

HUB GROUP INC  
Form 10-Q  
July 24, 2006

**SECURITIES AND EXCHANGE COMMISSION**

**Washington, DC 20549**

**FORM 10-Q**

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE  
SECURITIES AND EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2006 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**  
(State or other jurisdiction  
incorporation or organization)

**36-4007085**  
(I.R.S. Employer  
Identification No.)

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**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  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act. (Check one):

Large Accelerated Filer  Accelerated Filer  Non-Accelerated Filer

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

On July 18, 2006, the registrant had 41,040,363 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 amounts)

	<b>June 30, 2006 (Unaudited)</b>	<b>December 31, 2005</b>	
<b>ASSETS</b>			
CURRENT ASSETS:			
Cash and cash equivalents	\$ 52,039	\$ 36,133	
Restricted investments	2,236	1,387	
Accounts receivable			
Trade, net	143,725	147,004	
Other	12,044	10,603	
Prepaid taxes	474	6,040	
Deferred taxes	1,534	-	
Prepaid expenses and other current assets	5,493	3,860	
Assets of discontinued operations	-	17,855	
<b>TOTAL CURRENT ASSETS</b>	<b>217,545</b>	<b>222,882</b>	
Property and equipment, net	24,381	12,767	
Other intangibles, net	7,725	-	
Goodwill, net	220,488	208,150	
Other assets	384	619	
<b>TOTAL ASSETS</b>	<b>\$ 470,523</b>	<b>\$ 444,418</b>	
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>			
CURRENT LIABILITIES:			
Accounts payable			
Trade	\$ 109,917	\$ 114,094	
Other	6,233	3,668	
Accrued expenses			
Payroll	16,020	20,909	
Other	22,074	18,917	
Deferred taxes	-	960	
Liabilities of discontinued operations	-	5,341	
<b>TOTAL CURRENT LIABILITIES</b>	<b>154,244</b>	<b>163,889</b>	
DEFERRED TAXES	41,294	38,454	
STOCKHOLDERS' EQUITY:			
Preferred stock, \$.01 par value; 2,000,000 shares authorized; no shares issued or outstanding in 2006 and 2005	-	-	
Common stock			
Class A: \$.01 par value; 47,337,700 shares authorized; 41,224,792 shares issued and 41,040,324 outstanding in 2006; 41,224,792 shares issued and 39,962,484 outstanding in 2005	412	412	
Class B: \$.01 par value; 662,300 shares authorized; 662,296 shares issued and outstanding in 2006 and 2005	7	7	
Additional paid-in capital	173,360	183,524	
Purchase price in excess of predecessor basis, net of tax benefit of \$10,306	(15,458)	(15,458)	
Retained earnings	119,230	97,557	
Unearned compensation	-	(6,259)	
Treasury stock; at cost, 184,468 shares in 2006 and 1,262,308 shares in 2005	(2,566)	(17,708)	
<b>TOTAL STOCKHOLDERS' EQUITY</b>	<b>274,985</b>	<b>242,075</b>	
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>\$ 470,523</b>	<b>\$ 444,418</b>	

See notes to unaudited condensed consolidated financial statements.



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

	<b>Three Months Ended June 30, 2006</b>	<b>2005</b>	<b>Six Months Ended June 30, 2006</b>	<b>2005</b>
Revenue	\$ 395,253	\$ 361,822	\$ 751,999	\$ 691,227
Transportation costs	339,805	318,002	649,196	607,299
Gross margin	55,448	43,820	102,803	83,928
Costs and expenses:				
Salaries and benefits				