covered by insurance and are being defended by the Company's insurance carriers. Some of the lawsuits are not covered by insurance and are being defended by the Company. Management does not believe that the outcome of this litigation will have a materially adverse effect on the Company's financial position or results of operations. See Item 1 Business - Risk Management and Insurance.

NOTE 16. RESTRUCTURING CHARGES

In the fourth quarter of 2002 the Company recorded a restructuring charge of approximately $932,000 consisting of a severance charge for 74 employees of $474,000 and a $458,000 liability for the remaining lease obligation related to a closed facility. All severance payments have been made as of December 31, 2002. Approximately $450,000 of lease obligation remains as of December 31, 2002 and will be reduced by future lease payments required under the agreement.

In the fourth quarter of 2000, management approved a plan to restructure the Company's accounting functions and centralize them at its corporate headquarters in Lombard, Illinois. This centralization plan was to result in the reduction of 56 accounting-related positions from the operating companies. All affected employees were informed of this decision in mid-November 2000. In connection with this plan, the Company recorded a pre-tax charge of $250,000 that is included in salaries and benefits expense in the fourth quarter of 2000. During 2001, $206,000 was paid related to the accounting restructuring and thirty-one employees were terminated. The remaining $44,000 of the accrual was reversed in 2001, thereby reducing salaries and benefits expense.

NOTE 17. DERIVATIVE FINANCIAL INSTRUMENT

In June 1998, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 133 ("Statement 133"), "Accounting for Derivative Instruments and Hedging Activities." On January 1, 2001, the Company adopted Statement 133 and recorded the fair value of its interest rate swap of $79,000, net of related income taxes of $55,000, as an asset. The transition adjustment to record the asset was included in other comprehensive income.

The Company had an interest rate swap that matured on September 30, 2002 with a notional amount of $25.0 million, a weighted average pay rate of 8.37% and a weighted average receive rate of 5.34% at December 31, 2001. Under the Credit Facility, the Company was required to enter into this interest rate swap agreement designated as a hedge on a portion of the Company's variable rate debt. The Company used this interest rate swap to manage its exposure to changes in interest rates for its floating rate debt. This interest rate swap qualified as a cash flow hedge. The interest rate differential received or paid on the swap was recognized in the consolidated statements of operations as a reduction or increase in interest expense, respectively. The Company recorded incremental interest expense/(income) of $698,000, $312,000 and $(217,000) for this swap in 2002, 2001, and 2000, respectively. The effective portion of the change in the fair value of the derivative instrument was recorded in the consolidated balance sheets as a component of current assets or liabilities and other comprehensive income. The ineffective portion of the change in the fair value of the derivative instrument, along with the gain or loss on the hedged item, was recorded in earnings and reported in the consolidated statements of operations, on the same line as the hedged item.

For the twelve months ended December 31, 2002, the Company adjusted its derivative financial instrument to fair value which resulted in an unrealized income of $389,000, net of the related income tax expense of $153,000. For the twelve months ended December 31, 2001, the Company adjusted its derivative financial instrument to fair value which resulted in an unrealized loss of $468,000, net of the related income tax benefit of $325,000. These adjustments are included in other comprehensive income (loss).

NOTE 18. BAD DEBT WRITE-OFF

During September 2001, the Company recognized bad debt expense which is included in selling, general and administrative expense in the accompanying consolidated statements of operations and includes $4.7 million related to a Korean steamship line customer ("Customer"). The Customer filed for reorganization under the Corporate Reorganization Act of Korea in May 2001 and was subsequently forced into liquidation by the Korean courts. According to court filings, the Customer does not have adequate funds to pay its secured creditors. The Company, as an unsecured creditor, was notified by the trustee appointed by the court during September 2001 that it should not expect to recover any funds from the Customer.

NOTE 19. SELECTED QUARTERLY FINANCIAL DATA (UNAUDITED)

In 2001, the Company restated its consolidated financial statements for the years ended December 31, 2000 and 1999 to properly report certain items of revenue and expense related to HGDS. These items principally related to revenue, transportation costs and selling, general and administrative expense. The Company did not restate the first, second or third quarter of 2001 and reflected the full impact of the adjustment in the fourth quarter of 2001. The following table sets forth selected quarterly financial data for each of the quarters in 2002 and 2001 (in thousands, except per share amounts):

	QUARTERS			
	FIRST	SECOND	THIRD	FOURTH
Year Ended December 31, 2002:				
Revenue	$ 305,299	$ 327,595	$ 356,666	$ 346,100
Gross margin	41,009	36,596	42,281	42,926
Operating income (loss)	3,227	(897)	4,513	4,298
Net income (loss)	940	(2,227)	1,379	1,406
Basic earnings (loss) per share	$ 0.12	$ (0.29)	$ 0.18	$ 0.18
Diluted earnings (loss) per share	$ 0.12	$ (0.29)	$ 0.18	$ 0.18

	QUARTERS			
	FIRST	SECOND	THIRD	FOURTH
Year Ended December 31, 2001:				
Revenue	$ 345,935	$ 318,023	$ 323,046	$ 332,327
Gross margin	46,036	45,331	44,571	43,025
Operating income	1,148	5,224	539	3,637
Net income (loss)	(676)	1,065	(1,112)	1,166
Basic earnings (loss) per share	$ (0.09)	$ 0.14	$ (0.14)	$ 0.15
Diluted earnings (loss) per share	$ (0.09)	$ 0.14	$ (0.14)	$ 0.15

During the first quarter of 2002, the Company revised its estimate of accrued transportation costs resulting in an increase in pretax income of approximately $2.8 million in the quarter. For the year ended December 31, 2002, this revised estimate resulted in an increase in pre-tax income of $1.6 million since a portion of the increase would have been recognized in the last three quarters of 2002.

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

None.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

The sections entitled "Election of Directors" and "Ownership of the Capital Stock of the Company" appearing in the Registrant's proxy statement for the annual meeting of stockholders to be held on May 13, 2003, sets forth certain information with respect to the directors of the Registrant and Section 16 compliance and is incorporated herein by reference. Certain information with respect to persons who are or may be deemed to be executive officers of the Registrant is set forth under the caption "Executive Officers of the Registrant" in Part I of this report.

ITEM 11. EXECUTIVE COMPENSATION

The section entitled "Compensation of Directors and Executive Officers" appearing in the Registrant's proxy statement for the annual meeting of stockholders to be held on May 13, 2003, sets forth certain information with respect to the compensation of management of the Registrant and is incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The section entitled "Ownership of the Capital Stock of the Company" appearing in the Registrant's proxy statement for the annual meeting of stockholders to be held on May 13, 2003, sets forth certain information with respect to the ownership of the Registrant's Common Stock and is incorporated herein by reference.

The following table sets forth certain equity-based compensation plan information for the Company as of December 31, 2002.

EQUITY COMPENSATION PLAN INFORMATION

PLAN CATEGORY	NUMBER OF SECURITIES TO BE ISSUED UPON EXERCISE OF OUTSTANDING OPTIONS, WARRANTS AND RIGHTS (A)	WEIGHTED-AVERAGE EXERCISE PRICE OF OUTSTANDING OPTIONS, WARRANTS AND RIGHTS	NUMBER OF SECURITIES REMAINING AVAILABLE FOR FUTURE ISSUANCE UNDER EQUITY COMPENSATION PLANS (EXCLUDING SECURITIES REFLECTED IN COLUMN (A))
Equity compensation plans approved by security holders	1,402,050	$12.43	337,950
Equity compensation plans not approved by security holders	--	--	--
Total	1,402,050	$12.43	337,950

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The section entitled "Certain Transactions" appearing in the Registrant's proxy statement for the annual meeting of stockholders to be held on May 13, 2003, sets forth certain information with respect to certain business relationships and transactions between the Registrant and its directors and officers and it is incorporated herein by reference.

ITEM 14. CONTROLS AND PROCEDURES

Within the 90-day period prior to the filing of this report, an evaluation was carried out under the supervision and with the participation of the Company's management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures. Based upon this evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the design and operation of these disclosure controls and procedures were effective. No significant changes were made in our internal controls or in other factors that could significantly affect these controls subsequent to the date of this evaluation.

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

(A)(1) FINANCIAL STATEMENTS

The following consolidated financial statements of the Registrant are included under Item 8 of this Form 10-K:

Reports of Independent Auditors

Consolidated Balance Sheets - December 31, 2002 and December 31, 2001

Consolidated Statements of Operations - Years ended December 31, 2002, December 31, 2001 and December 31, 2000

Consolidated Statements of Stockholders' Equity - Years ended December 31, 2002, December 31, 2001 and December 31, 2000

Consolidated Statements of Cash Flows - Years ended December 31, 2002, December 31, 2001 and December 31, 2000

Notes to Consolidated Financial Statements

(A) (2) FINANCIAL STATEMENT SCHEDULES

The remaining financial statements and statement schedule for which provision is made in Regulation S-X are set forth in the Index immediately preceding such financial statements and statement schedule and are incorporated herein by reference.

(A) (3) EXHIBITS

The exhibits included as part of this Form 10-K are set forth in the Exhibit Index immediately preceding such Exhibits and are incorporated herein by reference.

(B) REPORTS ON FORM 8-K

None.

PERIODIC REPORTS

Upon written request, the Company's annual report to the Securities and Exchange Commission on Form 10-K for the fiscal year ended December 31, 2002, and its quarterly reports on Form 10-Q will be furnished to stockholders free of charge; write to: Public Relations Department, Hub Group, Inc., 3050 Highland Parkway, Suite 100, Downers Grove, Illinois 60515.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: March 12, 2003

HUB GROUP, INC.

By /S/ DAVID P. YEAGER
David P. Yeager
Chief Executive Officer and Vice Chairman

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons in the capacities and on the dates indicated:

	Title	Date
/S/ PHILLIP C. YEAGER Phillip C. Yeager	Chairman and Director	March 12, 2003
/S/ DAVID P. YEAGER David P. Yeager	Vice Chairman, Chief Executive Officer and Director	March 12, 2003
/S/ THOMAS L. HARDIN Thomas L. Hardin	President, Chief Operating Officer and Director	March 12, 2003
/S/ THOMAS M. WHITE Thomas M. White	Vice President-Finance and Chief Accounting Officer (Principal Financial and Accounting Officer)	March 12, 2003
/S/ CHARLES R. REAVES Charles R. Reaves	Director	March 12, 2003
/S/ MARTIN P. SLARK Martin P. Slark	Director	March 12, 2003
/S/ GARY D. EPPEN Gary D. Eppen	Director	March 12, 2003

CERTIFICATION

I, David P. Yeager, certify that:

1) I have reviewed this annual report on Form 10-K of Hub Group, Inc.;

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

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

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

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

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

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

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

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

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

6) The registrant's other certifying officer and I have indicated in this annual report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

DATE: MARCH 12, 2003

/S/ DAVID P.YEAGER
Name: David P. Yeager
Title: Chief Executive Officer

CERTIFICATION

I, Thomas M. White, certify that:

1) I have reviewed this annual report on Form 10-K of Hub Group, Inc.;

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

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

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

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

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

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

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

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

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

6) The registrant's other certifying officer and I have indicated in this annual report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

DATE: MARCH 12, 2003

/S/ THOMAS M. WHITE
Name: Thomas M. White
Title: Chief Financial Officer

SCHEDULE II

HUB GROUP, INC.
VALUATION AND QUALIFYING ACCOUNTS

	Balance at Beginning of Year	Charged to Costs & Expenses	Deductions and Adjustments (a)	Balance at End of Year
Year Ended December 31:				
Allowance for uncollectible trade accounts				
2002	$ 4,020,000	$ 1,761,000	$ (419,000)	$ 5,362,000
2001	3,088,000	7,132,000	(6,200,000)	4,020,000
2000	2,134,000	2,766,000	(1,812,000)	3,088,000

(a) For the year ended December 31, 2002, deductions and adjustments includes a $1.1 million adjustment to increase the reported allowance for uncollectible accounts receivable for the years presented in the schedule. This adjustment did not affect the amount of "Trade accounts receivable, net" reported in the Company's Consolidated Balance Sheets or operating results in the Consolidated Statements of Operations for those years.

INDEX TO EXHIBITS

NUMBER	EXHIBIT
2.1	Purchase Agreement among the Registrant, American President Companies, Ltd. and APL Land Transport Services, Inc. (incorporated by reference to the Registrants report on Form 8-K dated May 2, 1996 and filed May 17, 1996, File No. 0-27754)
2.2	Purchase and Sale Agreement among Hub Holdings, Inc. and Hub City North Central, Inc. (incorporated by reference to Exhibit 2.2 to the Registrants report on Form 10-K dated March 26, 1997 and filed March 27, 1997, File No. 000-27754)
3.1	Amended Certificate of Incorporation of the Registrant (incorporated by reference to Exhibit 3.1 and 3.3 to the Registrant's registration statement on Form S-1, File No. 33-90210)
3.2	By-Laws of the Registrant (incorporated by reference to Exhibit 3.2 to the Registrant's registration statement on Form S-1, File No. 33-90210)
10.1	Form of Amended and Restated Limited Partnership Agreement (incorporated by reference to Exhibit 10.1 to the Registrants report on Form 10-K dated March 26, 1997 and filed March 27, 1997, File No 000-27754)
10.2	Amended and Restated Limited Partnership Agreement of Hub City Canada, L.P. (incorporated by reference to Exhibit 10.2 to the Registrants report on Form 10-K dated March 26, 1997 and filed March 27, 1997, File No 000-27754)
10.3	Form of Non-Competition Agreement (incorporated by reference to Exhibit 10.3 to the Registrants report on Form 10-K dated March 26, 1997 and filed March 27,1997, File No 000-27754)
10.4	Purchase and Sale Agreement between the Registrant and the Stockholders of Hub City Terminals, Inc. (incorporated by reference to Exhibit 10.3 to the Registrant's registration statement on Form S-1, File No. 33-90210)
10.5	Hub Group Distribution Services Purchase and Sale Agreement (incorporated by reference to Exhibit 10.5 to the Registrant's report on Form 10-K dated March 26, 1997 and filed March 27, 1997, File No. 000-27754)
10.6	Management Agreement (incorporated by reference to Exhibit 10.6 to the Registrant's report on Form 10-K dated March 26, 1997 and filed March 27, 1997, File No. 000-27754)
10.7	Stockholders' Agreement (incorporated by reference to Exhibit 10.7 to the Registrant's report on Form 10-K dated March 26, 1997 and filed March 27, 1997, File No. 000-27754)
10.8	Credit Agreement dated as of September 27, 1997, among the Registrant, Hub City Terminals, Inc., Hub Holdings, Inc. and Harris Trust and Savings Bank (incorporated by reference to Exhibit 10.8 to the Registrant's report on Form 10-Q dated and filed November 13, 1997, File No. 000-27754)
10.9	$100 million Credit Agreement dated as of April 30, 1999, among the Registrant, Hub City Terminals, Inc., Hub Holdings, Inc. and Harris Trust and Savings Bank (incorporated by reference to Exhibit 10.9 to the Registrant's report on Form 10-Q dated and filed May 10, 1999, File No. 000-27754)
10.10	$40 million Bridge Credit Agreement dated as of April 30, 1999 among the Registrant, Hub City Terminals, Inc., Hub Holdings, Inc. and Harris Trust and Savings Bank (incorporated by reference to Exhibit 10.10 to the Registrant's report on Form 10-Q dated and filed May 10, 1999, File No. 000-27754)
10.11	$50 million Note Purchase Agreement dated as of June 25, 1999, among the Registrant, Hub City Terminals, Inc., Hub Holdings, Inc. and various purchasers (incorporated by reference to Exhibit 10.11 to the Registrant's report on Form 10-Q dated and filed August 16, 1999, File No. 000-27754)

10.12	Amendment to $100 million Credit Agreement among the Registrant, Hub City Terminals, Inc. and Harris Trust and Savings Bank (incorporated by reference to Exhibit 10.12 to the Registrant's report on Form 10-Q dated and filed November 13, 2000, File No. 000-27754)
10.13	Amendment to $100 million Credit Agreement among the Registrant, Hub City Terminals, Inc. and Harris Trust and Savings Bank (incorporated by reference to Exhibit 10.13 to the Registrant's report on Form 10-K dated March 15, 2001 and filed March 16, 2001, File No. 000-27754)
10.14	Amendment to $50 million Note Purchase Agreement among the Registrant, Hub City Terminals, Inc. and various purchasers (incorporated by reference to Exhibit 10.14 to the Registrant's report on Form 10-K dated March 15, 2001 and filed March 16, 2001, File No. 000-27754)
10.15	Letter from the Registrant to Daniel L. Sellers dated December 24, 1998 (incorporated by reference to Exhibit 10.15 to the Registrant's report on Form 10-K dated March 15, 2001 and filed March 16, 2001, File No. 000-27754)
10.16	Amendment to $100 million Credit Agreement among the Registrant, Hub City Terminals, Inc. and Harris Trust and Savings Bank (incorporated by reference to Exhibit 10.16 to the Registrant's report on Form 10-Q dated and filed April 19, 2001, File No. 000-27754)
10.17	Amendment to $50 million Note Purchase Agreement among the Registrant, Hub City Terminals, Inc. and various purchasers (incorporated by reference to Exhibit 10.17 to the Registrant's report on Form 10-Q dated and filed April 19, 2001, File No. 000-27754)
10.18	Amendment to $100 million Credit Agreement among the Registrant, Hub City Terminals, Inc. and Harris Trust and Savings Bank (incorporated by reference to Exhibit 10.18 to the Registrant's report on Form 10-Q dated and filed November 13, 2001, File No. 000-27754)
10.19	Amendment to $50 million Note Purchase Agreement among the Registrant, Hub City Terminals, Inc. and various purchasers (incorporated by reference to Exhibit 10.19 to the Registrant's report on Form 10-Q dated and filed November 13, 2001, File No. 000-27754)
10.20	Amendment to $100 million Credit Agreement among the Registrant, Hub City Terminals, Inc. and Harris Trust and Savings Bank dated March 27, 2002 (incorporated by reference to Exhibit 10.20 to the Registrant's report on Form 10-K dated and filed March 28, 2002, File No. 000-27754)
10.21	Amendment to $50 million Note Purchase Agreement among the Registrant, Hub City Terminals, Inc. and various purchasers dated March 27, 2002 (incorporated by reference to Exhibit 10.21 to the Registrant's report on Form 10-K dated and filed March 28, 2002, File No. 000-27754)
10.22	Amendment to $100 million Credit Agreement among the Registrant, Hub City Terminals, Inc. and Harris Trust and Savings Bank dated August 13, 2002 (incorporated by reference to Exhibit 10.22 to the Registrant's report on Form 10-Q dated and filed August 15, 2002, File No. 000-27754)
10.23	Amendment to $50 million Note purchase Agreement among the Registrant, Hub City Terminals, Inc. and various purchasers dated August 14, 2002 (incorporated by reference to Exhibit 10.23 to the Registrant's report on Form 10-Q dated and filed August 15, 2002, File No. 000-27754)
10.24	Amendment to $100 million Credit Agreement among the Registrant, Hub City Terminals, Inc. and Harris Trust and Savings Bank dated October 15, 2002 (incorporated by reference to Exhibit 10.24 to the Registrant's report on Form 10-Q dated and filed November 5, 2002, File No. 000-27754)
10.25	Amendment to $50 million Note Purchase Agreement among the Registrant, Hub City Terminals, Inc. and various purchasers dated October 15, 2002 (incorporated by reference to Exhibit 10.25 to the Registrant's report on Form 10-Q dated and filed November 5, 2002, File No. 000-27754)
10.26	Security Agreement among the Registrant, Hub City Terminals, Inc., Harris Trust and Savings Bank and various Note Holders dated October 15, 2002 (incorporated by reference to Exhibit 10.26 to the Registrant's report on Form 10-Q dated and filed November 5, 2002, File No. 000-27754)

10.27	Amendment to $100 million Credit Agreement among the Registrant, Hub City Terminals, Inc. and Harris Trust and Savings Bank dated February 28, 2003
21	Subsidiaries of the Registrant
23.1	Consent of Ernst & Young LLP
99.1	Letter from the Company to the Securities and Exchange Commission dated March 27, 2002 regarding the Company's auditors, Arthur Andersen (incorporated by reference to Exhibit 99.1 to the Registrant's report on Form 10-K dated and filed March 28, 2002, File No. 000-27754)
99.2	Section 906 Certifications

HUB GROUP, INC.
HUB CITY TERMINALS, INC.
AMENDMENT TO CREDIT AGREEMENT

Harris Trust and Savings Bank
Chicago, Illinois

LaSalle Bank National Association
Chicago, Illinois

U.S. Bank National Association National City Bank Des Plaines, Illinois
Cleveland, Ohio

Ladies and Gentlemen:

Reference is hereby made to that certain Credit Agreement dated as of April 30, 1999 (the "CREDIT AGREEMENT"), as amended and currently in effect, by and among Hub Group, Inc. (the "PUBLIC HUB COMPANY"), Hub City Terminals, Inc. for itself and as successor by merger to Hub Holdings, Inc. ("HUB CHICAGO"; together with the Public Hub Company, the "BORROWERS") and you (the "LENDERS"). All capitalized terms used herein without definition shall have the same meanings herein as such terms have in the Credit Agreement.

The Borrowers have requested that the Lenders extend the Revolving Credit Termination Date to June 24, 2005, modify certain financial covenants and make certain other amendments to the Credit Agreement and the Lenders are willing to do so under the terms and conditions set forth in this amendment (herein, the "AMENDMENT").

1. AMENDMENTS.

Subject to the satisfaction of the conditions precedent set forth in Section 2 below, the Credit Agreement shall be and hereby is amended as follows:

1.01. The last sentence of Section 1.3 of the Credit Agreement shall be amended and as so amended shall be restated in its entirety to read as follows:

> "Each Term Note shall be expressed to mature in installments, commencing on September 30, 1999 and continuing on the last day of each calendar quarter occurring thereafter to and including March 31, 2005, with the principal installments on the Term Notes to equal (in the aggregate for all the Term Notes taken together) $1,250,000 per installment through and including June 30, 2000; $1,500,000 per installment through and including June 30, 2001; $2,000,000 per installment through and including March 31, 2005; and with the final principal installment on all the Term Notes due on June 24, 2005 to equal (in the aggregate for all the Term Notes taken together) all principal not sooner paid; and the amount of each installment due on the Term Note held by each Lender shall be equal to such Lender's Percentage of such installment."

1.02. The chart appearing in the definition of "APPLICABLE MARGIN" appearing in Section 4.1 of the Credit Agreement shall be amended and as so amended, shall be restated to read as follows:

"When Following Status Exists For Any Margin Determination Date	Applicable Margin For Domestic Rate Portion of Revolving Credit Loans and Swing Loans Bearing Interest with Reference to Domestic Rate Is:	Applicable Margin For LIBOR Portions of Revolving Credit Loans Is:	Applicable Margin For Domestic Rate Portion of Term Loan Is:	Applicable Margin For LIBOR Portions of Term Loan Is:	Commitment Fee Is:
Level I Status	.50%	2.00%	.50%	2.25%	.35%
Level II Status	.75%	2.25%	1.00%	2.50%	.40%
Level III Status	1.25%	2.75%	1.50%	3.00%	.45%
Level IV Status	1.50%	3.00%	1.75%	3.25%	.50%"

1.03. The definition of the terms "EBITDAM", "LEVEL I STATUS", "LEVEL II STATUS" and "REVOLVING CREDIT TERMINATION DATE" appearing in Section 4.1 of the Credit Agreement shall be amended and as so amended shall be restated in their entirety to read, respectively, as follows:

> ""EBITDAM" means, with reference to any period, Net Income for such period plus all amounts deducted in arriving at such Net Income amount in respect of (i) Interest Expense for such period, PLUS (ii) taxes (including federal, state and local income taxes) for such period, PLUS (iii) all amounts properly charged for depreciation and amortization during such period on the books of the Hub Group, PLUS (iv) any deduction for Minority Interest during such period, PLUS (v) all other non-cash restructuring charges during such period on the books of the Hub Group in accordance with GAAP to the extent the aggregate amount of such other non-cash restructuring charges

do not exceed $1,500,000 during any period of four consecutive fiscal quarters of the Public Hub Company (prorated appropriately downward (or upward) for any shorter (or longer) period); PLUS (vi) if such period includes the fiscal quarter of the Public Hub Company ending on December 31, 2002 or March 31, 2003, restructuring charges during such quarters on the books of the Hub Group in accordance with GAAP (including cash severance payments) in an aggregate amount not in excess of

$1,000,000, PLUS (vii) if such period includes any fiscal quarter of the Public Hub Company ending during the period from and including March 31, 2003, through and including March 31, 2005, cash restructuring charges aggregating up to $1,000,000 (for all such quarters taken together) if and only if consented to in writing by the Required Lenders.

"LEVEL I STATUS" means, for any Determination Date, that as of the close of the most recently completed fiscal quarter of the Public Hub Company with reference to which such Determination Date was set, the Cash Flow Leverage Ratio is less than 2.50 to 1.

"LEVEL II STATUS" means, for any Determination Date, that as of the close of the most recently completed fiscal quarter of the Public Hub Company with reference to which such Determination Date was set, the Cash Flow Leverage Ratio is greater than or equal to 2.50 to 1 but less than 3.00 to 1.

"REVOLVING CREDIT TERMINATION DATE" means June 24, 2005, or such earlier date on which the Revolving Credit Commitment is terminated in whole pursuant to Sections 3.4, 8.2 or 8.3 hereof."

1.04. Sections 7.8, 7.9, 7.10 and 7.26 of the Credit Agreement shall be amended and as so amended shall be restated in their entirety to read, respectively, as follows:

"SECTION 7.8. FIXED CHARGE COVERAGE RATIO. The Hub Group shall not, as of the close of each fiscal quarter of the Public Hub Company specified below, permit the Fixed Charge Coverage Ratio as of such date to be less than:

AS OF THE FISCAL QUARTER ENDING ON:	FIXED CHARGE COVERAGE RATIO SHALL NOT BE LESS THAN:
3/31/03	0.80 to 1
6/30/03	0.95 to 1
9/30/03	1.00 to 1
12/31/03	1.05 to 1
3/31/04	1.05 to 1
6/30/04	1.05 to 1
9/30/04	1.05 to 1

12/31/04	1.05 to 1
3/31/05	1.10 to 1
6/30/05	1.10 to 1

SECTION 7.9. MINIMUM EBITDAM. The Hub Group shall, as of the close of each fiscal quarter of the Public Hub Company specified below, maintain EBITDAM for the four fiscal quarters of the Public Hub Company then ended of not less than:

AS OF THE FISCAL QUARTER ENDING ON:	EBITDAM SHALL NOT BE LESS THAN:
3/31/03	$20,000,000
6/30/03	$24,000,000
9/30/03	$25,000,000
12/31/03	$26,000,000
3/31/04	$26,000,000
6/30/04	$26,500,000
9/30/04	$26,500,000
12/31/04	$27,000,000
3/31/05	$27,000,000
6/30/05	$27,500,000

SECTION 7.10. CASH FLOW LEVERAGE RATIO. The Hub Group shall not, as of the close of each fiscal quarter of the Public Hub Company specified below, permit the Cash Flow Leverage Ratio as of such date to be more than:

AS OF THE FISCAL QUARTER ENDING ON:	CASH FLOW LEVERAGE RATIO SHALL NOT BE MORE THAN:
3/31/03	5.50 to 1
6/30/03	4.50 to 1
9/30/03	4.25 to 1
12/31/03	4.00 to 1
3/31/04	4.00 to 1
6/30/04	3.75 to 1
9/30/04	3.75 to 1
12/31/04	3.50 to 1
3/31/05	3.50 to 1
6/30/05	3.25 to 1

7.26. CAPITAL EXPENDITURES. The Hub Group shall not expend or become obligated for Capital Expenditures during the fiscal year ending December 31, 2003 in an aggregate amount in excess of $9,000,000 and shall not expend or become obligated for Capital Expenditures during the fiscal year ending December 31, 2004 in an aggregate amount in excess of $10,000,000."

1.05. The Commitments of Harris Trust and Savings Bank ("HARRIS") and U.S. Bank National Association ("U.S. BANK") set forth opposite such Lenders' names on their respective signature pages of the Credit Agreement or on an Assignment Agreement delivered pursuant to Section 11.10 of the Credit Agreement, as the case may be, shall be amended and restated as set forth on Annex I attached hereto. On the effective date of this Amendment, such Lenders shall make appropriate adjustments between themselves to reflect the changes in the Commitments contemplated hereby and the Borrower shall be deemed to have requested non-ratable Loans to effect such adjustments.

2. CONDITIONS PRECEDENT.

The effectiveness of this Amendment is subject to the satisfaction of all of the following conditions precedent:

2.01. The Borrowers, the Guarantors and the Lenders shall have executed and delivered this Amendment.

2.02. The Borrowers shall have paid to the Agent, for the benefit of the Lenders such upfront fees as the Borrowers and the Agent have previously agreed.

2.03. The Borrowers shall have executed and delivered to the Agent for Harris and U.S. Bank new Revolving Credit Notes in the amount of each such Lender's Revolving Credit Commitment and new Term Notes in the amount of each such Lender's outstanding principal amount of Term Loans, in each case, after giving effect to this Amendment (the "NEW NOTES").

2.04. Legal matters incident to the execution and delivery of this Amendment and the New Notes shall be reasonably satisfactory to the Agent and its counsel.

3. REPRESENTATIONS.

In order to induce the Lenders to execute and deliver this Amendment, the Borrowers hereby represent to the Lenders that as of the date hereof, the representations and warranties set forth in Section 5 of the Credit Agreement are and remain true and correct in all material respects (except to the extent the same expressly relate to an earlier date and except that for purposes of this paragraph the representations contained in Section 5.5 shall be deemed to refer to the most recent financial statements of the Public Hub Company delivered to the Lenders) and the Borrowers are in full compliance with all of the terms and conditions of the Credit Agreement after giving effect to this Amendment and no Default or Event of Default has occurred and is continuing under the Credit Agreement or shall result after giving effect to this Amendment.

4. MISCELLANEOUS.

4.01. Each Borrower and each Guarantor acknowledges and agrees that, except as modified by this Amendment, all of the Loan Documents to which it is a party remain in full force and effect for the benefit and security of, among other things, the Obligations as modified hereby. Each Borrower and each Guarantor further acknowledges and agrees that all references in such Loan Documents to the Obligations shall be deemed a reference to the Obligations as so modified. Each Borrower and each Guarantor further agrees to execute and deliver any and all instruments or documents as may be reasonably required by the Agent or the Required Lenders to confirm any of the foregoing.

4.02. The Borrowers and the Guarantors have heretofore executed and delivered to the Agent that certain Security Agreement dated as of October 15, 2002 and certain other Collateral Documents. The Borrowers and the Guarantors hereby acknowledge and agree that the Liens created and provided for by the Collateral Documents continue to secure, among other things, the Obligations arising under the Credit Agreement as amended hereby; and the Collateral Documents and the rights and remedies of the Agent thereunder, the obligations of the Borrowers and the Guarantors thereunder, and the Liens created and provided for thereunder remain in full force and effect and shall not be affected, impaired or discharged hereby. Nothing herein contained shall in any manner affect or impair the priority of the liens and security interests created and provided for by the Collateral Documents as to the indebtedness which would be secured thereby prior to giving effect to this Amendment.

4.03. Except as specifically amended hereby, the Credit Agreement shall continue in full force and effect in accordance with its original terms. Reference to this specific Amendment need not be made in the Credit Agreement, the Notes, or any other instrument or document executed in connection therewith, or in any certificate, letter or communication issued or made pursuant to or with respect to the Credit Agreement, any reference in any of such items to the Credit Agreement being sufficient to refer to the Credit Agreement as specifically amended hereby.

4.04. This Amendment may be executed in any number of counterparts, and by the different parties on different counterpart signature pages, all of which taken together shall constitute one and the same agreement. Any of the parties hereto may execute this Amendment by signing any such counterpart and each of such counterparts shall for all purposes be deemed to be an original. This Amendment shall be governed by the internal laws of the State of Illinois.

4.05. The Borrowers agree to pay, jointly and severally, all reasonable out-of-pocket costs and expenses incurred by the Agent in connection with the preparation, execution and delivery of this Amendment and the documents and transactions contemplated hereby, including the reasonable fees and expenses of counsel for the Agent with respect to the foregoing.

Dated as of February 28, 2003.

HUB GROUP, INC., a Borrower
HUB CITY TERMINALS, INC., a Borrower

By
David P. Yeager
Chief Executive Officer for each of the
above Companies

Accepted and agreed to as of the date and year last above written.

HARRIS TRUST AND SAVINGS BANK

By
Name:______________________________________
Title:_____________________________________

U.S. BANK NATIONAL ASSOCIATION

By
Name:______________________________________
Title:_____________________________________

LASALLE BANK NATIONAL ASSOCIATION

By
Name:______________________________________
Title:_____________________________________

NATIONAL CITY BANK

By
Name:______________________________________
Title:_____________________________________

ANNEX I

REVISED COMMITMENTS

LENDER	REVOLVING CREDIT COMMITMENT	OUTSTANDING PRINCIPAL AMOUNT OF TERM LOANS
Harris Trust and Savings Bank	$20,545,603.82	$11,094,626.06
U.S. Bank National Association	$13,454,396.18	$7,265,373.94

GUARANTORS' CONSENT

The undersigned heretofore executed and delivered to the Lenders the Guaranty Agreement. The undersigned hereby consent to the Amendment to the Credit Agreement as set forth above and confirm that the Guaranty Agreement and all of the obligations of the undersigned thereunder remain in full force and effect. The undersigned further agree that their consent to any further amendments to the Credit Agreement shall not be required as a result of this consent having been obtained, except to the extent, if any, required by the Guaranty Agreement.

HUB CHICAGO HOLDINGS, INC., a Guarantor

By
David P. Yeager
Chief Executive Officer

HLX COMPANY, L.L.C., a Guarantor

By
David P. Yeager
Vice Chairman and Chief Executive Officer

QSSC, INC.
QUALITY SERVICES, L.L.C.,
QUALITY SERVICES OF KANSAS, L.L.C.
QUALITY SERVICES OF NEW JERSEY, L.L.C.
Q.S. OF ILLINOIS, L.L.C.
Q.S. OF GEORGIA, L.L.C.

By
David P. Yeager
Chief Executive Officer for each of the
above Guarantors

HUB GROUP ALABAMA, LLC
HUB GROUP ATLANTA, LLC
HUB GROUP BOSTON, LLC
HUB GROUP CANADA, L.P.
HUB GROUP CLEVELAND, LLC
HUB GROUP DETROIT, LLC
HUB GROUP FLORIDA, LLC
HUB GROUP GOLDEN GATE, LLC
HUB GROUP INDIANAPOLIS, LLC
HUB GROUP KANSAS CITY, LLC
HUB GROUP LOS ANGELES, LLC
HUB GROUP MID ATLANTIC, LLC
HUB GROUP NEW ORLEANS, LLC
HUB GROUP NEW YORK STATE, LLC
HUB GROUP NEW YORK-NEW JERSEY, LLC
HUB GROUP NORTH CENTRAL, LLC
HUB GROUP OHIO, LLC
HUB GROUP PHILADELPHIA, LLC
HUB GROUP PITTSBURGH, LLC
HUB GROUP PORTLAND, LLC
HUB GROUP ST. LOUIS, LLC
HUB GROUP TENNESSEE, LLC
HUB CITY TEXAS, L.P.
HUB GROUP TRANSPORT, LLC
HUB GROUP ASSOCIATES, INC.
HUB FREIGHT SERVICES, INC.
HUB HIGHWAY SERVICES
HUB GROUP DISTRIBUTION SERVICES, LLC

By
David P. Yeager
Chief Executive Officer for each of the
above Guarantors

EXHIBIT 21

Subsidiaries of Hub Group, Inc.

SUBSIDIARIES	JURISDICTION OF INCORPORATION/ORGANIZATION
Hub City Terminals, Inc.	Delaware
Hub Group Atlanta, LLC	Delaware
Hub Group Boston, LLC	Delaware
Hub Group Canada, LP	Delaware
Hub Group Cleveland, LLC	Delaware
Hub Group Detroit, LLC	Delaware
Hub Group Florida, LLC	Delaware
Hub Group Golden Gate, LLC	Delaware
Hub Group Indianapolis, LLC	Delaware
Hub Group Kansas City, LLC	Delaware
Hub Group Los Angeles, LLC	Delaware
Hub Group Mid-Atlantic, LLC	Delaware
Hub Group New Orleans, LLC	Delaware
Hub Group New York State, LLC	Delaware
Hub Group New York-New Jersey, LLC	Delaware
Hub Group North Central, LLC	Delaware
Hub Group Ohio, LLC	Delaware
Hub Group Pittsburgh, LLC	Delaware
Hub Group Portland, LLC	Delaware
Hub Group St. Louis, LLC	Delaware
Hub Group Tennessee, LLC	Delaware
Hub City Texas, L.P.	Delaware
Hub Group Associates, Inc.	Illinois
Hub Highway Services	Illinois
Hub Group Distribution Services, L.L.C.	Illinois
Q.S. of Illinois, LLC	Michigan
Q.S.S.C., Inc.	Delaware
Quality Services L.L.C.	Missouri
Quality Services of Kansas, L.L.C.	Kansas
Quality Services of New Jersey, L.L.C.	New Jersey
Q.S. of Georgia, L.L.C.	Georgia
HLX Company, L.L.C.	Delaware
Hub Chicago Holdings, Inc.	Delaware

EXHIBIT 23.1

Consent of Independent Auditors

We consent to the incorporation by reference in the Registration Statements (Form S-8, Nos. 333-33006, 333-06327 and 333-48185) of Hub Group, Inc. of our report dated February 19, 2003, with respect to the consolidated financial statements and schedule of Hub Group, Inc. included in this Annual Report on Form 10-K for the year ended December 31, 2002.

/s/ Ernst & Young LLP

Chicago, Illinois
March 11, 2003

CERTIFICATION PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

The following statement is provided by the undersigned to accompany the Annual Report on Form 10-K for the year ended December 31, 2002 of Hub Group, Inc. pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350) and shall not be deemed filed pursuant to any provision of the Exchange Act of 1934 or any other securities law.

Each of the undersigned certifies that the foregoing Report on Form 10-K fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78m) and that the information contained in the Form 10-K fairly presents, in all material respects, the financial condition and results of operations of Hub Group, Inc.

/S/DAVID P. YEAGER	/S/THOMAS M. WHITE
David P. Yeager	Thomas M. White
Chief Executive Officer	Chief Financial Officer
Hub Group, Inc.	Hub Group, Inc.