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Hub Group Q4 2007 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions). And your first question comes the line of Ed Wolfe from Bear Stearns. Please proceed, sir.

Ed Wolfe - Bear Stearns

Thanks. Good afternoon.

Dave Yeager

Hi, Ed.

Terri Pizzuto

Hi, Ed.

Ed Wolfe - Bear Stearns

Hi, Dave and Terri. Couple of different things. First, you gave a number, Dave, about 50 drivers added year-to-date at Comtrak -- what was the base of that, was it 1,080?

Terri Pizzuto

1,170. We had 1,176 drivers at the end of year and so we've added 50 at Comtrak.

Ed Wolfe - Bear Stearns

How do you explain the pick-up in volume? When you look at it, I think it was minus 2% last quarter -- go into positive 3 in intermodal volume. You talked about the East Coast, what is it about East Coast, is it exports? Is it new customers? How do we think about that change?

Dave Yeager

It is an ongoing focus for us the east at this point in time. We've been able to grow it successfully. A lot of it is new customers. There is also gaining some share from some existing clients. So that was the major drivers that we had within east. We also, our wholesale product, which we offer to other IMCs in the west, that has also been very good, very beneficial in the fourth quarter in particularly. And I think the third issue was that our retail business, the Home Depots, and the Sears and the

Targets of the world, they were down significantly in the third quarter, and while they didn't get back to '06 levels in the fourth, there was a pretty significant improvement.

Ed Wolfe - Bear Stearns

But do you think that improvement was you taking market share within them -- because we certainly haven't seen improved retail numbers reported.

Dave Yeager

No, I don't think that's the case, and that's I think one of the reasons that we thought the peak was going to be shorter than it actually what we experienced. And I think it's just that the retailers were taking in product at a slower pace to keep their inventories at a minimum.

Ed Wolfe - Bear Stearns

Okay. Can you take us through the volume growth in intermodal if we look at October, November, December, and now in January?

Dave Yeager

We really don't go by months. We pretty much try to just lump it in with the quarter, but it was relatively consistent.

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