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## **RUSH ENTERPRISES, INC. REPORTS THIRD QUARTER RESULTS**

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SAN ANTONIO, TX October 15, 2002 — Rush Enterprises, Inc. (NASDAQ: RUSHA & RUSHB), which operates the largest network of Peterbilt heavy-duty truck dealerships in North America, John Deere construction equipment dealerships in Texas and Michigan, and three of the largest farm and ranch superstores (D&D) in America, today announced results for the quarter ended September 30, 2002.

In the third quarter, the Company's gross revenues totaled \$242.9 million, a 24.5 percent increase from gross revenues of \$195.2 million reported for the quarter ended September 30, 2001. Net income for the quarter increased 171.6 percent to \$2.9 million, or \$0.20 per diluted share, compared with net income of \$1.1 million, or \$0.07 per diluted share reported in the quarter ended September 30, 2001.

The Company's heavy-duty truck segment recorded revenues of \$214.3 million in the third quarter of 2002, compared to \$154.8 million in the third quarter of 2001. The Company delivered 1,587 and 537 new and used trucks, respectively, during the third quarter of 2002 compared to 966 and 479 new and used trucks, respectively, for the same period in 2001. Parts, service and body shop sales at our truck dealerships increased 12.1 percent from \$48.3 million to \$54.2 million from the third quarter of 2001 to the third quarter of 2002.

The Company's construction equipment segment recorded revenues of \$18.0 million in the third quarter of 2002 compared to \$28.4 million in the third quarter of 2001. New and used construction equipment unit sales revenue decreased \$9.7 million or 47.1 percent from the same period in 2001. Parts and service sales decreased 6.3 percent from \$6.3 million in the third quarter of 2001 to \$5.9 million in the third quarter of 2002. Rental sales decreased from \$1.1 million to \$0.8 million, or 27.2 percent, from the third quarter of 2001

to the third quarter of 2002.

In announcing the results, W. Marvin Rush, Chairman and Chief Executive Officer of Rush Enterprises, said, "I am very pleased with our third quarter results. The increase in our earnings was primarily due to an increase in new truck sales, which was caused by the change in emission guidelines that took effect on October 1, 2002. Due to the timing of new truck deliveries, I also expect new truck sales to be strong in the fourth quarter." Mr. Rush added, "Now our focus is on the first half of 2003. We expect new truck deliveries to decrease sharply due to the recent pre-buy and have implemented programs that have challenged our people to respond accordingly. I am confident in our people and look forward to the challenge."

Rush Enterprises operates the largest network of Peterbilt heavy-duty truck dealerships in North America and John Deere construction equipment dealerships in Texas and Michigan. Its current operations include a network of dealerships located in Texas, California, Oklahoma, Louisiana, Colorado, Arizona, New Mexico and Michigan. 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 also operates retail farm and ranch superstores that serve the greater San Antonio, Houston and Dallas/Forth Worth, Texas areas.

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, cyclicalities, 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**  
(in thousands- except for share information)

	<b>September 30, 2002 <u>(unaudited)</u></b>	<b>December 31, 2001 <u>(audited)</u></b>
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 20,197	\$ 19,852
Accounts receivable, net	30,196	26,403
Inventories	147,602	114,305
Prepaid expenses and other	1,053	1,244
Deferred income taxes	<u>1,186</u>	<u>1,508</u>
Total current assets	200,234	163,312
PROPERTY AND EQUIPMENT, net	129,535	132,196
OTHER ASSETS, net	<u>41,662</u>	<u>42,703</u>
Total assets	<u>\$ 371,431</u>	<u>\$ 338,211</u>
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>		
CURRENT LIABILITIES:		
Floor plan notes payable	\$ 112,076	\$ 85,300
Current maturities of long-term debt	18,760	15,594
Advances outstanding under lines of credit	21,337	22,459
Trade accounts payable	14,041	15,284
Accrued expenses	<u>28,788</u>	<u>23,047</u>
Total current liabilities	195,002	161,684
LONG-TERM DEBT, net of current maturities	76,149	82,576
DEFERRED INCOME TAXES, net	13,522	12,512
COMMITMENTS AND CONTINGENCIES		
SHAREHOLDERS' EQUITY:		
Preferred stock, par value \$.01 per share; 1,000 shares authorized; 0 shares outstanding in 2002 and 2001	—	—
Common stock, par value \$.01 per share; 50,000,000 shares authorized; 14,004,088 shares outstanding - 2002 and 2001	140	140
Additional paid-in capital	39,155	39,155
Retained earnings	<u>47,463</u>	<u>42,144</u>
Total shareholders' equity	<u>86,758</u>	<u>81,439</u>
Total liabilities and shareholders' equity	<u>\$ 371,431</u>	<u>\$ 338,211</u>

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**RUSH ENTERPRISES, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF INCOME**  
(in thousands, except earnings per share - unaudited)

	<b>Three months ended</b>		<b>Nine months ended</b>	
	<b>September 30,</b>		<b>September 30,</b>	
	<b>2002</b>	<b>2001</b>	<b>2002</b>	<b>2001</b>
REVENUES:				
New and used truck sales	\$156,224	\$102,646	\$357,553	\$339,415
Parts and service	58,071	52,381	170,101	149,571
Construction equipment sales	10,906	20,626	35,046	52,556
Lease and rental	6,817	7,050	19,861	20,729
Finance and insurance	1,736	1,509	4,200	4,294
Retail sales	8,756	9,967	28,490	29,605
Other	420	988	1,602	2,778
	<u>242,930</u>	<u>195,167</u>	<u>616,853</u>	<u>598,948</u>
TOTAL REVENUES				
	242,930	195,167	616,853	598,948
COST OF PRODUCTS SOLD	<u>200,039</u>	<u>156,739</u>	<u>498,182</u>	<u>486,107</u>
GROSS PROFIT	42,891	38,428	118,671	112,841
SELLING, GENERAL AND ADMINISTRATIVE	33,601	31,420	96,239	91,758
DEPRECIATION AND AMORTIZATION	<u>2,482</u>	<u>2,664</u>	<u>7,449</u>	<u>7,979</u>
OPERATING INCOME	6,808	4,344	14,983	13,104
INTEREST INCOME (EXPENSE)	(2,075)	(2,585)	(6,161)	(9,505)
GAIN ON SALE OF ASSETS	<u>93</u>	<u>18</u>	<u>43</u>	<u>871</u>
INCOME BEFORE INCOME TAXES	4,826	1,777	8,865	4,470
PROVISION FOR INCOME TAXES	<u>1,931</u>	<u>711</u>	<u>3,546</u>	<u>1,788</u>
NET INCOME	<u>\$ 2,895</u>	<u>\$ 1,066</u>	<u>\$ 5,319</u>	<u>\$ 2,682</u>
EARNINGS PER SHARE:				
Basic	\$ 0.21	\$ 0.08	\$ 0.38	\$ 0.19
Diluted	<u>\$ 0.20</u>	<u>\$ 0.07</u>	<u>\$ 0.37</u>	<u>\$ 0.19</u>
Weighted average shares outstanding				
Basic	<u>14,004</u>	<u>14,004</u>	<u>14,004</u>	<u>14,004</u>
Diluted	<u>14,536</u>	<u>14,284</u>	<u>14,504</u>	<u>14,138</u>

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