SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

# FORM 10-Q

[X] Quarterly report pursuant to Section 13 or 15(d) of the Securities and Exchange Act of 1934

For the quarterly period ended March 31, 2003 or

[ ] Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from ________ to ________

Commission file number: 0-27754

## HUB GROUP, INC.
(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

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

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

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 whether the registrant is an accelerated filer (as defined in Exchange Act Rule 12b-2). Yes ___ No X

On May 5, 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.

## HUB GROUP, INC.

## INDEX

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

| | MARCH 31, 2003 | DECEMBER 31, 2002 |
|---|---|---|
| ASSETS | | |
| CURRENT ASSETS: | | |
| Cash and cash equivalents | $ - | $ - |
| Accounts receivable | | |
| Trade, net | 130,063 | 126,736 |
| Other | 11,864 | 13,715 |
| Deferred taxes | 3,912 | 3,221 |
| Prepaid expenses and other current assets | 5,291 | 4,732 |
| TOTAL CURRENT ASSETS | 151,130 | 148,404 |
| PROPERTY AND EQUIPMENT, net | 32,104 | 34,209 |
| GOODWILL, net | 215,175 | 215,175 |
| OTHER ASSETS | 1,682 | 1,474 |
| TOTAL ASSETS | $ 400,091 | $ 399,262 |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| CURRENT LIABILITIES: | | |
| Accounts payable | | |
| Trade | $ 124,311 | $ 124,980 |
| Other | 3,187 | 3,226 |
| Accrued expenses | | |
| Payroll | 10,469 | 10,275 |
| Other | 9,343 | 8,971 |
| Current portion of long-term debt | 8,041 | 8,061 |
| TOTAL CURRENT LIABILITIES | 155,351 | 155,513 |
| LONG-TERM DEBT, EXCLUDING CURRENT PORTION | 92,023 | 94,027 |
| DEFERRED TAXES | 17,018 | 15,382 |
| CONTINGENCIES AND COMMITMENTS | | |
| STOCKHOLDERS' EQUITY: | | |
| Preferred stock, $.01 par value, 2,000,000 shares authorized; no shares issued or outstanding in 2003 and 2002 | - | - |
| Common stock | | |
| Class A: $.01 par value; 12,337,700 shares authorized; 7,046,250 shares issued and outstanding in 2003 and 2002 | 70 | 70 |
| Class B: $.01 par value; 662,300 shares authorized; 662,296 shares issued and outstanding in 2003 and 2002 | 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 | 40,261 | 38,902 |
| TOTAL STOCKHOLDERS' EQUITY | 135,699 | 134,340 |
| TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY | $ 400,091 | $ 399,262 |

See notes to unaudited condensed consolidated financial statements.

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

| | THREE MONTHS ENDED MARCH 31, 2003 | THREE MONTHS ENDED MARCH 31, 2002 |
|---|---|---|
| Revenue | $ 329,284 | $ 305,299 |
| Transportation costs | 287,234 | 264,290 |
| Gross margin | 42,050 | 41,009 |
| Costs and expenses: | | |
| Salaries and benefits | 23,328 | 23,597 |
| Selling, general and administrative | 11,788 | 11,513 |
| Depreciation and amortization of property and equipment | 2,561 | 2,672 |
| Total costs and expenses | 37,677 | 37,782 |
| Operating income | 4,373 | 3,227 |
| Other income (expense): | | |
| Interest expense | (2,084) | (2,286) |
| Interest income | 50 | 67 |
| Other, net | (36) | 62 |
| Total other expense | (2,070) | (2,157) |
| Income before minority interest and provision for income taxes | 2,303 | 1,070 |
| Minority interest | - | (524) |
| Income before provision for income taxes | 2,303 | 1,594 |
| Provision for income taxes | 944 | 654 |
| Net income | $ 1,359 | $ 940 |
| Basic earnings per common share | $ 0.18 | $ 0.12 |
| Diluted earnings per common share | $ 0.18 | $ 0.12 |
| Basic weighted average number of shares outstanding | 7,709 | 7,709 |
| Diluted weighted average number of shares outstanding | 7,722 | 7,714 |

See notes to unaudited condensed consolidated financial statements.

HUB GROUP, INC.
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
FOR THE THREE MONTHS ENDED MARCH 31, 2003
(IN THOUSANDS, EXCEPT SHARES)

| | MARCH 31, 2003 |
|---|---|
| Class A & B Common Stock Shares | |
| Beginning of year | 7,708,546 |
| Ending balance | 7,708,546 |
| Class A & B Common Stock Amount | |
| Beginning of year | $ 77 |
| Ending balance | 77 |
| Additional Paid-in Capital | |
| Beginning of year | 110,819 |
| Ending balance | 110,819 |
| Purchase Price in Excess of Predecessor Basis, Net of Tax | |
| Beginning of year | (15,458) |
| Ending balance | (15,458) |
| Retained Earnings | |
| Beginning of year | 38,902 |
| Net income | 1,359 |
| Ending balance | 40,261 |
| Stockholders' Equity | |
| Beginning of year | 134,340 |
| Net income | 1,359 |
| ENDING BALANCE | $ 135,699 |

See notes to unaudited condensed consolidated financial statements.

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

| | THREE MONTHS ENDED MARCH 31, 2003 | THREE MONTHS ENDED MARCH 31, 2002 |
|---|---|---|
| Cash flows from operating activities: | | |
| Net income | $ 1,359 | $ 940 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Depreciation and amortization of property and equipment | 2,574 | 2,712 |
| Deferred taxes | 945 | 654 |
| Minority interest | - | (524) |
| Loss on sale of assets | 8 | 23 |
| Other assets | (208) | (194) |
| Changes in working capital: | | |
| Accounts receivable, net | (1,476) | 7,921 |
| Prepaid expenses and other current assets | (559) | (359) |
| Accounts payable | (708) | 729 |
| Accrued expenses | 566 | (6,079) |
| Net cash provided by operating activities | 2,501 | 5,823 |
| Cash flows from investing activities: | | |
| Purchases of property and equipment, net | (477) | (1,809) |
| Net cash used in investing activities | (477) | (1,809) |
| Cash flows from financing activities: | | |
| Net borrowings (payments) on revolver | - | (2,000) |
| Payments on long-term debt | (2,024) | (2,014) |
| Net cash used in financing activities | (2,024) | (4,014) |
| Net increase (decrease) in cash and cash equivalents | - | - |
| Cash and cash equivalents beginning of period | - | - |
| Cash and cash equivalents end of period | $ - | $ - |
| Supplemental disclosures of cash flow information Cash paid for: | | |
| Interest | $ 1,732 | $ 2,038 |
| Non-cash activity: | | |
| Unrealized loss on derivative instrument | $ - | $ (140) |

See notes to unaudited condensed consolidated financial statements.

# NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## NOTE 1. INTERIM FINANCIAL STATEMENTS

The accompanying unaudited condensed consolidated financial statements of Hub Group, Inc. (the "Company") have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in annual financial statements have been condensed or omitted pursuant to those rules and regulations. However, the Company believes that the disclosures contained herein are adequate to make the information presented not misleading.

The financial statements reflect, in the opinion of management, all material adjustments (which include only normal recurring adjustments) necessary to present fairly the Company's financial position and results of operations for the three months ended March 31, 2003 and 2002.

These condensed consolidated financial statements and notes thereto should be read in conjunction with the consolidated financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2002. Results of operations in interim periods are not necessarily indicative of results to be expected for a full year due partially to seasonality.

## NOTE 2. 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 revenues and expenses during the reporting period. Significant estimates include the allowance for doubtful accounts, costs of purchased transportation and services and reserves for pricing and billing adjustments. Actual results could differ from those estimates.

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.

## NOTE 3. RESTRUCTURING CHARGES

In the fourth quarter of 2002, the Company recorded a $458,000 liability for the remaining lease obligation related to a closed facility. Approximately $400,000 of the lease obligation remains as of March 31, 2003 as lease payments made during the period were $58,000.

During the three months ended March 31, 2003, the Company recorded a severance charge for 23 employees of $132,000. All of these severance payments were made as of March 31, 2003.

## NOTE 4. STOCK BASED COMPENSATION

Statement of Financial Accounting Standards ("SFAS") No. 123, "Accounting for Stock-Based Compensation," as amended by Statement of Financial Accounting Standards No. 148, "Accounting for Stock-Based Compensation - Transition and Disclosure," encourages, but does not require, companies to record compensation cost for stock-based employee compensation plans at fair value. The Company has chosen to account for stock-based compensation using the intrinsic value method prescribed in Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees," and related interpretations. Accordingly, compensation expense for stock options is measured as the excess, if any, of the quoted market price of the Company's stock at the date of the grant over the amount an employee must pay to acquire the stock. The Company grants options at fair market value and therefore recognizes no compensation expense.

The following table illustrates the effect on the net income and net income per share for the quarters ended March 31, 2003 and 2002 if the Company had applied the fair value recognition provisions of SFAS No. 123, to stock-based employee compensation (in thousands, except per share data):

| | THREE MONTHS ENDED MARCH 31, | |
|---|---|---|
| | 2003 | 2002 |
| Net income, as reported | $ 1,359 | $ 940 |
| Deduct: Total stock-based employee compensation expense determined under fair value based method for all awards, net of related tax effects | (178) | (159) |
| Net income, pro forma | $ 1,181 | $ 781 |
| Earnings per share: | | |
| Basic-- as reported | $ 0.18 | $ 0.12 |
| Basic-- pro forma | $ 0.15 | $ 0.10 |
| Diluted-- as reported | $ 0.18 | $ 0.12 |
| Diluted-- pro forma | $ 0.15 | $ 0.10 |
| Dividend Yield | $ 0.00 | $ 0.00 |

The above table is based upon the valuation of option grants using the Black-Scholes pricing model for traded options with assumed risk-free interest rates of 3.3% and 3.4% for 2003 and 2002, respectively, stock price volatility factor of 40.0% for both 2003 and 2002, and an expected life of the options of six years. Using the foregoing assumptions, the calculated weighted-average fair value of options granted in 2003 and 2002 was $2.24 and $3.51, respectively. Because the Company's employee stock options have characteristics significantly different from those of traded options, and because changes in the input assumptions can materially affect the fair value estimate, in management's opinion, the model does not necessarily provide a reliable single measure of the fair value of its employee stock options.

The pro forma disclosure is not likely to be indicative of pro forma results which may be expected in future periods 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.

NOTE 5. EARNINGS PER SHARE

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

| | THREE MONTHS ENDED MARCH 31, 2003 (000'S) | | | THREE MONTHS ENDED MARCH 31, 2002 (000'S) | | |
|---|---|---|---|---|---|---|
| | INCOME | SHARES | Per Share AMOUNT | INCOME | SHARES | Per Share AMOUNT |
| BASIC EPS | | | | | | |
| Income available to common stockholders | $1,359 | 7,709 | $ 0.18 | $ 940 | 7,709 | $ 0.12 |
| EFFECT OF DILUTIVE SECURITIES | | | | | | |
| Stock options | - | 13 | - | - | 5 | - |
| DILUTED EPS | | | | | | |
| Income available to common stockholders plus assumed exercises | $1,359 | 7,722 | $ 0.18 | $ 940 | 7,714 | $ 0.12 |

Stock options that were not included in diluted weighted-average shares because they would have been antidilutive were 1,033,550 and 921,650 for the three months ending March 31, 2003 and 2002, respectively.

NOTE 6. PROPERTY AND EQUIPMENT

Property and equipment consist of the following (in thousands):

| | MARCH 31, 2003 | DECEMBER 31, 2002 |
|---|---|---|
| Building and improvements | $ 57 | $ 57 |
| Leasehold improvements | 550 | 1,582 |
| Computer equipment and software | 49,668 | 52,095 |
| Furniture and equipment | 6,115 | 8,234 |
| Transportation equipment and automobiles | 2,012 | 2,127 |
| | 58,402 | 64,095 |
| Less: Accumulated depreciation and amortization | (26,298) | (29,886) |
| Property and Equipment, net | $ 32,104 | $ 34,209 |

NOTE 7. DEBT

The Company's outstanding debt is as follows:

| | MARCH 31, 2003 | DECEMBER 31, 2002 |
|---|---|---|
| | (000'S) | |
| Bank revolving line of credit. At March 31, 2003 and December 31, 2002, the interest rate was 4.31% and 4.18%, respectively | $ 25,000 | $ 25,000 |
| Term notes with quarterly payments of $2,000,000 with a balloon payment of $9,000,000 due June 24, 2005; interest is due quarterly at a floating rate based upon LIBOR (London Interbank Offered Rate) or Prime rate. At March 31, 2003 and December 31, 2002, the weighted average interest rate was 4.54% and 4.40%, respectively | 25,000 | 27,000 |
| 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% during 2003 and 2002 | 50,000 | 50,000 |
| Capital lease obligations collateralized by certain equipment | 64 | 88 |
| Total debt | 100,064 | 102,088 |
| Less current portion | (8,041) | (8,061) |
| | $ 92,023 | $ 94,027 |

The Company had $24.3 million of unused and available borrowings under its bank revolving line of credit at March 31, 2003 and December 31, 2002. The Company was in compliance with its debt covenants, as amended, at March 31, 2003.

NOTE 8. CONTINGENCIES

In 2002, Quality Services of New Jersey, LLC ("QSNJ"), a Company-owned drayage operation closed its operations in Bensalem, Pennsylvania and Harrison, New Jersey. Two unions filed unfair labor practice charges with the National Labor Relations Board ("NLRB") alleging that QSNJ, Hub Group, Inc., Hub Group New York-New Jersey, LLC and Hub City Terminals, Inc. violated various federal labor laws in connection with closing these operations. The NLRB conducted an investigation and, on April 30, 2003, issued a complaint with respect to some of the allegations. The NLRB dismissed other allegations contained in the charges.

The NLRB is seeking to recover lost wages and benefits to former QSNJ employees, to require QSNJ operations to be restored and to offer reinstatement to former QSNJ employees. The NLRB may also seek injunctive relief requiring immediate restoration of QSNJ operations. The Company believes its actions were in compliance with the law and intends to vigorously defend itself in this action. While the Company cannot presently estimate the outcome of any NLRB hearing, the costs, should the matter be resolved unfavorably to the Company, could materially adversely affect the Company's results of operations.

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.

The Company incurred approximately $850,000 of professional fees during the three months ended March 31, 2003, related to ordinary course of business litigation, including a customer dispute and legal fees incurred in connection with the suits filed by the Company against three former Hub Presidents who left the Company and violated their non-competition agreements. Hub secured temporary injunctions against the three former Hub Presidents in February 2003. During the three months ended March 31, 2002, the Company incurred approximately $1,000,000 of professional fees related to the investigation and restatement of Hub Distribution Services 2001 and prior financial statements.

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

## RESULTS OF OPERATIONS

### THREE MONTHS ENDED MARCH 31, 2003 COMPARED TO THE THREE MONTHS ENDED MARCH 31, 2002

### REVENUE

Revenue for the quarter increased 7.9% to $329.3 million in 2003 from $305.3 million in 2002. Intermodal revenue increased 8.5% to $233.2 million from $214.9 million in 2002 due to increased volume from existing customers and price increases due to increased transportation costs. Truckload brokerage revenue decreased 8.9% to $48.7 million from $53.5 million in 2002 due primarily to a strategic decision to support logistics customer growth with traditional brokerage resources. Supply chain solutions logistics revenue increased 80.5% to $31.8 million from $17.6 million in 2002 due primarily to increased volume from new customers added in 2002 and existing customers. In addition, Hub Group Distribution Services ("HGDS") revenue decreased 19.8% to $15.5 million in 2003 from $19.3 million in 2002 due to the previously disclosed loss of a large logistics customer in 2002 partially offset by an increase in installation business.

### GROSS MARGIN

Gross margin increased to $42.1 million in 2003 from $41.0 million in 2002. As a percent of revenue, gross margin decreased to 12.8% in 2003 from 13.4% in 2002. During the first quarter of 2002, the Company revised its estimate of accrued transportation costs resulting in an increase in gross margin of approximately $2.8 million in the quarter. Gross margin as a percentage of revenue decreased primarily as a result of the revised estimate of accrued transportation costs of $2.8 million in 2002 offset by changes in customer mix and competitively pricing increased transportation costs.

### SALARIES AND BENEFITS

Salaries and benefits decreased to $23.3 million in 2003 from $23.6 million in 2002. As a percentage of revenue, salaries and benefits decreased to 7.1% from 7.7% in 2002 due primarily to a decrease in headcount and an increase in revenue.

### SELLING, GENERAL AND ADMINISTRATIVE

Selling, general and administrative expenses increased to $11.8 million in 2003 from $11.5 million in 2002. As a percentage of revenue, these expenses decreased to 3.6% in 2003 from 3.8% in 2002. The decrease as a percentage of revenue is primarily attributed to an increase in revenue and a decrease in professional fees. The Company incurred approximately $850,000 of professional fees during the three months ended March 31, 2003, related to ordinary course of business litigation, including a customer dispute and legal fees incurred in connection with the suits filed by the Company against three former Hub Presidents who left the Company and violated their non-competition agreements. Hub secured temporary injunctions against the three former Hub Presidents in February 2003. For the three months ended March 31, 2002, the Company incurred approximately $1,000,000 of professional fees related to the investigation and restatement of HGDS' 2001 and prior financial statements.

### DEPRECIATION AND AMORTIZATION OF PROPERTY AND EQUIPMENT

Depreciation and amortization decreased to $2.6 million in 2003 from $2.7 million in 2002. This expense as a percentage of revenue decreased to 0.8% from 0.9% in 2002. The decrease in expense in 2003 is due primarily to a lower amount of leasehold improvements and furniture and fixtures being depreciated and amortized in 2003 as a result of the asset retirements in connection with the relocation of the Company's headquarters and HGDS.

OTHER INCOME (EXPENSE)

Interest expense decreased to $2.1 million in 2003 from $2.3 million in 2002. The decrease in interest expense is due primarily to lower interest rates.

Interest income decreased to $0.05 million in 2003 from $0.07 million in 2002 primarily as a result of lower customer finance charges.

MINORITY INTEREST

Minority interest was a $0.5 million benefit in 2002. Minority interest represented the 35% interest in HGDS prior to the Company's purchase of this interest in August 2002.

PROVISION FOR INCOME TAXES

The provision for income taxes increased to $0.9 million in 2003 compared to $0.7 million in 2002. The Company provided for income taxes using an effective rate of 41.0% in 2003 and 2002.

NET INCOME

Net income increased to $1.4 million in 2003 from $0.9 million in 2002.

EARNINGS PER COMMON SHARE

Basic and diluted earnings per common share increased to $0.18 in 2003 from $0.12 in 2002.

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 three months ended March 31, 2003, was approximately $2.5 million, which resulted primarily from net income from operations, non-cash charges of $3.5 million and a net decrease in working capital of $2.2 million. The decrease in the net working capital deficit was primarily related to an increase in accounts receivable as a result of the Company's sales growth and a decrease in accounts payable offset by an increase in accrued expenses.

Net cash used in investing activities for the three months ended March 31, 2003, was $0.5 million and related to capital expenditures principally made to enhance the Company's information system capabilities.

The net cash used in financing activities for the three months ended March 31, 2003, was $2.0 million and related primarily to scheduled payments on the Company's term debt and capital leases.

The Company does not believe its net working capital deficit impairs its ability to meet obligations as they become due. The Company had $24.3 million of unused and available borrowings under its bank revolving line of credit at March 31, 2003 and December 31, 2002.

The Company has standby letters of credit that expire from 2003 to 2012. As of March 31, 2003, the letters of credit were $725,000.

## OUTLOOK, RISKS AND UNCERTAINTIES

Except for historical data, the information contained in this Quarterly 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 and highway transportation 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 situation in the Middle East and fluctuations in interest rates.

## DEPRECIATION AND AMORTIZATION OF PROPERTY AND EQUIPMENT

Management estimates that depreciation and amortization of property and equipment will most likely remain relatively constant throughout the year. The most significant factor contributing to the relative consistency, as opposed to an increase, in depreciation and amortization is the reduction in the amount of internally developed software expected to be capitalized in 2003.

## 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.

## 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.

## PART II. OTHER INFORMATION

Item 1. Legal Proceedings.

In 2002, Quality Services of New Jersey, LLC ("QSNJ"), a Company-owned drayage operation closed its operations in Bensalem, Pennsylvania and Harrison, New Jersey. Two unions filed unfair labor practice charges with the National Labor Relations Board ("NLRB") alleging that QSNJ, Hub Group, Inc., Hub Group New York-New Jersey, LLC and Hub City Terminals, Inc. violated various federal labor laws in connection with closing these operations. The NLRB conducted an investigation and, on April 30, 2003, issued a complaint with respect to some of the allegations. The NLRB dismissed other allegations contained in the charges.

The NLRB is seeking to recover lost wages and benefits to former QSNJ employees, to require QSNJ operations to be restored and to offer reinstatement to former QSNJ employees. The NLRB may also seek injunctive relief requiring immediate restoration of QSNJ operations. The Company believes its actions were in compliance with the law and intends to vigorously defend itself in this action. While the Company cannot presently estimate the outcome of any NLRB hearing, the costs, should the matter be resolved unfavorably to the Company, could materially adversely affect the Company's results of operations.

Item 6. None.

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly authorized this report to be signed on its behalf by the undersigned thereunto duly authorized.

HUB GROUP, INC.

DATE: May 5, 2003

/S/ THOMAS M. WHITE

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Thomas M. White<br>
Senior Vice President-Finance and<br>
Chief Financial Officer<br>
(Principal Financial Officer)

# CERTIFICATION

I, David P. Yeager, certify that:

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

2) Based on my knowledge, this quarterly 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 quarterly report;

3) Based on my knowledge, the financial statements, and other financial information included in this quarterly 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 quarterly 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 quarterly 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 quarterly report (the "Evaluation Date"); and

   c) presented in this quarterly 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 quarterly 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: MAY 5, 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 quarterly report on Form 10-Q of Hub Group, Inc.;

2) Based on my knowledge, this quarterly 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 quarterly report;

3) Based on my knowledge, the financial statements, and other financial information included in this quarterly 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 quarterly 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 quarterly 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 quarterly report (the "Evaluation Date"); and

   c) presented in this quarterly 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 quarterly 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: MAY 5, 2003

/S/ THOMAS M. WHITE
Name: Thomas M. White
Title: Senior Vice President-Finance and
Chief Financial Officer

EXHIBIT INDEX

Exhibit No.

99.2 Section 906 Certification.

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

The following statement is provided by the undersigned to accompany the Quarterly Report on Form 10-Q for the quarter ended March 31, 2003 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-Q 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-Q fairly presents, in all material respects, the financial condition and results of operations of Hub Group, Inc.

/S/DAVID P. YEAGER____________________

David P. Yeager
Chief Executive Officer
Hub Group, Inc.

/S/THOMAS M. WHITE________________

Thomas M. White
Senior Vice President-Finance and
Chief Financial Officer
Hub Group, Inc.