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, 2005 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 of 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__

On April 19, 2005, the registrant had 9,736,703 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.

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HUB GROUP, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands, except share and per share amounts)

	March 31, 2005	December 31, 2004
ASSETS	**(Unaudited)**	
CURRENT ASSETS:		
Cash and cash equivalents	$ 15,570	$ 16,806
Restricted investments	661	—
Accounts receivable		
Trade, net	139,113	141,079
Other	7,527	7,996
Deferred taxes	4,412	4,667
Prepaid expenses and other current assets	3,715	4,746
TOTAL CURRENT ASSETS	170,998	175,294
PROPERTY AND EQUIPMENT, net	17,854	19,487
GOODWILL, net	215,175	215,175
OTHER ASSETS	371	889
TOTAL ASSETS	$ 404,398	$ 410,845
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable		
Trade	$ 115,250	$ 115,819
Other	2,925	1,660
Accrued expenses		
Payroll	10,262	19,542
Other	12,031	15,100
TOTAL CURRENT LIABILITIES	140,468	152,121
DEFERRED TAXES	31,545	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; 12,337,700 shares authorized; 9,809,476 shares issued (including treasury stock in 2005) and 9,727,917 outstanding in 2005; 9,635,657 issued and outstanding in 2004	98	96
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	187,068	182,365
Purchase price in excess of predecessor basis, net of tax benefit of $10,306	(15,458)	(15,458)
Retained earnings	69,959	64,611
Unearned compensation	(4,137)	(4,685)
Treasury stock, at cost (81,559 shares in 2005)	(5,152)	—
TOTAL STOCKHOLDERS' EQUITY	232,385	226,936
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 404,398	$ 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 March 31,	
	2005	**2004**
Revenue	$339,858	$328,302
Transportation costs	296,613	286,498
Gross margin	43,245	41,804
Costs and expenses:		
Salaries and benefits	21,875	22,342
General and administrative	9,752	10,281
Depreciation and amortization of property and equipment	2,483	2,884
Total costs and expenses	34,110	35,507
Operating income	9,135	6,297
Other income (expense):		
Interest expense	(207)	(1,713)
Interest income	200	53
Other, net	14	41
Total other income (expense)	7	(1,619)
Income before provision for income taxes	9,142	4,678
Provision for income taxes	3,794	1,965
Net income	$ 5,348	$ 2,713
Basic earnings per common share	$ 0.53	$ 0.35
Diluted earnings per common share	$ 0.51	$ 0.33
Basic weighted average number of shares outstanding	10,141	7,746
Diluted weighted average number of shares outstanding	10,579	8,294

See notes to unaudited condendsed consolidated financial statements

HUB GROUP, INC.
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
For the three months ended March 31, 2005
(in thousands, except shares)

		March 31, 2005
Class A & B Common Stock Shares Outstanding		
Beginning of year		10,297,953
Exercise of non-qualified stock options		173,129
Issuance of restricted stock		690
Purchase of treasury shares		(97,850)
Treasury shares issued under restricted stock and stock option plans		16,291
Ending balance		10,390,213
Class A & B Common Stock Amount		
Beginning of year	$	103
Issuance of restricted stock and exercise of stock options		2
Ending balance		105
Additional Paid-in Capital		
Beginning of year		182,365
Exercise of non-qualified stock options		1,707
Tax benefit of employee stock plans		2,996
Ending balance		187,068
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		5,348
Ending balance		69,959
Unearned Compensation		
Beginning of year		(4,685)
Issuance of restricted stock awards, net of forfeitures		28
Compensation expense related to restricted stock awards		520
Ending balance		(4,137)
Treasury Stock		
Beginning of year		—
Purchase of treasury shares		(5,599)
Issuance for restricted stock and exercise of stock options		447
Ending balance		(5,152)
Total stockholder's equity	$	232,385

See notes to unaudited condendsed consolidated financial statements

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

	Three Months Ended March 31,	
	2005	**2004**
Cash flows from operating activities:		
Net income	$ 5,348	$ 2,713
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization of property and equipment	2,593	2,911
Deferred taxes	3,008	1,961
Compensation expense related to restricted stock	520	404
Gain on sale of assets	(12)	(18)
Other assets	518	188
Changes in working capital:		
Restricted investments	(661)	—
Accounts receivable, net	2,435	3,466
Prepaid expenses and other current assets	1,031	462
Accounts payable	696	(1,867)
Accrued expenses	(12,349)	(4,072)
Net cash provided by operating activities	3,127	6,148
Cash flows from investing activities:		
Purchases of property and equipment, net	(948)	(460)
Net cash used in investing activities	(948)	(460)
Cash flows from financing activity:		
Proceeds from stock options exercised	2,184	2,090
Purchase of treasury stock	(5,599)	(2,767)
Net payments on revolver	—	(3,000)
Payments on long-term debt	—	(2,011)
Net cash used in financing activities	(3,415)	(5,688)
Net decrease in cash and cash equivalents	(1,236)	—
Cash and cash equivalents beginning of period	16,806	—
Cash and cash equivalents end of period	$ 15,570	$ —
Supplemental disclosures of cash flow information		
Cash paid for:		
Interest	$ —	$ 1,357
Income taxes	$ 333	$ —

See notes to unaudited condensed consolidated financial statements

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. Interim Financial Statements

Our 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 ended March 31, 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 three months ended March 31, 2005, we recorded a severance charge for 24 employees of $176,000. All severance charges are included in salaries and benefits in the statements of income. Additionally, we recorded charges of $37,000 related to the 2002 restructuring plan as a result of changes in assumptions related to the closing of a facility.

The following table displays the activity and balances for the restructuring reserves for the three months ended March 31, 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)
Adjustment for previous estimate	–	37	37
Balance at March 31, 2005	$ 98	$ 104	$ 202

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 March 31,	
	2005	2004
Net income, as reported	$5,348	$ 2,713
Add: Total stock-based compensation included in net income, net of related tax effects	304	234
Deduct: Total stock-based employee compensation expense determined under fair value based method for all awards, net of related tax effects	(391)	(401)
Net income, pro forma	$5,261	$ 2,546
Earnings per share:		
Basic-- as reported	$0.53	$0.35
Basic-- pro forma	$0.52	$0.33
Diluted-- as reported	$0.51	$0.33
Diluted-- pro forma	$0.50	$0.31

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 flows 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:

	Three Months Ended March 31, 2005 (000's)			Three Months Ended March 31, 2004 (000's)		
	Income	Shares	Per Share Amount	Income	Shares	Per Share Amount
Basic EPS						
Net Income	$5,348	10,141	$0.53	$2,713	7,746	$0.35
Effect of Dilutive Securities						
Stock options and restricted stock	—	438	—	—	548	—
Diluted EPS						
Net Income	$5,348	10,579	$0.51	$2,713	8,294	$0.33

Stock options not included in diluted weighted-average shares because they would have been anti-dilutive were 0 and 23,000 for the three months ending March 31, 2005 and 2004, respectively.

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 March 31, 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. The Company provides a 50% match on the first 6% of employee compensation deferred under the Plan, with a maximum match equivalent of 3% of base salary.

NOTE 6. Property and Equipment

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

	March 31, 2005	December 31, 2004
Building and improvements	$ 237	$ 237
Leasehold improvements	942	942
Computer equipment and software	53,528	52,442
Furniture and equipment	6,970	7,188
Transportation equipment and automobiles	1,388	1,461
	63,065	62,270
Less: Accumulated depreciation and amortization	(45,211)	(42,783)
Property and Equipment, net	$ 17,854	$ 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 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 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%.

We had $39,125,000 of unused and available borrowings under our bank revolving line of credit at March 31, 2005. We were in compliance with our debt covenants at March 31, 2005.

We have standby letters of credit that expire from 2005 to 2012. As of March 31, 2005, the outstanding letters of credit were $875,000.

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. We expect delivery of 900 units in each of May, June and July of 2005 and the final 700 units in August 2005. However, these timeframes are subject to the manufacturer meeting production and delivery schedules. We plan to finance these containers with operating leases.

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. Management does 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 of our Class A Common Stock. We intend to make repurchases from time to time as market and business conditions warrant. Repurchases may be made in the open market or in privately negotiated transactions. We intend to hold the repurchased shares in treasury for future use. This program replaces the previous repurchase plan. During the first quarter of 2005, we spent approximately $5.1 million to purchase 87,400 shares as follows:

	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plan
January 1 to January 31	—	—	—
February 1 to February 28	32,400	$ 54.38	32,400
March 1 to March 31	55,000	60.08	55,000
Total	87,400	$ 57.97	87,400

NOTE 10. Stock Split

The Board of Directors approved a 2 for 1 stock split in February 2005. The Board has set May 4, 2005 as the record date for this stock split and May 11, 2005 as the payment date, contingent on receiving shareholder approval at our annual meeting on May 4, 2005, to increase the number of authorized shares of Class A common stock. If approved by the Company’s shareholders, the stock split will be in the form of a stock dividend, which will be tax-free to shareholders.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS 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;
- 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;
- 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; and
- inability to recruit and retain key personnel.

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 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 price increases, mix and fuel surcharges during the first quarter of 2005 versus the first quarter of 2004. The price increase resulted from rate increases from our carriers.

We use various performance indicators to manage our business. We closely monitor gains and losses for our Top 50 customers and evaluate on-time performance, costs per load by location and daily sales outstanding by location. 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 our revenue.

RESULTS OF OPERATIONS

The following table summarizes our revenue by business line:

	Three Months Ended March 31,		
	2005	**2004**	**% Change**
Revenue (in thousands)			
Core Transporation			
Intermodal	$ 233,662	$ 236,321	-1.1%
Brokerage	60,154	50,960	18.0
Logistics	35,589	33,913	4.9
Total Core	329,405	321,194	2.6
Hub Distribution	10,453	7,108	47.1
Total Revenue	$ 339,858	$ 328,302	3.5%

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

	Three Months Ended March 31,	
	2005	2004
Revenue	100.0%	100.0%
Transportation costs	87.3	87.3
Gross margin	12.7	12.7
Costs and expenses:		
Salaries and benefits	6.4	6.8
General and administrative	2.9	3.1
Depreciation and amortization	0.7	0.9
Total costs and expenses	10.0	10.8
Operating income	2.7	1.9
Other expense		
Interest expense:	(0.1)	(0.5)
Interest income	0.1	0.0
Total other expense	0.0	(0.5)
Income before provision for income taxes	2.7	1.4
Provision for income taxes	1.1	0.6
Net income	1.6%	0.8%

Three Months Ended March 31, 2005 Compared to the Three Months Ended March 31, 2004

Revenue

Revenue increased 3.5% to $339.9 million in 2005 from $328.3 million in 2004. Intermodal revenue decreased 1.1% due primarily to an 11.4% decrease in volume subtantially offset by price increases, mix and fuel surcharges. Approximately one-third of the volume decline relates to culled customers. Truckload brokerage revenue increased 18.0% due primarily to an increase in revenue per load from price increases, mix, and fuel surcharges. Logistics revenue increased 4.9% 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 and as a result of adding new customers. Hub Distribution revenue increased 47.1% 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 3.4% to $43.2 million in 2005 from $41.8 million in 2004. As a percent of revenue, gross margin has remained consistent at 12.7% in 2005 and 2004.

Salaries and Benefits

As a percentage of revenue, salaries and benefits decreased to 6.4% from 6.8% in 2004. Salaries and benefits decreased to $21.9 million in 2005 from $22.3 million in 2004. This was due primarily to a decrease in headcount. Headcount as of March 31, 2005 was 1,154 while headcount for March 31, 2004 was 1,183. Severance costs during the three months ended March 31, 2005 were $0.2 million compared with $0.1 million for the three months ended March 31, 2004.

General and Administrative

General and administrative expenses decreased to $9.8 million in 2005 from $10.3 million in 2004. As a percentage of revenue, these expenses decreased to 2.9% in 2005 from 3.1% in 2004. The decrease in general and administrative expenses is primarily attributed to a decrease in equipment leases, professional fees, travel and entertainment expense and rent expense.

Depreciation and Amortization of Property and Equipment

Depreciation and amortization decreased to $2.5 million in 2005 from $2.9 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 depreciation.

Other Income (Expense)

Interest expense decreased to $0.2 million in 2005 from $1.7 million in 2004. The decrease in interest expense is due primarily to the extinguishment of the private placement debt during the third quarter of 2004. Interest income increased to $0.2 million in 2005 from $0.1 million in 2004. The increase in interest income is due to investing cash.

Provision for Income Taxes

The provision for income taxes increased to $3.8 million in 2005 compared to $2.0 million in 2004. We provided for income taxes using an effective rate of 41.5% in 2005 and an effective rate of 42.0% in the first quarter of 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 $5.3 million in 2005 from $2.7 million in 2004 due primarily to higher gross margin, lower general and administrative expenses, and lower interest expense.

Earnings Per Common Share

Basic earnings per share were $0.53 in 2005 and were $0.35 in 2004 and diluted earnings per share increased to $0.51 in 2005 from $0.33 in 2004. The weighted average diluted shares outstanding increased 28% from 8,294,000 at March 31, 2004 to 10,579,000 at March 31, 2005 due primarily to our follow–on offering of Class A Common Stock in July 2004.

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 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 the 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 $321,000 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 do not meet the more likely than not threshold in the future, a valuation allowance would be established for the deferred tax assets deemed unrecoverable.

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 first quarter, we have funded operations and capital expenditures through cash flows from operations.

Cash provided by operating activities for the three months ended March 31, 2005, was approximately $3.1 million, which resulted primarily from net income from operations of $5.3 million, non-cash charges of $6.1 million offset by decreases in working capital of $8.8 million.

Net cash used in investing activities for the three months ended March 31, 2005, was $0.9 million and related primarily to expenditures made to enhance our information system capabilities. We expect capital expenditures to be approximately $5 million for the year ended December 31, 2005.

The net cash used in financing activities for the three months ended March 31, 2005, was $3.4 million. Uses of cash related to the purchase of treasury stock. We generated 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 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 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%.

Our unused and available borrowings under our bank revolving line of credit at March 31, 2005 are $39.1 million. We were in compliance with our debt covenants at March 31, 2005.

We have standby letters of credit that expire from 2005 to 2012. As of March 31, 2005, our outstanding letters of credit were $0.9 million.

Contractual Obligations

Our contractual cash obligations as of March 31, 2005 are minimum rental commitments. Minimum annual rental commitments, at March 31, 2005, under noncancellable operating leases, principally for real estate and equipment, are payable as follows (in thousands):

Remainder 2005	$ 5,209
2006	5,789
2007	5,102
2008	4,517
2009	2,853
2010 and thereafter	5,259
Total	$28,729

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. We expect delivery of 900 units in May, June and July of 2005 and the final 700 units in August 2005. However, these timeframes are subject to the manufacturer meeting production and delivery schedules. We plan to finance these containers with operating leases.

Revenue

During 2004, in connection with our realignment, we revised our revenue classifications by transportation mode. Accordingly, the 2004 revenue amounts have been reclassified to conform to the current year presentation (in millions):

2004	Intermodal	Brokerage	Logistics	HGDS	Total
Quarter Ended March 31	$ 236.3	$ 51.0	$ 33.9	$ 7.1	$ 328.3
Quarter Ended June 30	247.9	56.8	33.8	10.5	349.0
Quarter Ended September 30	260.0	56.1	34.0	12.0	362.1
Quarter Ended December 31	270.3	61.6	39.0	16.5	387.4
Total	$1,014.5	$225.5	$140.7	$ 46.1	$1,426.8

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 which may adversely affect our results of operations and financial condition.

CONTROLS AND PROCEDURES

As of March 31, 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 March 31, 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: April 25, 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(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 the generally accepted accounting principals;

   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;

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: April 25, 2005

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

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(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 the generally accepted accounting principals;

   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;

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: April 25, 2005

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

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 March 31, 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
David P. Yeager
Vice Chairman and Chief Executive Officer
Hub Group, Inc.

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