

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

**Pursuant to Section 13 OR 15(d) of
The Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported) **February 10, 2009**

Rush Enterprises, Inc.

(Exact name of registrant as specified in its charter)

Texas
(State or other jurisdiction
of incorporation)

0-20797
(Commission File Number)

74-1733016
(IRS Employer Identification No.)

555 IH-35 South, Suite 500, New Braunfels, Texas
(Address of principal executive offices)

78130
(Zip Code)

Registrant's telephone number, including area code: **(830) 626-5200**

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02. Results of Operations and Financial Condition.

On February 10, 2009 the Registrant issued a press release, a copy of which is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

Exhibit 99.1. Press release dated February 10, 2009

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Rush Enterprises, Inc.

(Registrant)

February 10, 2009

(Date)

/s/ STEVEN L. KELLER

Steven L. Keller
Vice President and Chief Financial Officer

Exhibit Index

99.1 Press release dated February 10, 2009

Rush Enterprises, Inc. Reports Fourth Quarter and Year End 2008 Results

- * Absorption rate increases to 106%
- * Company remains consistently profitable in down market
- * Balance sheet remains strong
- * Truck market expected to remain weak throughout 2009
- * \$18 million of shares repurchased

SAN ANTONIO, Feb. 10, 2009 (GLOBE NEWSWIRE) -- Rush Enterprises, Inc. (Nasdaq:RUSHA) (Nasdaq:RUSHB), which operates the largest network of heavy-duty and medium-duty truck dealerships in North America and a John Deere construction equipment dealership in Houston, Texas, today announced results for the fourth quarter and year ended December 31, 2008.

For the year ended December 31, 2008, the Company's gross revenues totaled \$1.7 billion, an 18.5% decrease compared to gross revenues of \$2.0 billion reported in 2007. Net income was \$28.9 million or \$0.75 per diluted share, a 43.9% decrease over net income of \$51.5 million or \$1.33 per diluted share in 2007.

In the fourth quarter, the Company's gross revenues totaled \$382.7 million, a 16.5% decrease from gross revenues of \$458.5 million reported for the quarter ended December 31, 2007. Net income was \$5.1 million, or \$0.14 per diluted share, during the fourth quarter of 2008, compared to \$12.3 million, or \$0.32 per diluted share, in the fourth quarter of 2007.

The Company's truck segment recorded revenues of \$1.6 billion in 2008, compared to \$1.9 billion in 2007. Overall, the Company sold 12,523 new and used trucks in 2008, a 25.5% decrease compared to 16,813 new and used trucks in 2007. The Company delivered 5,516 new heavy-duty trucks, 3,773 new medium-duty trucks and 3,234 used trucks during 2008, compared to 7,230 new heavy-duty trucks, 5,482 new medium-duty trucks and 4,101 used trucks during 2007. Parts, service and body shop sales decreased to \$445.8 million in 2008 from \$448.0 million in 2007.

The Company's truck segment recorded revenues of \$356.5 million in the fourth quarter of 2008, compared to \$427.5 million in the fourth quarter of 2007. The Company delivered 1,235 new heavy-duty trucks, 903 new medium-duty trucks and 603 used trucks during the fourth quarter of 2008, compared to 1,511 new heavy-duty trucks, 1,199 new medium-duty trucks and 1,008 used trucks during the fourth quarter of 2007. Parts, service and body shop sales decreased to \$108.1 million in the fourth quarter of 2008 from \$110.6 million in the fourth quarter of 2007.

The Company's construction equipment segment recorded revenues of \$83.8 million in 2008, compared to \$97.1 million in 2007. The construction equipment segment recorded revenues of \$19.8 million in the fourth quarter of 2008, a 17.6% decrease compared to \$24.1 million in the fourth quarter of 2007.

"Although our financial performance was below our expectations in the fourth quarter, I am very proud of our people, who continue to demonstrate their ability to maintain high levels of customer service despite extremely challenging market conditions," said W. M. "Rusty" Rush, President and Chief Executive Officer of Rush Enterprises, Inc. "We were able to increase our absorption rate to 106% in 2008, up one percent over 2007. Significant reductions in our expense structure combined with consistent, disciplined expense management throughout the year enabled us to operate profitably in a bleak truck sales environment. The majority of the decline in fourth quarter gross profit compared to 2007 was the result of decreased truck sales and margins."

"Currently, industry analysts forecast 2009 U.S. retail sales of Class 8 trucks to be 132,000 units, down 6% over 2008. However, we expect that 2009 sales of Class 8 units could be as low as 110,000 to 120,000 units. We also believe U.S. retail sales of medium-duty trucks could be off as much as 15% compared to 2008. We expect the first quarter of 2009 to be the weakest quarter since the truck market downturn began in 2007," Rusty Rush continued.

"Demand for new Class 8 trucks should begin to increase due to the age of vehicles in operation and impending 2010 diesel emissions regulations. However, in addition to poor general economic conditions and decreasing freight demand, the tightening of credit for Class 8 used truck buyers has dramatically reduced used truck sales since October. This lowers overall used truck values. Lower trade-in values increase the total price of a new truck deal, further limiting the number of transactions we see taking place. Until general economic conditions begin to improve and credit is made available to used truck purchasers on reasonable terms, we believe that Class 8 truck sales will continue to languish. Unfortunately, we are not in a position to predict when the economy will improve and lenders will begin to ease credit requirements, but we are hopeful that it will happen in the second half of 2009."

Rusty Rush continued, "We made significant changes to our business model in response to the 2001 to 2003 Class 8 truck downturn. Our business model proved itself successful in the 2007 and 2008 down markets and I believe it will prove to be effective in 2009. The lessons we learn during this downturn will make our people better operators and Rush Enterprises a stronger company. Historically, market downturns create growth opportunities, which we have used to expand our footprint."

"Our balance sheet remains strong. The Company currently has \$146 million in cash and expects continued positive cash flow from operations. In 2008, we completed acquisitions in North Carolina and Texas and an \$18 million stock repurchase. We currently have several construction projects underway to improve facilities and continue to implement our new business system. We are committed to preserving liquidity to operate the business while conservatively investing for future growth," explained Rusty Rush.

W. Marvin Rush, Chairman of Rush Enterprises, Inc., added: "I attribute much of our performance this year to our dedicated employees' long demonstrated ability to manage effectively in response to challenging market conditions. I remain confident in our strategy and our people's ability to execute going forward. Rush Enterprises remains a financially strong, profitable company. If we need to do so, we believe we are well positioned to withstand an extended market downturn. We also believe we will be well-positioned for economic recovery and future growth."

Stock Repurchase Program

As reported in the second quarter of 2008, the Company's Board of Directors approved a stock repurchase program authorizing the Company to repurchase, from time to time, up to an aggregate of \$20,000,000 of its shares of Class A common stock, \$.01 par value per share, and/or Class B common stock, \$.01 par value per share. As of December 31, 2008, the Company has repurchased 1,639,843 shares of its Class B common stock at an average price of \$10.92 per share.

Repurchases will continue to be made at times and in amounts as the Company deems appropriate and will be made through open market transactions, privately negotiated transactions and other lawful means. The manner, timing and amount of any repurchases will be determined by the Company based on an evaluation of market conditions, stock price and other factors, including those related to the ownership requirements of its dealership agreements with Peterbilt. The stock repurchase program has no expiration date and may be suspended or discontinued at any time. While the stock repurchase program does not obligate the Company to acquire any particular amount or class of common stock, the Company anticipates that it will be repurchasing primarily shares of its Class B common stock.

Conference Call Information

Rush Enterprises will host its quarterly conference call to discuss earnings for the fourth quarter and year ended December 31, 2008, on Wednesday, February 11, 2009, at 11:00 a.m. Eastern Time/ 10:00 a.m. Central Time. Earnings will be reported on Tuesday, February 10, 2009 after the close of market. The call can be heard live by dialing 877-856-1955 (U.S.) or 719-325-4841 (International) or via the Internet at <http://investor.rushenterprises.com/events.cfm>.

For those who cannot listen to the live broadcast, the webcast will be available until April 15, 2009, at the above link and the audio replay will be available until February 18, 2009, by dialing 888-203-1112 (U.S.) or 719-457-0820 (International) and entering the replay pass code 8836034.

About Rush Enterprises, Inc.

Rush Enterprises, Inc. operates the largest network of heavy- and medium-duty truck dealerships in North America and a John Deere construction equipment dealership in Houston, Texas. Its operations include a network of over 50 Rush Truck Centers located in Alabama, Arizona, California, Colorado, Florida, Georgia, New Mexico, North Carolina, Oklahoma, Tennessee and Texas. The Company has developed its Rush Truck Centers and its Rush Equipment Center as "one-stop centers" where, at one convenient location, its customers can purchase new or used trucks or construction equipment, purchase insurance products, purchase aftermarket parts and accessories and have service performed by certified technicians. For additional information on Rush Enterprises, Inc., please visit www.rushenterprises.com

The Rush Enterprises, Inc. logo is available at <http://www.globenewswire.com/newsroom/prs/?pkgid=3352>

Certain statements contained herein, including those concerning current and projected truck industry and market conditions, sales and delivery forecasts, the Company's prospects, the availability of credit, cash flow expectations, anticipated results for 2009, the impact of diesel emissions regulations, and the impact of general economic 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. Important 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 U.S. economic conditions, economic conditions in the new and used truck and construction equipment markets, customer relations, relationships with vendors, the interest rate environment, government regulation and supervision, product introductions and acceptance, 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 Shares and Per Share Amounts)
 (Unaudited)

	December 31, 2008	2007
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Assets		

Current assets:		
Cash and cash equivalents	\$ 146,411	\$ 187,009

Investments	7,575	--
Accounts receivable, net	55,274	48,781
Inventories	362,234	365,947
Prepaid expenses and other	3,369	1,699
Deferred income taxes, net	6,730	7,028
	-----	-----
Total current assets	581,593	610,464
Property and equipment, net	332,147	299,013
Goodwill, net	141,904	120,582
Other assets, net	1,146	1,532
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Total assets	\$1,056,790	\$1,031,591
	=====	=====
Liabilities and shareholders' equity		

Current liabilities:		
Floor plan notes payable	\$ 282,702	\$ 273,653
Current maturities of long-term debt	37,665	33,593
Current maturities of capital lease obligations	3,454	4,444
Trade accounts payable	31,530	40,452
Accrued expenses	49,125	60,517
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Total current liabilities	404,476	412,659
Long-term debt, net of current maturities	172,011	165,352
Capital lease obligations, net of current maturities	11,366	13,099
Deferred income taxes, net	52,896	40,904
Shareholders' equity:		
Preferred stock, par value \$.01 per share; 1,000,000 shares authorized; 0 shares outstanding in 2008 and 2007	--	--
Common stock, par value \$.01 per share; 60,000,000 class A shares and 20,000,000 class B shares authorized; 26,327,734 class A shares and 12,324,987 class B shares issued and 26,255,974 class A shares and 10,685,144 class B shares outstanding in 2008; 26,070,595 class A shares and 12,265,437 class B shares issued and outstanding in 2007	386	383
Additional paid-in capital	183,818	178,274
Treasury stock, at cost: 1,639,843 shares	(17,948)	--
Retained earnings	249,785	220,920
	-----	-----
Total shareholders' equity	416,041	399,577
	-----	-----
Total liabilities and shareholders' equity	\$1,056,790	\$1,031,591
	=====	=====

RUSH ENTERPRISES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

(In Thousands, Except Per Share Amounts)
(Unaudited)

	Three months ended December 31,		Year ended December 31,	
	2008	2007	2008	2007
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Revenues:

New and used truck sales	\$ 233,008	\$ 301,705	\$1,041,189	\$1,393,253
Parts and service	116,265	119,123	478,439	480,611

Construction				
equipment sales	14,597	18,097	62,168	74,986
Lease and rental	14,208	13,324	54,813	52,103
Finance and insurance	2,771	4,429	12,291	21,663
Other	1,835	1,841	6,056	8,163
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Total revenue	382,684	458,519	1,654,956	2,030,779
Cost of products sold:				
New and used truck				
sales	219,139	277,764	973,404	1,283,993
Parts and service	70,489	72,435	281,902	283,912
Construction				
equipment sales	13,089	15,857	56,095	66,737
Lease and rental	12,232	11,357	46,843	44,069
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Total cost of				
products sold	314,949	377,413	1,358,244	1,678,711
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Gross profit	67,735	81,106	296,712	352,068
Selling, general and				
administrative	53,729	55,894	228,057	240,661
Depreciation and				
amortization	4,037	3,889	15,878	14,935
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Operating income	9,969	21,323	52,777	96,472
Interest expense, net	2,297	2,404	7,830	14,909
Gain (loss) on sale				
of assets	61	(8)	140	239
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Income before taxes	7,733	18,911	45,087	81,802
Provision for income				
taxes	2,610	6,619	16,222	30,310
	-----	-----	-----	-----
Net income	\$ 5,123	\$ 12,292	\$ 28,865	\$ 51,492
	=====	=====	=====	=====
Earnings per share:				
Earnings per common				
share - Basic	\$ 0.14	\$ 0.32	\$ 0.76	\$ 1.35
	=====	=====	=====	=====
Earnings per common				
share - Diluted	\$ 0.14	\$ 0.32	\$ 0.75	\$ 1.33
	=====	=====	=====	=====
Weighted average				
shares outstanding:				
Basic	37,114	38,273	38,089	38,059
	=====	=====	=====	=====
Diluted	37,399	38,960	38,587	38,746
	=====	=====	=====	=====

CONTACT: Rush Enterprises Inc., San Antonio
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