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, 2005 or

o 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 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 X No ____

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ____No X

On October 18, 2005, the registrant had 19,538,478 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.

CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands, except share amounts)

	September 30, 2005	December 31, 2004
	(Unaudited)	
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 26,847	$ 16,806
Restricted investments	1,173	-
Accounts receivable		
Trade, net	159,602	140,762
Other	8,266	8,313
Deferred taxes	4,514	4,667
Prepaid expenses and other current assets	4,327	4,746
TOTAL CURRENT ASSETS	204,729	175,294
PROPERTY AND EQUIPMENT, net	15,029	19,487
GOODWILL, net	215,175	215,175
OTHER ASSETS	354	889
TOTAL ASSETS	$ 435,287	$ 410,845
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable		
Trade	$ 130,053	$ 115,819
Other	4,439	1,660
Accrued expenses		
Payroll	16,886	19,542
Other	16,596	15,100
TOTAL CURRENT LIABILITIES	167,974	152,121
DEFERRED TAXES	36,566	31,788
STOCKHOLDERS' EQUITY:		
Preferred stock, $.01 par value, 2,000,000 shares authorized, no shares issued or outstanding in 2005 and 2004	-	-
Common stock		
Class A: $.01 par value; 47,337,700 shares authorized; 20,281,248 shares issued and 19,538,478 shares outstanding in 2005; 19,933,610 shares issued and outstanding in 2004	203	199
Class B: $.01 par value; 662,300 shares authorized; 662,296 shares issued and outstanding in 2005 and 2004	7	7
Additional paid-in capital	182,003	182,262
Purchase price in excess of predecessor basis, net of tax benefit of $10,306	(15,458)	(15,458)
Retained earnings	87,494	64,611
Unearned compensation	(3,375)	(4,685)
Treasury stock, at cost (742,770 shares in 2005)	(20,127)	-
TOTAL STOCKHOLDERS' EQUITY	230,747	226,936
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 435,287	$ 410,845

See notes to unaudited condensed consolidated financial statements.

HUB GROUP, INC.
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(in thousands, except per share amounts)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2005	**2004**	**2005**	**2004**
Revenue	$ 399,400	$ 362,105	$ 1,110,888	$ 1,039,377
Transportation costs	350,273	314,077	971,607	905,881
Gross margin	49,127	48,028	139,281	133,496
Costs and expenses:				
Salaries and benefits	22,242	21,995	65,621	66,570
General and administrative	9,052	9,023	28,294	29,618
Depreciation and amortization of property and equipment	2,401	3,052	7,337	8,786
Total costs and expenses	33,695	34,070	101,252	104,974
Operating income	15,432	13,958	38,029	28,522
Other income (expense):				
Interest expense	(145)	(571)	(492)	(3,968)
Interest income	217	56	601	165
Debt extinguishment expenses	-	(7,296)	-	(7,296)
Other, net	357	180	411	583
Total other income (expense)	429	(7,631)	520	(10,516)
Income before provision for income taxes	15,861	6,327	38,549	18,006
Provision for income taxes	6,251	2,775	15,666	7,682
Net income	$ 9,610	$ 3,552	$ 22,883	$ 10,324
Basic earnings per common share	$ 0.49	$ 0.18	$ 1.15	$ 0.61
Diluted earnings per common share	$ 0.47	$ 0.17	$ 1.10	$ 0.57
Basic weighted average number of shares outstanding	19,640	19,414	19,966	16,870
Diluted weighted average number of shares outstanding	20,406	20,648	20,786	18,058

See notes to unaudited condensed consolidated financial statements

HUB GROUP, INC.
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
For the nine months ended September 30, 2005
(in thousands, except shares)

	September 30, 2005
Class A & B Common Stock Shares Outstanding	
Beginning of year	20,595,906
Exercise of non-qualified stock options	346,258
Issuance of restricted stock	1,380
Purchase of treasury shares	(1,117,802)
Treasury shares issued under restricted stock and stock option plans	375,032
Ending balance	20,200,774
Class A & B Common Stock Amount	
Beginning of year	$ 206
Issuance of restricted stock and exercise of stock options	4
Ending balance	210
Additional Paid-in Capital	
Beginning of year	182,262
Exercise of non-qualified stock options	(5,851)
Tax benefit of employee stock plans	5,592
Ending balance	182,003
Purchase Price in Excess of Predecessor Basis, Net of Tax	
Beginning of year	(15,458)
Ending balance	(15,458)
Retained Earnings	
Beginning of year	64,611
Net income	22,883
Ending balance	87,494
Unearned Compensation	
Beginning of year	(4,685)
Issuance of restricted stock awards, net of forfeitures	(293)
Compensation expense related to restricted stock awards	1,603
Ending balance	(3,375)
Treasury Stock	
Beginning of year	-
Purchase of treasury shares	(30,571)
Issuance for restricted stock and exercise of stock options	10,444
Ending balance	(20,127)
Total stockholders' equity	$ 230,747

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,	
	2005	**2004**
Cash flows from operating activities:		
Net income	$ 22,883	$ 10,324
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization of property and equipment	7,633	8,966
Deferred taxes	10,523	7,535
Compensation expense related to restricted stock	1,603	1,593
Gain on sale of assets	(271)	(248)
Other assets	-	696
Changes in working capital:		
Restricted investments	(1,173)	-
Accounts receivable, net	(18,793)	(5,273)
Prepaid expenses and other current assets	419	219
Other, net	535	-
Accounts payable	17,013	(6,731)
Accrued expenses	(1,160)	3,756
Net cash provided by operating activities	39,212	20,837
Cash flows from investing activities:		
Proceeds from the sale of property and equipment	573	261
Purchases of property and equipment	(3,477)	(2,668)
Net cash used in investing activities	(2,904)	(2,407)
Cash flows from financing activities:		
Proceeds from stock offering, net	-	55,871
Proceeds from stock options exercised	4,304	3,500
Purchase of treasury stock	(30,571)	(2,767)
Net payments on revolver	-	(6,000)
Payments on long-term debt	-	(69,034)
Net cash used in financing activities	(26,267)	(18,430)
Net increase in cash and cash equivalents	10,041	-
Cash and cash equivalents beginning of period	16,806	-
Cash and cash equivalents end of period	$ 26,847	$ -
Supplemental disclosures of cash flow information		
Cash paid for:		
Interest	$ 909	$ 2,995
Income taxes	$ 3,310	$ 477

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. ("we," "us" or "our") 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, we believe that the disclosures contained herein are adequate to make the information presented not misleading.

The financial statements reflect, in our opinion, all material adjustments (which include only normal recurring adjustments) necessary to fairly present our financial position and results of operations for the three months and nine months ended September 30, 2005 and 2004.

These unaudited condensed consolidated financial statements and notes thereto should be read in conjunction with the consolidated financial statements and notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2004. 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. Restructuring Charges

During the nine months ended September 30, 2005, we recorded a $0.2 million severance charge for the termination of 35 employees. All severance charges are included in salaries and benefits in the statement of income. Additionally, from time to time we evaluate and adjust restructuring plan balances due to changes in assumptions related to the closing of a facility.

The following table displays the activity and balances for the restructuring reserves for the nine months ended September 30, 2005 (in thousands):

	Headcount Reduction	Consolidation of Facilities	Total
Balance at December 31, 2004	$ -	$ 146	$ 146
Additional Restructuring Expenses	176	-	176
Cash Payments	(78)	(79)	(157)
Adjustments for previous estimate	-	37	37
Balance at March 31, 2005	**$ 98**	**$ 104**	**$ 202**
Additional Restructuring Expenses	43	-	43
Cash Payments	(120)	(48)	(168)
Balance at June 30, 2005	**$ 21**	**$ 56**	**$ 77**
Additional Restructuring Expenses	3	-	3
Cash payments	(11)	(45)	(56)
Adjustments for previous estimate	-	10	10
Balance at September 30, 2005	**$ 13**	**$ 21**	**$ 34**

NOTE 3. 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. We have 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 our stock at the date of the grant over the amount an employee must pay to acquire the stock. We grant options at fair market value and therefore recognize no compensation expense.

The following table illustrates the effect on the net income and net income per share if we 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 September 30,		Nine Months Ended September 30,	
	2005	2004	2005	2004
Net income, as reported	$9,610	$3,552	$22,883	$10,324
Add: Total stock –based compensation included in net income, net of related tax effects	328	309	951	914
Deduct: Total stock-based compensation expense determined under fair value based method for all awards, net of related tax effects	(398)	(447)	(1,193)	(1,371)
Net income, pro forma	$9,540	$3,414	$22,641	$9,867
Earnings per share:				
Basic – as reported	$ 0.49	$ 0.18	$ 1.15	$ 0.61
Basic – pro forma	$ 0.49	$ 0.18	$ 1.13	$ 0.58
Diluted – as reported	$ 0.47	$ 0.17	$ 1.10	$ 0.57
Diluted – pro forma	$ 0.47	$ 0.17	$ 1.09	$ 0.55
Dividend yield	-	-	-	-

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.

In December 2004, the Financial Accounting Standards Board (FASB) issued FASB Statement No. 123 (revised 2004), Share-Based Payment, which is a revision of FASB Statement No. 123, Accounting for Stock-Based Compensation. Statement 123 (R) supersedes APB Opinion No. 25, Accounting for Stock Issued to Employees, and amends FASB Statement No. 95, Statement of Cash Flows. Generally, the approach in Statement 123 (R) is similar to the approach described in Statement 123. However, Statement 123 (R) requires all share-based payments to employees, including grants of employee stock options, to be recognized in the income statement based on their fair values. Pro forma disclosure is no longer an alternative. This statement must be adopted effective January 1, 2006.

Statement 123 (R) also requires the benefits of tax deductions in excess of recognized compensation cost to be reported as a financing cash flow, rather than as an operating cash flow as required under the current literature. This requirement will reduce net operating cash flow and increase net financing cash flow in periods after adoption. We cannot estimate what those amounts will be in the future because they depend on, among other things, when employees exercise stock options.

NOTE 4. Earnings Per Share

The following is a reconciliation of our earnings per share (in thousands, except for per share data):

	Three Months Ended September 30, 2005			Three Months Ended September 30, 2004		
	Income	Shares	Per Share Amount	Income	Shares	Per Share Amount
Basic EPS						
Net Income	$ 9,610	19,640	$ 0.49	$ 3,552	19,414	$ 0.18
Effect of Dilutive Securities						
Stock options and restricted stock	-	766	-	-	1,234	-
Diluted EPS						
Net Income	$ 9,610	20,406	$ 0.47	$ 3,552	20,648	$ 0.17

	Nine Months Ended September 30, 2005			Nine Months Ended September 30, 2004		
	Income	Shares	Per Share Amount	Income	Shares	Per Share Amount
Basic EPS						
Net Income	$ 22,883	19,966	$ 1.15	$ 10,324	16,870	$ 0.61
Effect of Dilutive Securities						
Stock options and restricted stock	-	820	-	-	1,188	-
Diluted EPS						
Net Income	$ 22,883	20,786	$ 1.10	$ 10,324	18,058	$ 0.57

No stock options were excluded from the determination of diluted weighted-average shares because they would have been anti-dilutive for the three months ending September 30, 2005 and 2004. Additionally, no stock options were excluded from the determination of diluted weighted average shares because they would have been anti-dilutive for the nine months ended September 30, 2005. For the nine months ended September 30, 2004, 7,667 stock options were excluded from the determination of diluted weighted- average shares because they would be anti-dilutive.

NOTE 5. Deferred Compensation Plan

In January 2005, we established the Hub Group, Inc. Nonqualified Deferred Compensation Plan (the “Plan”) to provide added incentive for the retention of certain key employees. Under the Plan, participants can elect to defer up to 50% of their base salary and up to 100% of their bonus. Accounts will grow on a tax-deferred basis to the participant. Restricted investments included in the consolidated balance sheet represent the fair value of the mutual fund and other security investments related to the Plan at September 30, 2005. Both realized and unrealized gains and losses, which have not been material, are included in income and expense and offset the change in the deferred compensation liability. We provide a 50% match on the first 6% of employee compensation deferred under the Plan, with a maximum match equivalent to 3% of base salary.

NOTE 6. Property and Equipment

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

	September 30, 2005	December 31, 2004
Building and improvements	$ -	$ 237
Leasehold improvements	914	942
Computer equipment and software	52,564	52,442
Furniture and equipment	6,958	7,188
Transportation equipment and automobiles	1,796	1,461
	62,232	62,270
Less: Accumulated depreciation and amortization	(47,203)	(42,783)
Property and Equipment, net	$ 15,029	$ 19,487

NOTE 7. Debt

On March 23, 2005, we entered into a revolving credit agreement that provides for unsecured borrowings of up to $40.0 million. The interest rate ranges from LIBOR plus 0.75% to 1.25% or Prime plus 0.5%. The revolving line of credit expires on March 23, 2010. The financial covenants require a minimum net worth of $175.0 million and a cash flow leverage ratio of not more than 2.0 to 1.0. The commitment fees charged on the unused line of credit are between 0.15% and 0.25% per annum.

We had $39.0 million of unused and available borrowings under our bank revolving line of credit at September 30, 2005. We were in compliance with our debt covenants at September 30, 2005.

We have standby letters of credit that expire from 2005 to 2012. As of September 30, 2005, the outstanding letters of credit were $1.0 million.

NOTE 8. Commitments and Contingencies

In March 2005, we entered into an equipment purchase contract with Shanghai Jindo Container Co., Ltd. We agreed to purchase 3,400 fifty-three foot dry freight steel domestic containers for approximately $33.0 million. As of October 19, 2005, approximately 3,286 containers were delivered. The remaining containers are expected to be delivered by the end of the fourth quarter of 2005. However, this timeframe is subject to the manufacturer meeting production and delivery schedules. We are financing these containers with operating leases.

In June 2005, our Quality Services subsidiary entered into a 5-year operating lease agreement for 31 tractors. The total obligation for this lease is $2.5 million.

We are a party to litigation incident to our business, including claims for freight lost or damaged in transit, freight improperly shipped or improperly billed, property damage and personal injury. Some of the lawsuits to which we are party are covered by insurance and are being defended by our insurance carriers. Some of the lawsuits are not covered by insurance and we are defending them. We do not believe that the outcome of this litigation will have a material adverse effect on our financial position.

NOTE 9. Stock Buy Back Plan

During the first quarter of 2005, the Board of Directors authorized the purchase of up to $30.0 million worth of our Class A Common Stock. During the first half of 2005, we completed the authorized purchase of $30.0 million worth of our Class A Common Stock. We intend to hold the repurchased shares in treasury for future use.

	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plan	Maximum Value of Shares that May Yet Be Purchased Under the Plan (in 000's)
July 1 to July 31	-	$ -	-	$ 45,000
August 1 to August 31	-	-	-	45,000
September 1 to September 30	-	-	-	45,000
Total	-	$ -	-	$ 45,000

As announced on August 22, 2005, the Board of Directors authorized the purchase of up to $45.0 million of its Class A common stock. This authorization expires on December 31, 2006. Hub intends to make purchases from time to time as market conditions warrant. Hub intends to hold the repurchased shares in treasury for future use. No purchases were made under this new plan during the third quarter of 2005.

NOTE 10. Stock Split

The Board of Directors approved a two-for-one stock split in the form of a stock dividend which was paid on May 11, 2005. All shares have been retroactively restated to give effect to the two-for-one stock split, which was affected in the form of a 100% stock dividend. Each of our Class A stockholders and Class B stockholders received one Class A share on each share of Class A Common Stock and each share of Class B Common Stock held by them on the record date in connection with the stock split. In accordance with the terms of our Certificate of Incorporation, the number of votes held by each share of Class B Common Stock was adjusted in connection with this stock dividend such that each share of Class B Common Stock now entitles its holder to approximately 40 votes. Each share of Class A Common Stock entitles its holder to one vote.

HUB GROUP, INC.

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

OUTLOOK, RISKS AND UNCERTAINTIES

The information contained in this quarterly report contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Words such as "expects," "hopes," "believes," "intends," "estimates," "anticipates," and variations of these words and similar expressions are intended to identify these forward-looking statements. 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. We assume no liability to update any such forward-looking statements contained in this quarterly report. Factors that could cause our actual results to differ materially include:

- the degree and rate of market growth in the intermodal, truck brokerage and logistics markets served by us;
- deterioration in our relationships with existing railroads or adverse changes to the railroads' operating rules;
- changes in rail service conditions or adverse weather conditions;
- further consolidation of railroads;
- the impact of competitive pressures in the marketplace, including entry of new competitors, direct marketing efforts by the railroads or marketing efforts of asset-based carriers;
- changes in rail, drayage and trucking company capacity;
- equipment shortages or equipment surplus;
- changes in the cost of services from rail, drayage, truck or other vendors;
- labor unrest in the rail, drayage or trucking company communities;
- general economic and business conditions;
- fuel shortages or prices;
- increases in interest rates;
- decrease in demand for our distribution services;
- changes in homeland security or terrorist activity;
- difficulties in maintaining or enhancing our information technology systems;
- changes to or new governmental regulation;
- loss of several of our largest customers;
- inability to recruit and retain key personnel; and
- awards of large customer contracts.

EXECUTIVE SUMMARY

Hub Group, Inc. ("we," "us" or "our") is the largest intermodal marketing company ("IMC") in North America and a full service transportation provider offering intermodal, truck brokerage or highway services and comprehensive logistics services. These service offerings are referred to as the Core Transportation business. The Core Transportation business operates through a nationwide network of operating centers. We also operate Hub Group Distribution Services ("HGDS" or "Hub Distribution"). Hub Distribution performs certain specialized services, predominately installation of point of purchase displays, and is responsible for its own operations, customer service, marketing, and management information systems support.

As an IMC, we arrange for the movement of our customers' freight in containers, primarily supplied by third parties, and trailers over long distances. We contract with railroads to provide transportation for the long-haul portion of the shipment and with local trucking companies, known as "drayage companies," for local pickup and delivery. As part of the intermodal services, we negotiate rail and drayage rates, electronically track shipments in transit, consolidate billing and handle claims for freight loss or damage on behalf of our customers.

We also arrange for the transportation of freight by truck, providing customers with another option for their transportation needs. We match the customers' needs with carriers' capacity to provide the most effective service and price combinations. As part of our highway services, we negotiate rates, track shipments in transit and handle claims for freight loss or damage on behalf of our customers.

Our logistics service consists of complex transportation management services, including load consolidation, mode optimization and carrier management. These service offerings are designed to take advantage of the increasing trend for shippers to outsource all or a greater portion of their transportation needs.

We have full time marketing representatives throughout North America who service local, regional and national accounts. We believe that fostering long-term customer relationships is critical to our success and allows us to better understand our customers' needs and specifically tailor our transportation services to them.

Revenue growth resulted primarily from fuel surcharges, price increases and mix during the first nine months of 2005 compared to the first nine months of 2004. The price increases resulted from rate increases from our carriers.

We use various performance indicators to manage our business. We closely monitor gains and losses for our significant customers and evaluate on-time performance, costs per load by location and accounts receivable days sales outstanding. Vendor cost changes and vendor service issues are also tracked closely.

Our installation services business, HGDS, is a project-based business with significant customer concentration and higher margins than our other service lines. Any decrease in the demand from these customers or our failure to secure new project business could have a material effect on HGDS revenue.

RESULTS OF OPERATIONS

The following table summarizes our revenue by business line:

	Three Months Ended September 30,			**Nine Months Ended September 30,**		
	2005	**2004**	**% Change**	**2005**	**2004**	**% Change**
Revenue (in thousands)						
Core Transportation						
Intermodal	$ 283,476	$ 259,958	9.0%	$ 776,398	$ 744,219	4.3%
Brokerage	68,283	56,124	21.7%	196,475	163,862	19.9%
Logistics	35,676	34,028	4.8%	105,789	101,727	4.0%
Total Core	387,435	350,110	10.7%	1,078,662	1,009,808	6.8%
Hub Distribution	11,965	11,995	(0.3%)	32,226	29,569	9.0%
Total Revenue	$ 399,400	$ 362,105	10.3%	$1,110,888	$1,039,377	6.9%

The following table includes items in the consolidated statement of income as a percentage of revenue:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2005	2004	2005	2004
Revenue	100.0%	100.0%	100.0%	100.0%
Transportation costs	87.7%	86.7%	87.5%	87.2%
Gross margin	12.3%	13.3%	12.5%	12.8%
Costs and expenses:				
Salaries and benefits	5.6	6.1	5.9	6.4
General and administration	2.2	2.5	2.5	2.8
Depreciation & amortization	0.6	0.8	0.7	0.9
Total costs and expenses	8.4	9.4	9.1	10.1
Operating income	3.9	3.9	3.4	2.7
Other (expense)/income:				
Interest expense	0.0	(0.1)	0.0	(0.4)
Interest income	0.0	0.0	0.1	0.0
Debt extinguishment expense	0.0	(2.0)	0.0	(0.7)
Other, net	0.1	0.0	0.0	0.1
Total other (expense)/income	0.1	(2.1)	0.1	(1.0)
Income before provision for income taxes	4.0	1.8	3.5	1.7
Provision for income taxes	1.6	0.8	1.4	0.7
Net Income	2.4%	1.0%	2.1%	1.0%

Three Months Ended September 30, 2005 Compared to the Three Months Ended September 30, 2004

Revenue

Revenue increased 10.3% to $399.4 million in 2005 from $362.1 million in 2004. Intermodal revenue increased 9.0% due to fuel surcharges, price increases and mix, partially offset by a 1.4% decrease in volume. Truckload brokerage revenue increased 21.7% due to fuel surcharges, mix and new business. Logistics revenue increased 4.8% due partially to the addition of new customers, the transfer of the time sensitive delivery of pharmaceutical samples from Hub Distribution to this business line and price increases. Hub Distribution revenue remained consistent quarter over quarter.

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

Gross Margin

Gross margin increased 2.3% to $49.1 million in 2005 from $48.0 million in 2004. As a percentage of revenue, gross margin decreased to 12.3% in 2005 from 13.3% in 2004. The decrease in the gross margin percentage was due to a number of factors. Our 2004 gross margin percentage was improved by the timing of our 2004 customer rate increases. Our 2005 gross margin percentage was negatively impacted by our costs for repositioning which were approximately $1.2 million higher in 2005 as compared to 2004. We made a decision to reposition equipment to certain cities to expand the number of rail-controlled containers within our network in order to meet customer demand during peak. In addition, in 2005 some of our rail carriers changed accessorial pricing and there is often a lag time before we can pass along the increases to our customers. Further, in 2005 we incurred initial ramp costs for several large customers and we had extra drayage costs associated with moving our new containers from the pier.

Salaries and Benefits

As a percentage of revenue, salaries and benefits decreased to 5.6% from 6.1% in 2004. Salaries and benefits increased to $22.2 million in 2005 from $22.0 million in 2004. This was due primarily to increases in employee compensation.

General and Administrative

General and administrative expenses increased to $9.1 million in 2005 from $9.0 million in 2004. As a percentage of revenue, these expenses decreased to 2.2% in 2005 from 2.5% in 2004**.** The increase in general and administrative expenses is primarily attributed to an increase in professional fees and insurance expense offset by a decrease in equipment leases.

Depreciation and Amortization of Property and Equipment

Depreciation and amortization decreased to $2.4 million in 2005 from $3.1 million in 2004. This expense as a percentage of revenue decreased to 0.6% in 2005 from 0.8% in 2004**.** The decrease in depreciation and amortization is due primarily to lower computer equipment and software depreciation.

Other Income (Expense)

Other income increased to $0.4 million in 2005 from an expense of $7.6 million in 2004 due primarily to no debt extinguishment costs in 2005. The debt extinguishment expenses in 2004 of $7.3 million included a $6.8 million pre-payment penalty associated with paying off the $50.0 million of 9.14% debt and the $0.5 million write off of deferred financing costs. Interest income increased due to investing cash.

Provision for Income Taxes

The provision for income taxes increased to $6.3 million in 2005 compared to $2.8 million in 2004. We provided for income taxes using an effective rate of 39.4% in 2005 and an effective rate of 43.9% in the third quarter of 2004. The decrease in the effective tax rate is primarily the result of a lower state tax rate due to business restructuring and the write off of deferred tax assets in the third quarter of 2004, which were no longer realizable due to the closing of two operating centers.

Net Income

Net income increased to $9.6 million in 2005 from $3.6 million in 2004 due primarily to higher revenue and gross margin, lower interest expense and no debt extinguishment expense in 2005. Excluding the 2004 debt extinguishment expenses, adjusted net income for the 2004 quarter would have been $7.8 million. A tabular reconciliation of the differences between the adjusted financial results for the three months ended September 30, 2004 and our financial results determined in accordance with U.S. generally accepted accounting principles (“GAAP”) are contained in a table below.

Earnings Per Common Share

Basic earnings per share were $0.49 in 2005 and $0.18 in 2004 and diluted earnings per share increased to $0.47 in 2005 from $0.17 in 2004. The weighted average diluted shares outstanding decreased 1.2% from 20,648,000 at September 30, 2004 to 20,406,000 at September 30, 2005. Excluding the debt extinguishment expenses, 2004 adjusted basic earnings per share would have been $0.40 and 2004 adjusted diluted earnings per share would have been $0.38.

HUB GROUP, INC.
RECONCILIATION OF AS REPORTED FINANCIAL RESULTS TO AS ADJUSTED FINANCIAL RESULTS
(in thousands, except per share amounts)

	Three Months Ended September 30, 2004			
	As Reported	**Adjustments**		**As Adjusted**
Operating income	$ 13,958	$ -		$ 13,958
Interest expense	(571)	-		(571)
Interest income	56	-		56
Debt extinguishment expenses	(7,296)	(7,296)	a	-
Other, net	180	-		180
Income before provision for income taxes	6,327	(7,296)		13,623
Provision for income taxes	2,775	(3,064)		5,839
Net Income	$ 3,552	$ (4,232)		$ 7,784
Basic earnings per common share	$ 0.18	$ (0.22)		$ 0.40
Diluted earnings per common share	$ 0.17	$ (0.21)		$ 0.38
Basic weighted average number of shares outstanding	19,414	19,414		19,414
Diluted weighted average number of shares outstanding	20,648	20,648		20,648

a) Fees and expenses related to our extinguishment of 9.14% debt
1) Pre-payment penalty of $6,804
2) Write-off of related deferred financing costs of $492

b) Income taxes at 42.0%

Note: The purpose of this statement is to reflect as adjusted earnings excluding the one time costs associated with prepaying our debt.

Nine Months Ended September 30, 2005 Compared to the Nine Months Ended September 30, 2004

Revenue

Revenue increased 6.9% to $1.11 billion in 2005 from $1.04 billion in 2004. Intermodal revenue increased 4.3% due to fuel surcharges, price increases and mix, partially offset by a 6.9% decrease in volume. Truckload brokerage revenue increased 19.9% due to fuel surcharges, mix and new business. Logistics revenue increased 4.0% due to the transfer of the time sensitive delivery of pharmaceutical samples from Hub Distribution to this service line during the third quarter of 2004, the addition of new customers and price increases. Hub Distribution revenue increased 9.0% due primarily to an increase in the installation business.

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

Gross Margin

Gross margin increased 4.3% to $139.3 million in 2005 from $133.5 million in 2004. As a percent of revenue, gross margin decreased to 12.5% in 2005 from 12.8% in 2004.

Salaries and Benefits

As a percentage of revenue, salaries and benefits decreased to 5.9% from 6.4% in 2004. Salaries and benefits decreased to $65.6 million in 2005 from $66.6 million in 2004. This was due primarily to a decrease in headcount.

General and Administrative

General and administrative expenses decreased to $28.3 million in 2005 from $29.6 million in 2004. As a percentage of revenue, these expenses decreased to 2.5% in 2005 from 2.8% in 2004. The decrease in general and administrative expenses is primarily attributed to a decrease in equipment leases and temporary labor expense partially offset by an increase in professional fees.

Depreciation and Amortization of Property and Equipment

Depreciation and amortization decreased to $7.3 million in 2005 from $8.8 million in 2004. This expense as a percentage of revenue decreased to 0.7% in 2005 from 0.9% in 2004. The decrease in depreciation and amortization is due primarily to lower computer equipment and software depreciation.

Other Income (Expense)

Other income increased to $0.5 million in 2005 from an expense of $10.5 million in 2004 due primarily to no debt extinguishment costs in 2005. The debt extinguishment expenses in 2004 included the $6.8 million pre-payment penalty associated with paying off the $50.0 million of 9.14% debt and the $0.5 million write off of deferred financing costs. Interest income increased due to investing cash.

Provision for Income Taxes

The provision for income taxes increased to $15.7 million in 2005 compared to $7.7 million in 2004. We provided for income taxes using an effective rate of 40.6% in 2005 and an effective rate of 42.7% in 2004. The decrease in the effective tax rate is primarily the result of a lower state tax rate due to business restructuring.

Net Income

Net income increased to $22.9 million in 2005 from $10.3 million in 2004 due primarily to higher revenue and gross margin, lower general and administrative expenses, lower salaries and benefits expense and lower interest expense and no debt extinguishment expense in 2005. Excluding the 2004 debt extinguishment expenses, adjusted net income for the nine months ended September 30, 2004 would have been $14.6 million. A tabular reconciliation of the differences between the adjusted financial results for the nine months ended September 30, 2004 and our financial results determined in accordance with U.S. generally accepted accounting principles ("GAAP") are contained in the table below.

Earnings Per Common Share

Basic earnings per share were $1.15 in 2005 and $0.61 in 2004 and diluted earnings per share increased to $1.10 in 2005 from $0.57 in 2004. The weighted average diluted shares outstanding increased 15.1% from 18,058,000 at September 30, 2004 to 20,786,000 at September 30, 2005. Excluding the 2004 debt extinguishment expenses, adjusted basic earnings per share would have been $0.86 and adjusted diluted earnings per share would have been $0.81.

HUB GROUP, INC.
RECONCILIATION OF AS REPORTED FINANCIAL RESULTS TO AS ADJUSTED FINANCIAL RESULTS
(in thousands, except per share amounts)

	Nine Months Ended September 30, 2004			
	As Reported	**Adjustments**		**As Adjusted**
Operating income	$ 28,522	$ -		$ 28,522
Interest expense	(3,968)	-		(3,968)
Interest income	165	-		165
Debt extinguishment expenses	(7,296)	(7,296)	a	-
Other, net	583	-		583
Income before provision for income taxes	18,006	(7,296)		25,302
Provision for income taxes	7,682	(3,064)		10,746
Net Income	$ 10,324	$ (4,232)		$ 14,556
Basic earnings per common share	$ 0.61	$ (0.25)		$ 0.86
Diluted earnings per common share	$ 0.57	$ (0.24)		$ 0.81
Basic weighted average number of shares outstanding	16,870	16,870		16,870
Diluted weighted average number of shares outstanding	18,058	18,058		20,648

a) Fees and expenses related to our extinguishment of 9.14% debt
1) Pre-payment penalty of $6,804
2) Write-off of related deferred financing costs of $492

b) Income taxes at 42.0%

Note: The purpose of this statement is to reflect as adjusted earnings excluding the one time costs associated with prepaying our debt.

CRITICAL ACCOUNTING POLICIES

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions. In certain circumstances, those estimates and assumptions can affect amounts reported in the accompanying consolidated financial statements. We have made our best estimates and judgments of certain amounts included in the financial statements, giving due consideration to materiality. We do not believe there is a great likelihood that materially different amounts would be reported related to the accounting policies described below. However, application of these accounting policies involves the exercise of judgment and use of assumptions as to future uncertainties and, as a result, actual results could differ from these estimates. Note 1 of the “Notes to Consolidated Financial Statements” in our Annual Report on Form 10-K for the year ended December 31, 2004, includes a summary of the significant accounting policies and methods used in the preparation of our consolidated financial statements. The following is a brief discussion of the more significant accounting policies and estimates.

Allowance for Uncollectible Trade Accounts Receivable

In the normal course of business, we extend 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. To be more specific, we reserve every account balance that has aged over one year, certain customers in bankruptcy and account balances specifically identified as uncollectible. In addition, we provide a reserve for accounts not specifically identified as uncollectible based upon historical trends. The trends are continuously reviewed and updated. The allowance is reported on the balance sheet in net accounts receivable. Actual collections of accounts receivable could differ from management's estimates due to changes in future economic, industry or customer financial conditions. Recoveries of receivables previously charged off are recorded when received.

Revenue Recognition

Revenue is recognized at the time 1) persuasive evidence of an arrangement exists, 2) services have been rendered, 3) the sales price is fixed and determinable and 4) collectibility is reasonably assured. In accordance with EITF 91-9, revenue and related transportation costs are recognized based on relative transit time. Further, we report revenue on a gross basis in accordance with the criteria in EITF 99-19, "Reporting Revenue Gross as a Principal versus Net as an Agent." We are the primary obligor and are responsible for providing the service desired by the customer. The customer views us as responsible for fulfillment including the acceptability of the service. Service requirements may include, for example, on-time delivery, handling freight loss and damage claims, setting up appointments for pick up and delivery and tracing shipments in transit. We have discretion in setting sales prices and as a result, our earnings vary. In addition, we have the discretion to select our vendors from multiple suppliers for the services ordered by our customers. Finally, we have credit risk for our receivables. These three factors, discretion in setting prices, discretion in selecting vendors and credit risk further support reporting revenue on a gross basis.

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. We believe that it is more likely than not that our deferred tax assets will be realized with the exception of $0.4 million related to state tax net operating losses for which a valuation allowance has been established. In the event the probability of realizing the remaining deferred tax assets does not meet the more likely than not threshold in the future, a valuation allowance would be established for the deferred tax assets deemed unrecoverable.

Valuation of Goodwill

We review goodwill for impairment on an annual basis or whenever events or changes in circumstances indicate the carrying amount of goodwill may not be recoverable. We utilize a third-party independent valuation firm to assist in performing the necessary valuations to be used in the impairment testing. These valuations are based on market capitalization, discounted cash flow analysis or a combination of both methodologies. The assumptions used in the valuations include expectations regarding future operating performance, discount rates, control premiums and other factors which are subjective in nature. 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, we may be required to record impairment charges in the future.

LIQUIDITY AND CAPITAL RESOURCES

During the year, we have funded operations and capital expenditures through cash flows from operations.

Cash provided by operating activities for the nine months ended September 30, 2005 was approximately $39.2 million, which resulted primarily from net income from operations of $22.9 million, non-cash charges of $19.5 million offset by decreases in working capital of $3.2 million.

Net cash used in investing activities for the nine months ended September 30, 2005 was $2.9 million of which $3.5 million related to expenditures made to enhance our information system capabilities offset by $0.6 of proceeds received from the sale of property and equipment. We expect capital expenditures to be approximately $4.5 million for the year ended December 31, 2005.

The net cash used in financing activities for the nine months ended September 30, 2005 was $26.3 million. Uses of cash related to the $30.6 million purchase of treasury stock. We generated $4.3 million of cash from stock options being exercised.

On March 23, 2005 we entered into a revolving credit agreement that provides for unsecured borrowings of up to $40.0 million. The interest rate ranges from LIBOR plus 0.75% to 1.25% or Prime plus 0.5%. The revolving line of credit expires on March 23, 2010. The financial covenants require a minimum net worth of $175.0 million and a cash flow leverage ratio of not more than 2.0 to 1.0. The commitment fees charged on the unused line of credit are between 0.15% and 0.25% per annum.

Our unused and available borrowings under our bank revolving line of credit at September 30, 2005 are $39.0 million. We were in compliance with our debt covenants at September 30, 2005.

We have standby letters of credit that expire from 2005 to 2012. As of September 30, 2005, our outstanding letters of credit were $1.0 million.

In August 2005 the Board authorized the purchase of up to $45.0 million of its Class A common stock. We intend to make purchases under this plan.

Contractual Obligations

Our contractual cash obligations as of September 30, 2005 are minimum rental commitments. Minimum annual rental commitments, at September 30, 2005, under noncancellable operating leases, principally for real estate and equipment, are payable as follows (in thousands):

Remainder 2005	3,468
2006	13,356
2007	12,359
2008	8,917
2009	7,121
2010 and thereafter	15,082
Total	60,303

In March 2005, we entered into an equipment purchase contract with Shanghai Jindo Container Co., Ltd. We agreed to purchase 3,400 fifty-three foot dry freight steel domestic containers for approximately $33.0 million. As of October 19, 2005, approximately 3,286 containers were delivered. The remaining containers are expected to be delivered by the end of the fourth quarter of 2005. However, this timeframe is subject to the manufacturer meeting production and delivery schedules. We are financing these containers with operating leases. The lease obligation is included in the table above.

In June 2005, our Quality Services subsidiary entered into a 5-year operating lease agreement for 31 tractors. This $2.5 million lease obligation is also included in the table above.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to market risk related to changes in interest rates on our bank line of credit and our operating leases which may adversely affect our results of operations and financial condition.

CONTROLS AND PROCEDURES

As of September 30, 2005, an evaluation was carried out under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of our disclosure controls and procedures. Based upon this evaluation, the Chief Executive Officer and Chief Financial Officer concluded that these disclosure controls and procedures were effective as of September 30, 2005. There have been no changes in our internal control over financial reporting identified in connection with such evaluation that occurred during the last fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II. Other Information

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

(c) Note 9 of the Company’s Notes to Unaudited Condensed Consolidated Financial Statements is incorporated herein by reference.

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: October 21, 2005

/s/ Thomas M. White
Thomas M. White
Senior Vice President, Chief Financial
Officer and Treasurer
(Principal Financial Officer)

EXHIBIT INDEX

Exhibit No.	Description
31.1	Certification of David P. Yeager, Vice Chairman and Chief Executive Officer, Pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934.
31.2	Certification of Thomas M. White, Senior Vice President, Chief Financial Officer and Treasurer, Pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934.
32.1	Certification of David P. Yeager and Thomas M. White, Chief Executive Officer and Chief Financial Officer, respectively, Pursuant to 18 U.S.C. Section 1350.

EXHIBIT 31.1

CERTIFICATION

I, David P. Yeager, certify that:

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

2) Based on my knowledge, this 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 report;

3) Based on my knowledge, the financial statements, and other financial information included in this 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 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-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, 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 report is being prepared;

   b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5) The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, 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 and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 21, 2005

/s/ David P.Yeager
Name: David P. Yeager
Title: Vice Chairman and Chief
Executive Officer

EXHIBIT 31.2

CERTIFICATION

I, Thomas M. White, certify that:

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

2) Based on my knowledge, this 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 report;

3) Based on my knowledge, the financial statements, and other financial information included in this 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 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-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, 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 report is being prepared;

   b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5) The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, 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 and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: October 21, 2005

/s/ Thomas M. White
Name: Thomas M. White
Title: Senior Vice President,
Chief Financial Officer and
Treasurer

Title: Senior Vice President –

EXHIBIT 32.1

Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

The following statement is provided by the undersigned to accompany the Form 10-Q for the quarter ended September 30, 2005 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	/s/Thomas M. White
David P. Yeager Vice Chairman and Chief Executive Officer Hub Group, Inc.	Thomas M. White Senior Vice President, Chief Financial Officer and Treasurer Hub Group, Inc.