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RUSH ENTERPRISES, INC. REPORTS SECOND QUARTER RESULTS

SAN ANTONIO, Tex., July 16, 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 June 30, 2002.

In the second quarter, the Company's gross revenues totaled \$193.1 million, a 3.1 percent decrease from gross revenues of \$199.3 million reported for the second quarter ended June 30, 2001. Net income increased 36.3 percent from approximately \$1.5 million, or \$0.21 per diluted share, reported in the quarter ended June 30, 2001, to approximately \$2.0 million, or \$0.27 per diluted share during the second quarter of 2002. These earnings per share amounts do not include shares issued pursuant to the July 10, 2002 stock dividend. During the second quarter of 2002, the Company recognized approximately \$26,000 in pretax gain on the sale of property and equipment and recorded no pretax truck valuation and repossession losses. During the second quarter of 2001 the Company recognized an approximate \$770,000 pretax gain on the sale of real estate and approximately \$900,000 of pretax loss provision to increase the Company's reserve for truck valuation and repossession losses.

The Company's heavy-duty truck segment recorded revenues of \$160.7 million in the second quarter of 2002, compared to \$160.0 million in the second quarter of 2001. The Company delivered 972 and 535 new and used trucks, respectively, during the second quarter of 2002 compared to 998 and 524 new and used trucks, respectively, for the same period in 2001. Parts, service and body shop sales at our truck dealerships increased 15.7 percent from \$46.3 million to \$56.3 million from the second quarter of 2001 to the second quarter of 2002.

The Company's construction equipment segment recorded revenues of \$20.1 million in the second quarter of 2002 compared to \$26.2 million in the second quarter of 2001. New and used construction equipment unit sales revenue decreased \$4.9 million or 27.2 percent from the same period in 2001. Parts and service sales remained flat at approximately \$6.1 million in the second quarter of 2001 and 2002. Rental sales decreased from \$1.6 million to \$0.7 million, or 54.2 percent, from the second quarter of 2001 to the second 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 results and more importantly, extremely excited with the direction our Company is heading. First, our recent corporate stock restructuring was successful. We have doubled our outstanding shares to approximately 14,000,000 common shares, and have essentially overcome the restrictions on growth that our manufacturers' voting control covenants created. We now have the ability to raise capital to fund considerable growth in the truck and construction equipment businesses under the terms of our existing dealer agreements. Second, in spite of a 2.6 percent drop in our new truck deliveries during the quarter, it is the third straight quarter our earnings have increased versus the prior year. This is primarily due to the successful results of our asset reduction efforts and the continued planned growth of our higher margin parts and service business. Finally, the industry expects new truck deliveries to increase significantly during the third quarter, as customers accelerate their purchases prior to new emission regulations becoming effective October 1, 2002. I believe we are well positioned to take advantage of any acquisition opportunities that may arise and for continued earnings growth."

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)

	June 30, 2002 <u>(unaudited)</u>	December 31, 2001 <u>(audited)</u>
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 21,343	\$ 19,852
Accounts receivable, net	23,977	26,403
Inventories	122,282	114,305
Prepaid expenses and other	1,133	1,244
Deferred income taxes	<u>1,072</u>	<u>1,508</u>
Total current assets	169,807	163,312
PROPERTY AND EQUIPMENT, net	129,215	132,196
OTHER ASSETS, net	<u>42,052</u>	<u>42,703</u>
Total assets	<u>\$ 341,074</u>	<u>\$ 338,211</u>
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>		
CURRENT LIABILITIES:		
Floor plan notes payable	\$ 87,502	\$ 85,300
Current maturities of long-term debt	14,975	15,594
Advances outstanding under lines of credit	28,237	22,459
Trade accounts payable	13,048	15,284
Accrued expenses	<u>20,960</u>	<u>23,047</u>
Total current liabilities	164,722	161,684
LONG-TERM DEBT, net of current maturities	79,487	82,576
DEFERRED INCOME TAXES, net	13,003	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; 25,000,000 shares authorized; 7,002,044 shares outstanding - 2002 and 2001	70	70
Additional paid-in capital	39,155	39,155
Retained earnings	<u>44,637</u>	<u>42,214</u>
Total shareholders' equity	<u>83,862</u>	<u>81,439</u>
Total liabilities and shareholders' equity	<u>\$ 341,074</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)

	Three months ended June 30,		Six months ended June 30,	
	2002	2001	2002	2001
REVENUES:				
New and used truck sales	\$103,110	\$110,728	\$201,329	\$236,769
Parts and service	58,007	50,268	112,030	97,190
Construction equipment sales	13,084	17,989	24,140	31,930
Lease and rental	6,707	7,423	13,044	13,679
Finance and insurance	1,399	1,668	2,464	2,785
Retail sales	10,101	10,241	19,734	19,638
Other	646	975	2,022	1,873
TOTAL REVENUES	193,054	199,292	374,763	403,864
COST OF PRODUCTS SOLD	153,543	161,732	298,981	329,368
GROSS PROFIT	39,511	37,560	75,782	74,496
SELLING, GENERAL AND ADMINISTRATIVE	31,711	30,219	62,638	60,338
DEPRECIATION AND AMORTIZATION	2,490	2,658	4,967	5,315
OPERATING INCOME	5,310	4,683	8,177	8,843
INTEREST INCOME (EXPENSE)	(2,018)	(3,018)	(4,086)	(6,920)
GAIN (LOSS) ON SALE OF ASSETS	26	770	(52)	770
INCOME BEFORE INCOME TAXES	3,318	2,435	4,039	2,693
PROVISION FOR INCOME TAXES	1,326	974	1,616	1,077
NET INCOME	\$ 1,992	\$ 1,461	\$ 2,423	\$ 1,616
EARNINGS PER SHARE:				
Basic	\$ 0.28	\$ 0.21	\$ 0.35	\$ 0.23
Diluted	\$ 0.27	\$ 0.21	\$ 0.33	\$ 0.23
Weighted average shares outstanding				
Basic	7,002	7,002	7,002	7,002
Diluted	7,317	7,038	7,245	7,025

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