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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 September 30, 1998 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.)

377 East Butterfield Road, Suite 700
Lombard, Illinois 60148
(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 __

On November 13, 1998, the registrant had 7,003,950 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.

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HUB GROUP, INC.

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HUB GROUP, INC.
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands)

	September 30, 1998	December 31, 1997
Assets		
Current assets:		
Cash and cash equivalents	$ 17,453	$ 12,056
Accounts receivable, net	145,899	127,673
Deferred taxes	-	1,222
Prepaid expenses and other current assets	3,235	1,961
Total current assets	166,587	142,912
Property and equipment, net	20,071	19,616
Goodwill, net	115,705	102,151
Deferred taxes	1,071	2,479
Other assets	696	668
Total assets	$ 304,130	$ 267,826
Liabilities and stockholders' equity Current liabilities:		
Accounts payable		
Trade	$ 123,084	$ 102,364
Other	9,882	12,639
Accrued expenses		
Payroll	7,264	6,013
Other	3,977	3,259
Deferred taxes	1,413	-
Current portion of long-term debt	3,493	3,428
Total current liabilities	149,113	127,703
Long-term debt, excluding current portion	30,520	22,873
Contingencies and commitments		
Minority interest	7,677	6,788
Stockholders' equity:		
Preferred stock	-	-
Common stock	77	77
Additional paid-in capital	109,927	109,878
Purchase price in excess of predecessor basis	(25,764)	(25,764)
Tax benefit of purchase price in excess of predecessor basis	10,306	10,306
Retained earnings	22,274	15,965
Total stockholders' equity	116,820	110,462
Total liabilities and stockholders' equity	$ 304,130	$ 267,826

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 September 30, 1998	Three Months Ended September 30, 1997	Nine Months Ended September 30, 1998	Nine Months Ended September 30, 1997
Revenue	$ 295,859	$ 273,521	$ 834,043	$ 792,841
Transportation costs	259,336	239,754	733,453	696,400
Net revenue	36,523	33,767	100,590	96,441
Costs and expenses:				
Salaries and benefits	18,396	16,153	52,861	47,450
Selling, general and administrative	7,994	6,776	23,159	19,856
Depreciation and amortization	1,491	1,132	4,721	3,121
Total costs and expenses	27,881	24,061	80,741	70,427
Operating income	8,642	9,706	19,849	26,014
Other income (expense):				
Interest expense	(620)	(511)	(1,913)	(1,653)
Interest income	260	458	712	1,019
Other, net	(37)	99	103	155
Total other income (expense)	(397)	46	(1,098)	(479)
Income before minority interest and provision for income taxes	8,245	9,752	18,751	25,535
Minority interest	3,902	5,490	8,238	14,282
Income before provision for income taxes	4,343	4,262	10,513	11,253
Provision for income taxes	1,737	1,705	4,204	4,501
Net income	$ 2,606	$ 2,557	$ 6,309	$ 6,752
Basic earnings per common share	$ 0.34	$ 0.41	$ 0.82	$ 1.12
Diluted earnings per common share	$ 0.34	$ 0.41	$ 0.82	$ 1.10

See notes to unaudited condensed consolidated financial statements.

HUB GROUP, INC.
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
For the nine months ended September 30, 1998
(in thousands, except shares)

	Common Stock		Additional Paid-in Capital	Purchase Price in Excess of Predecessor Basis	Tax Benefit of Purchase Price in Excess of Predecessor Basis	Retained Earnings	Total Stockholders' Equity
	Shares	Amount					
Balance at December 31, 1997	7,653,246	$ 77	$ 109,878	$ (25,764)	$ 10,306	$ 15,965	$ 110,462
Net income	-	-	-	-	-	6,309	6,309
Exercise of non-qualified stock options	3,000	-	49	-	-	-	49
Balance at September 30, 1998	7,656,246	$ 77	$ 109,927	$ (25,764)	$ 10,306	$ 22,274	$ 116,820

See notes to unaudited condensed consolidated financial statements.

HUB GROUP, INC.
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	Nine Months Ended September 30, 1998	1997
Cash flows from operating activities:		
Net income	$ 6,309	$ 6,752
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	5,537	3,927
Deferred taxes	4,043	916
Minority interest	8,238	14,282
Loss/(Gain) on sale of assets	(51)	20
Changes in working capital, net of effects of purchase transactions:		
Accounts receivable, net	(9,528)	(9,267)
Prepaid expenses and other current assets	(1,217)	(1,153)
Accounts payable	10,480	15,074
Accrued expenses	1,508	5,176
Other assets	(13)	1,341
Net cash provided by operating activities	25,306	37,068
Cash flows from investing activities:		
Cash used in acquisitions, net	(3,989)	-
Purchases of minority interest	(6,152)	(1,575)
Purchases of property and equipment, net	(3,145)	(8,335)
Net cash used in investing activities	(13,286)	(9,910)
Cash flows from financing activities:		
Proceeds from sale of common stock in initial public offering, net	-	(45)
Proceeds from sale of common stock in secondary offering, net	-	54,763
Proceeds from sale of common stock	49	95
Distributions to minority interest	(7,349)	(14,407)
Payments on long-term debt	(25,706)	(6,392)
Proceeds from issuance of long-term debt	26,383	3,461
Net cash provided by (used in) financing activities	(6,623)	37,475
Net increase/(decrease) in cash	5,397	64,633
Cash and cash equivalents, beginning of period	12,056	13,893
Cash and cash equivalents, end of period	$ 17,453	$ 78,526
Supplemental disclosures of cash flow information Cash paid for:		
Interest	$ 1,223	$ 230
Income taxes	1,139	240
Non-cash investing and financing activities:		
Liability assumed to purchase minority interest	$ -	$ 59,379

See notes to unaudited condensed consolidated financial statements.

HUB GROUP, INC.

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.

NOTE 2. Business Combinations

On October 31, 1997, the Company acquired the remaining 50% interest in its international logistics joint venture, HLX Company, LLC for $300,000. The acquisition was recorded using the purchase method of accounting resulting in goodwill of $466,000.

On April 1, 1998, the Company acquired all the outstanding stock of Quality Intermodal Corporation ("Quality") for $4,080,000 in cash and $6,300,000 through the issuance of a three-year note, bearing interest at an annual rate of 5.6%. The acquisition was recorded using the purchase method of accounting resulting in goodwill of $9,028,000.

On August 1, 1998, Hub Distribution acquired all the outstanding stock of Corporate Express Distribution Services ("CEDS") for $750,000 in cash. The acquisition was recorded using the purchase method of accounting resulting in goodwill of $390,750.

Results of operations from acquisitions recorded under the purchase method of accounting are included in the Company's financial statements from their respective dates of acquisition. The purchase price allocations presented are preliminary.

Business acquisitions which involved the use of cash were accounted for as follows:

	Nine Months Ended September 30, 1998 (000's)
Accounts receivable	$ 8,698
Prepaid expenses and other current assets	57
Property and equipment	779
Goodwill	9,419
Other assets	15
Accounts payable	(7,483)
Accrued expenses	(461)
Long-term debt	(7,035)
Cash used in acquisitions, net	$ 3,989

NOTE 3. Earnings per Share

The following is a reconciliation of the Company's Earnings per Share:

	Three Months Ended September 30, 1998 (000's) Income	Shares	Per-Share Amount	Three Months Ended September 30, 1997 (000's) Income	Shares	Per-Share Amount
Basic Earnings per Share Income available to common stockholders	$2,606	7,655	$ 0.34	$2,557	6,175	$ 0.41
Effect of Dilutive Securities Stock options	-	60	-	-	126	-
Diluted Earnings per Share Income available to common stockholders plus assumed exercises	$2,606	7,715	$ 0.34	$2,557	6,301	$ 0.41

	Nine Months Ended September 30, 1998 (000's) Income	Shares	Per-Share Amount	Nine Months Ended September 30, 1997 (000's) Income	Shares	Per-Share Amount
Basic Earnings per Share Income available to common stockholders	$6,309	7,654	$ 0.82	$6,752	6,008	$ 1.12
Effect of Dilutive Securities Stock options	-	83	-	-	113	-
Diluted Earnings per Share Income available to common stockholders plus assumed exercises	$6,309	7,737	$ 0.82	$6,752	6,121	$ 1.10

NOTE 4. Purchases of Minority Interest

On March 1, 1997, the Company purchased an approximate 44% minority interest in Hub Group Distribution Services for approximately $1,576,000 in cash.

On September 17, 1997, the Company purchased the remaining 70% minority interests in Hub City Los Angeles, L.P.and Hub City Golden Gate, L.P. for approximately $59,379,000 in cash.

On October 31, 1997, the Company purchased the remaining 70% minority interest in Hub City New Orleans, L.P. for one dollar.

On April 1, 1998, the Company purchased the remaining 70% minority interest in Hub City Dallas, L.P., Hub City Houston, L.P. and Hub City Rio Grande, L.P. for approximately $6,152,000 in cash.

As the amount paid for each of the purchases of minority interest equaled the basis in excess of the fair market value of assets acquired and liabilities assumed, the amount paid was recorded as goodwill.

NOTE 5. Property and Equipment

Property and equipment consist of the following:

	September 30, 1998	December 31, 1997
	(000's)	
Land	$ 56	$ 56
Building and improvements	120	233
Leasehold improvements	1,031	886
Computer equipment and software	16,195	14,512
Furniture and equipment	5,065	4,172
Transportation equipment and automobiles	5,385	5,828
	27,852	25,687
Less: Accumulated depreciation and amortization	(7,781)	(6,071)
PROPERTY AND EQUIPMENT, net	$ 20,071	$ 19,616

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

BUSINESS COMBINATIONS

On April 1, 1998, Hub Group, Inc. ("Hub Group" or the "Company") acquired the outstanding stock of Quality Intermodal Corporation ("Quality"). The Company paid $4.1 million in cash and issued a three-year note for $6.3 million, bearing interest at an annual rate of 5.6%.

On August 1, 1998, the Company, through Hub Group Distribution Services, acquired a customer list and certain fixed assets from Corporate Express Distribution Services ("CEDS") for $750,000 in cash. CEDS is a specialized logistics provider that offers a niche service in the delivery of pharmaceutical samples.

CALL OPTIONS

On April 1, 1998, the Company exercised its call options to acquire the remaining 70% minority interests in Hub City RioGrande, L.P. ("Hub Rio Grande"), Hub City Dallas, L.P. ("Hub Dallas"), and Hub City Houston, L.P. ("Hub Houston"). The Company paid $6.2 million in cash.

RESULTS OF OPERATIONS

Three Months Ended September 30, 1998, Compared to Three Months Ended September 30, 1997

Revenue

Revenue for the Company increased 8.2% to $295.9 million from $273.5 million in 1997. Brokerage revenue increased 27.6% to $43.0 million from $33.7 million in 1997. The increase is attributable to an increase in business with existing customers and new customers as well as the acquisition of Quality. Logistics revenue decreased 21.1% to $18.0 million from $22.8 million in 1997. This decrease is attributed to the Company terminating its contract to provide third-party logistics to a significant customer in January 1998. Intermodal revenue increased 8.2% to $234.9 million from $217.1 million in 1997. The increase is attributable to an increase in business with new customers as well as the acquisition of Quality. The well-publicized service disruptions in the intermodal industry continued into the third quarter of 1998. Although management is unable to quantify the effect, management believes these service issues have inhibited Hub Group's intermodal revenue growth rate.

Net Revenue

Net revenue increased to $36.5 million from $33.8 million in 1997. As a percentage of revenue, net revenue was 12.3% compared to 12.3% in 1997.

Salaries and Benefits

Salaries and benefits increased 13.9% to $18.4 million from $16.2 million in 1997. As a percentage of revenue, salaries and benefits increased to 6.2% of revenue from 5.9% in 1997. The increase in the percentage is primarily attributable to two factors. First, expenditures increased due to the normal year-over-year merit and cost of living increases granted to the Company's employees. Second, the rail service disruptions, which continued through the third quarter of 1998, created a significantly expanded work load requiring additional staff to handle our customers' intermodal transportation.

Selling, General and Administrative

Selling, general and administrative expenses increased 18.0% to $8.0 million from $6.8 million in 1997. These expenses as a percentage of revenue increased to 2.7% from 2.5% in 1997. This increase is primarily attributable to expenditures made related to information systems, rent and equipment leases. Information systems expense increased primarily due to expenditures for consulting fees related to assessing the Company's information systems strategy. Rent expense increased due to the expansion of some of Hub Group's operating facilities. Equipment lease expense continues to increase as the Company increasingly utilizes operating leases for its information systems hardware.

Depreciation and Amortization

Depreciation and amortization expense increased 31.7% to $1.5 million from $1.1 million in 1997. This expense as a percentage of revenue increased to 0.5% from 0.4% in 1997. The increase is primarily attributable to increased goodwill amortization related to the following purchases: (i) the 70% minority interests in Hub City Los Angeles, L.P. and Hub City Golden Gate, L.P. in September 1997, (ii) the 70% minority interests in Hub Rio Grande, Hub Dallas and Hub Houston in April 1998 and (iii) the acquisition of Quality in April 1998.

Other Income (Expense)

Other income (expense) netted to $(0.4) million in 1998 compared to $0.0 million in 1997. Interest expense increased to $0.6 million in 1998 from $0.5 million in 1997. Interest expense increased primarily due to the purchases of minority interests and the acquisition of Quality in April 1998 (see "Depreciation and Amortization"). Interest income decreased to $0.3 million from $0.5 million in 1997. The average available cash balance decreased in 1998 as the Company attempts to minimize the amounts outstanding under its lines of credit.

Minority Interest

Minority interest decreased 28.9% to $3.9 million from $5.5 million in 1997. Minority interest as a percentage of income before minority interest decreased to 47.3% from 56.3% in 1997. The purchase of the minority interests as discussed in "Depreciation and Amortization" had the effect of lowering minority interest as a percentage of income before minority interest when comparing 1998 to 1997.

Income Taxes

The provision for income taxes remained constant at $1.7 million. The Company is providing for income taxes at an effective rate of 40%.

Net Income

Net income remained constant at $2.6 million.

Earnings Per Share

Basic and diluted earnings per share decreased 17.1% to $0.34 from $0.41 in 1997.

Nine Months Ended September 30, 1998, Compared to Nine Months Ended September 30, 1997.

Revenue

Revenue increased 5.2% to $834.0 million from $792.8 million in 1997. Brokerage revenue increased 25.9% to $119.1 million from $94.6 million in 1997. The increase is attributable to an increase in business with existing customers and new customers as well as the acquisition of Quality. Logistics revenue decreased 29.8% to $45.4 million from $64.6 million in 1997. This decrease is attributable to the Company terminating its contract to provide third-party logistics to a significant customer in January 1998. Intermodal revenue increased 5.7% to $669.6 million from $633.6 million in 1997. The increase is attributable to an increase in business with new customers as well as the acquisition of Quality. The well-publicized service disruptions in the intermodal industry continued into the first nine months of 1998. Although management is unable to quantify the effect, management believes these service issues have inhibited Hub Group's intermodal revenue growth rate.

Net Revenue

Net revenue increased to $100.6 million from $96.4 million in 1997. As a percentage of revenue, net revenue decreased to 12.1% from 12.2% in 1997. The decrease in the percentage was due to the Company incurring additional costs for purchased transportation due to rate increases, alternate routing around congested rail lanes, repositioning empty equipment and detention charges related to the service disruptions in the intermodal industry.

Salaries and Benefits

Salaries and benefits increased to $52.9 million from $47.5 million in 1997. These expenses as a percentage of revenue increased to 6.3% from 6.0% in 1997. The increase in the percentage is primarily attributable to two factors. First, expenditures increased due to the normal year-over-year merit and cost of living increases granted to the Company's employees. Second, the rail service disruptions, which continued through the first nine months of 1998, created a significantly expanded work load requiring additional staff to handle our customers' intermodal transportation.

Selling, General and Administrative

Selling, general and administrative expenses increased to $23.2 million from $19.9 million in 1997. These expenses as a percentage of revenue increased to 2.8% from 2.5% in 1997. This increase is primarily attributable to expenditures made related to rent, information systems, and equipment leases. Rent expense increased due to the expansion of some of Hub Group's operating facilities. Information systems expense increased primarily due to expenditures for consulting fees related to assessing the Company's information systems strategy and to reprogram software for Year 2000 compliance. Equipment lease expense continues to increase as the Company increasingly utilizes operating leases for its information systems hardware.

Depreciation and Amortization

Depreciation and amortization increased to $4.7 million from $3.1 million in 1997. This expense as a percentage of revenue increased to 0.6% from 0.4% in 1997. The increase is primarily attributable to increased goodwill amortization related to the following purchases: (i) the 70% minority interests in Hub City Los Angeles, L.P. and Hub City Golden Gate, L.P. in September 1997, (ii) the 70% minority interests in Hub Rio Grande, Hub Dallas and Hub Houston in April 1998 and (iii) the acquisition of Quality in April 1998.

Other Income (Expense)

Other income (expense) netted to an expense of $(1.1) million in 1998 compared to a net expense of $(0.5) million in 1997. Interest expense increased to $1.9 million in 1998 from $1.7 million in 1997. Interest expense increased primarily due to the purchases of minority interests and the acquisition of Quality in April 1998 (see "Depreciation and Amortization"). Interest income decreased to $0.7 million from $1.0 million in 1997. The average available cash balance decreased in 1998 as the Company attempts to minimize the amounts outstanding under its lines of credit.

Minority Interest

Minority interest decreased 42.3% to $8.2 million from $14.3 million in 1997. Minority interest as a percentage of income before minority interest decreased to 43.9% from 55.9% in 1997. The purchase of the minority interests as discussed in "Depreciation and Amortization" had the effect of lowering minority interest as a percentage of income before minority interest when comparing 1998 to 1997.

Income Taxes

The provision for income taxes decreased to $4.2 million from $4.5 million in 1997. The Company is providing for income taxes at an effective rate of 40%.

Net Income

Net income decreased 6.6% to $6.3 million from $6.8 million in 1997.

Earnings Per Share

Basic earnings per share decreased 26.8% to $0.82 from $1.12 in 1997. Diluted earnings per share decreased 25.5% to $0.82 from $1.10 in 1997.

LIQUIDITY AND CAPITAL RESOURCES

At September 30, 1998, the unused and available portion of the line of credit with Cass Bank and Trust Company was $5.0 million. At September 30, 1998, there was $20.5 million outstanding and $15.5 million unused and available under the line of credit with Harris Trust and Savings Bank.

OUTLOOK, RISKS AND UNCERTAINTIES

This "Outlook, Risks and Uncertainties" section contains statements regarding expectations, hopes, beliefs, intentions or strategies regarding the future which are forward looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and involve risks and uncertainties described below that could cause actual results to differ materially from those projected. 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, the degree and rate of market growth in the markets served by the Company, changes in industry-wide capacity, further consolidation of rail carriers, changes in governmental regulation, changes in the cost of services from vendors and fluctuations in interest rates.

Year 2000

"Year 2000" refers to the issue surrounding the compatibility of computer and other technology based systems with dates beyond December 31, 1999. This section will include an assessment of the Company's state of readiness, the costs to address the issues, the risks the issues represent and the Company's contingency plan.

State of Readiness

Management has broken down its Year 2000 program into four phases. Those phases are awareness, assessment, renovation and validation. The Company has contracted with an outside consulting firm to perform a readiness review, which is currently ongoing. This review will conclude in November 1998 and is designed to verify that the Company is aware of all material relevant areas of concern regarding Year 2000 compatibility. Furthermore, the review should serve to validate existing assessments and identify areas where further assessment is needed.

Management believes that it is aware of the risk areas facing the Company regarding Year 2000 and has broken those areas into six categories. The six categories are: (i) the Company's main operating system that has been created and enhanced in-house, (ii) the Company's ancillary operating software applications which were purchased, (iii) desktop hardware and software applications, (iv) the Company's financial reporting system, (v) the Company's telephone systems, and (vi) embedded technology in the Company's office equipment, physical environment and drayage tractors.

The Company's main operating system is currently being renovated. The renovation, which consists of reprogramming the source code, should be completed before December 31, 1998. The validation phase will therefore start by December 31, 1998, and management estimates that the validation phase will be completed by September 30, 1999.

The Company believes all of its ancillary operating software applications have been assessed. All of the supporting vendors, with one exception, have stated that their products are Year 2000 compliant. For the one exception, the Company has identified a renovation solution. The renovation stage for the exception has not yet been started but is expected to be completed by March 31, 1999. The validation stage for the exception is expected to be completed by June 30, 1999. The validation phase for the software that is Year 2000 compliant per the vendors is to begin before December 31, 1998, and should be completed by September 30, 1999.

The Company's financial reporting system vendor has stated that their application is Year 2000 compliant. The Company plans to execute the validation phase for the financial reporting system as the Company's operating system generates Year 2000 activity during its validation phase. The validation phase for the financial reporting system is expected to be completed by September 30, 1999.

The Company's desktop hardware and software application assessment is ongoing. The Company is in the process of creating an inventory of all desktop hardware and software applications. Once completed, the Company anticipates hiring an outside consulting firm to execute the renovation and validation phases. The renovation phase will consist of updating or replacing the hardware or software application if it is not Year 2000 compliant. The renovation phase is expected to begin prior to December 31, 1998, and the validation phase is expected to be completed by September 30, 1999.

The Company is still assessing its many telephone systems. The amount of time for renovation and validation has not yet been determined.

The Company is aware of the potential issues regarding embedded technology in its office equipment, physical environment and drayage tractors. While the Company has not assessed each piece of office equipment, such as fax machines and copiers, it believes its contingency plan will deal effectively enough with the risks of failure that such assessment is not a high priority. Similarly, the Company recognizes the potential issues regarding its physical environment, such as heat, electricity, elevators, security systems, etc., but has not ranked the assessment of each to be a higher priority than the resolution of items (i) through (v) above. The Company has assessed its embedded technology in its drayage tractors and received a statement from the engine manufacturers that the tractors' embedded technology is Year 2000 compliant.

The Company has identified four categories of key third parties with which the Company has a material relationship that should be assessed. Those categories are: (i) significant customers who rely on their computer systems to determine their transportation needs, (ii) key vendors such as the railroads and significant providers of drayage and over-the-road services, (iii) our information network communications provider and (iv) significant third party freight payment vendors utilized by the Company's customers. The Company has not received any statements from its customers or from its customers' third party freight payment vendors regarding their Year 2000 readiness. The Company has no plans to obtain such statements. The Company has received statements from the major railroads and many of the Company's drayage and over-the-road service providers that they are Year 2000 compliant. The Company believes at this time that its information network communications provider is not Year 2000 compliant, but is working to become compliant.

Costs

Through October 31, 1998, the Company has expensed approximately $608,000 related to Year 2000. These costs include not only amounts paid to outside parties but also the payroll costs for those employees spending significant amount of time on Year 2000 issues. The Company estimates it will spend approximately $2.0 to $2.5 million in total. The Company expects to continue to fund these costs through cash flow from operations.

Risk

Management believes its most likely worst-case scenario is a complete shut down of the Company's, the railroads' or the Company's customers' main operating systems. The Company believes any of these risks, as well as other risks or combination of risks addressed herein or otherwise, could have a material adverse effect on the Company's results of operations, financial condition and liquidity.

Contingency Plan

The Company has not yet developed a formal written contingency plan. Certain aspects of the Year 2000 contingency plan, such as dealing with an inoperative system, will simply be a matter of integrating the Company's current contingency plan for dealing with the temporary shut downs that occur from time to time. Other aspects of the contingency plan will be developed as the Company works through the phases of readiness. The creation of the contingency plan will be an ongoing process that should be completed early in the fourth quarter of 1999.

PART II. Other Information

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: November 13, 1998

/s/ William L. Crowder

William L. Crowder
Vice President-Finance and
Chief Financial Officer
(Principal Financial Officer)

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This schedule contains summary financial information extracted from Unaudited Condensed Consolidated Statements of Operations and Unaudited Condensed Consolidated Balance Sheets and is qualified in its entirety by reference to such finanacial statements.

1,000

3-MOS
DEC-31-1998
SEP-30-1998
17453
0
147449
1550
0
166587
27852
7781
304130
149113
0
0
0
77
116743
304130
0
295859
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259336
27881
119
620
4343
1737
8642
0
0
0
2606
.34
.34