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RUSH ENTERPRISES, INC. REPORTS FOURTH QUARTER AND YEAR END RESULTS

SAN ANTONIO, TX March 26, 2003 — Rush Enterprises, Inc. (NASDAQ: RUSHA & RUSHB), which operates the largest network of Peterbilt heavy-duty truck dealerships in North America, a John Deere construction equipment dealership in Texas, and is presently discontinuing the operations of its farm and ranch superstore (D&D), today announced results for the quarter and year ended December 31, 2002.

In the fourth quarter, the Company's gross revenues totaled $197.3 million, a 21.3 percent increase from gross revenues of $162.7 million reported for the fourth quarter ended December 31, 2001. Income from continuing operations was $2.1 million or $0.15 per diluted share during the fourth quarter of 2002 and 2001. The company reported a net loss of ($7.1) million, or ($0.49) per diluted share, during the fourth quarter of 2002 compared to net income of $0.6 million, or $0.04 per diluted share, during the fourth quarter of 2001. Included in the 2002 fourth quarter results are nonrecurring and unusual charges, net of income tax benefits, of $8.3 million ($0.58 per diluted share) related to the Company's discontinued operations.

On November 12, 2002, the Company announced that it would sell its Michigan John Deere construction equipment dealerships as a result of continuing deterioration in the Michigan construction equipment market, and its location in regards to the Company's other operations and its plans for future expansion. The sale of the Michigan construction equipment dealerships was substantially complete at December 31, 2002. The $8.3 million in charges recorded in the fourth quarter of 2002 included charges, net of income tax benefits, of approximately $2.5 million related Michigan John Deere construction stores sold during December 2002. Included in the $2.5 million Michigan construction equipment store charge was a goodwill impairment of $1.3 million, a loss on the disposal of inventory of $0.9 million, a $0.4 million provision for termination benefits, and a gain on the sale of fixed assets of $0.2 million. The remainder of the charges are related to costs associated with infrastructure reduction, including professional fees and facilities. In addition the operations of the Michigan construction equipment stores recorded a loss, net of tax benefits, of $0.3 million during the fourth quarter of 2002.

On November 12, 2002 the Company decided to discontinue its D&D operations, which operated three farm and ranch retail stores in Seguin, Hockley and Denton, Texas. The Company decided that D&D did not fit into its long-term plans of growing its core heavy-duty truck and construction equipment businesses. The Denton store was closed during December, the Hockley store began liquidating inventory during November and completed the liquidation on March 9, 2003 and the Company plans to sell the Seguin store by December 31, 2003. The $8.3 million in charges recorded in the fourth quarter of 2002 included charges, net of income tax benefits, of approximately $5.8 million related to the closing, liquidation and pending sale of D&D. Included in the $5.8 million D&D charge was a $3.1 million loss for the sale of fixed assets, $0.9 million loss on the disposal of inventory, $0.7 million provision for termination benefits and a $0.9 million impairment of goodwill. The remainder of the charges are related to costs associated with infrastructure reduction, including professional fees and facilities. In addition the operations of D&D recorded a loss, net of tax benefits, of $0.5 million during the fourth quarter of 2002.

The Company's heavy-duty truck segment recorded revenues of approximately $186.1 million in the fourth quarter of 2002, compared to approximately $151.2 million in the fourth quarter of 2001. The Company delivered 1,200 and 557 new and used trucks, respectively, during the fourth quarter of 2002 compared to 989 and 391 new and used trucks, respectively, for the same period in 2001. Parts, service and body shop sales increased 3.1 percent from $49.2 million from in the fourth quarter of 2001 to $50.8 million in the fourth quarter of 2002.

The Company's construction equipment segment, that is included in the continuing operations of the Company, recorded revenues of $9.8 million in the fourth quarter of 2002, compared to $9.2 million in the fourth quarter of 2001. New and used construction equipment unit sales revenue increased $0.7 million or 11.5 percent from the same period in 2001. Parts and service sales were $2.5 million in the fourth quarter of 2001 and the fourth quarter of 2002. Rental sales decreased from $474,000 to $355,000, or 25.1 percent, from the fourth quarter of 2001 to the fourth quarter of 2002.

Additionally, Robin M. Rush, Executive Vice President, Secretary, Treasurer and Director of Rush Enterprises, Inc., has elected to leave the Company effective June of 2003 to pursue personal interests. Robin has been with the Company since 1990, and has been primarily responsible for the operations of the Company's construction equipment operations and farm and ranch retail division since 1997. Martin A. Naegelin, Jr., Senior Vice President and Chief Financial Officer, will replace Robin as Secretary and Treasurer of the Company.

For the year ended December 31, 2002, the Company's gross revenues totaled $757.1 million, a 9.5 percent increase compared to gross revenues of $691.5 million reported during 2001. Income from continuing operations was $8.7 million or $0.60 per diluted share during 2002, a 45 percent increase compared to income for continuing operations of $6.0 million or $0.42 per diluted share recorded during 2001. The company reported a net loss of ($1.7) million, or ($0.12) per diluted share, during 2002 compared to net income of $3.3 million, or $0.23 per diluted share, during 2001.

In announcing the results, W. Marvin Rush, Chairman and Chief Executive Officer of Rush Enterprises, said, "I am very pleased with our fourth quarter continuing operations. As expected, truck sales declined from the third quarter, but were stronger than the prior year. Fourth quarter deliveries were higher due to a spillover of orders from the third quarter. While we expect sales to remain soft in the first half of 2003, we are optimistic about the latter half of the year." Mr. Rush added, "I am very excited with the direction our Company is headed. Our recent heavy-duty truck expansion into Florida marked our entrance into the eastern sunbelt states, while our decisions to exit the Michigan construction equipment market and the farm and ranch retail market allow us to focus on our core competencies. As always we look forward to the challenges ahead and we remain positioned to take advantage of any opportunities that may arise."

Rush Enterprises operates the largest network of Peterbilt heavy-duty truck dealerships in North America and a John Deere construction equipment dealership in Texas. Its current operations include a network of dealerships located in Texas, California, Oklahoma, Louisiana, Colorado, Arizona, New Mexico and Florida. These dealerships provide an integrated, one-stop source for the retail sale of new and used heavy-duty trucks and construction equipment; aftermarket parts, service and body shop facilities; and a wide array of financial services, including the financing of truck and equipment sales, insurance products and leasing and rentals. The Company is also discontinuing the operations of its retail farm and ranch superstore that serves the greater San Antonio, Texas area.

Certain statements contained herein, including those concerning industry conditions, are ``forward-looking'' statements (as such term is defined in the Private Securities Litigation Reform Act of 1995). Because such statements include risks and uncertainties, actual results may differ materially from those expressed or implied by such forward-looking statements. Factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements include, but are not limited to, competitive factors, general economic conditions, cyclicality, economic conditions in the new and used truck and construction equipment markets, customer relations, relationships with vendors, the interest rate environment, governmental regulation and supervision, seasonality, distribution networks, product introductions and acceptance, technological change, changes in industry practices, onetime events and other factors described herein and in filings made by the company with the Securities and Exchange Commission.

RUSH ENTERPRISES, INC., AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2001 AND 2002

(In Thousands, Except Shares and Per Share Amounts)

	December 31, 2001	December 31, 2002
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$19,852	$24,763
Accounts receivable, net	26,403	24,935
Inventories	84,155	115,333
Prepaid expenses and other	1,244	1,764
Assets held for sale	43,971	16,962
Deferred income taxes	1,508	4,375
Total current assets	177,133	188,132
PROPERTY AND EQUIPMENT, net	118,375	117,859
OTHER ASSETS, net	42,703	38,519
Total assets	$338,211	$344,510
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Floor plan notes payable	$ 85,300	$ 89,288
Current maturities of long-term debt	23,993	24,958
Advances outstanding under lines of credit	22,459	22,395
Trade accounts payable	15,284	15,082
Accrued expenses	23,047	28,414
Total current liabilities	170,083	180,137
LONG-TERM DEBT, net of current maturities	74,177	69,958
DEFERRED INCOME TAXES, net	12,512	14,720
COMMITMENTS AND CONTINGENCIES		
SHAREHOLDERS' EQUITY:		
Preferred stock, par value $.01 per share; 1,000 shares authorized; 0 shares outstanding in 2001 and 2002	–	–
Common stock, par value $.01 per share; 50,000,000 shares authorized; 14,004,088 shares outstanding in 2001 and 2002	140	140
Additional paid-in capital	39,155	39,155
Retained earnings	42,144	40,400
Total shareholders' equity	81,439	79,695
Total liabilities and shareholders' equity	$338,211	$344,510

RUSH ENTERPRISES, INC., AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(In Thousands, Except Per Share Amounts)

	Three Months Ended December 31,		Year Ended December 31,	
	2002	2001	2002	2001
REVENUES:				
New and used truck sales	$130,903	$98,728	$488,456	$438,143
Parts and service	50,959	49,273	211,478	188,566
Construction equipment sales	6,803	6,081	24,324	31,666
Lease and rental	6,634	6,511	25,277	25,040
Finance and insurance	1,474	1,157	5,448	5,251
Other	527	917	2,164	2,847
Total revenues	197,300	162,667	757,147	691,513
COST OF PRODUCTS SOLD	162,302	130,202	615,942	562,316
GROSS PROFIT	34,998	32,465	141,205	129,197
SELLING, GENERAL AND ADMINISTRATIVE	27,766	25,059	111,721	101,832
DEPRECIATION AND AMORTIZATION	2,127	2,348	8,594	9,176
OPERATING INCOME	5,105	5,058	20,890	18,189
INTEREST INCOME (EXPENSE):	(1,622)	(1,715)	(6,499)	(9,267)
GAIN (LOSS) ON SALE OF ASSETS	44	194	155	1,067
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	3,527	3,537	14,546	9,989
PROVISION FOR INCOME TAXES	1,411	1,415	5,818	3,996
INCOME FROM CONTINUING OPERATIONS	2,116	2,122	8,728	5,993
(LOSS) FROM DISCONTINUED OPERATIONS, NET	(9,180)	(1,542)	(10,472)	(2,731)
NET INCOME (LOSS)	$ (7,064)	$ 580	$ (1,744)	$ 3,262
EARNINGS PER SHARE:				
EARNINGS (LOSS) PER COMMON SHARE - BASIC				
Income from continuing operations	$ 0.15	$ 0.15	$ 0.62	$ 0.43
Net income (loss)	$ (0.50)	$ 0.04	$ (0.12)	$ 0.23
EARNINGS (LOSS) PER COMMON SHARE - DILUTED				
Income from continuing operations	$ 0.15	$ 0.15	$ 0.60	$ 0.42
Net income (loss)	$ (0.49)	$ 0.04	$ (0.12)	$ 0.23

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