



Rush Enterprises, Inc. Reports First Quarter Results

EPS Increases 11 Percent to \$0.51 On a Revenue Increase of 7 Percent

SAN ANTONIO, Apr 17, 2007 (PrimeNewswire via COMTEX News Network) -- 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 first quarter ended March 31, 2007.

In the first quarter, the Company's gross revenues totaled \$531.3 million, a 6.7% increase from gross revenues of \$497.9 million reported for the first quarter ended March 31, 2006. Net income for the quarter was \$13.0 million, or \$0.51 per diluted share, compared with net income of \$11.6 million, or \$0.46 per diluted share, in the quarter ended March 31, 2006.

The Company's truck segment recorded revenues of \$505.0 million in the first quarter of 2007, compared to \$474.3 million in the first quarter of 2006. The Company delivered 2,030 new heavy-duty trucks, 1,439 new medium-duty trucks and 1,077 used trucks during the first quarter of 2007, compared to 2,299 new heavy-duty trucks, 891 new medium-duty trucks and 1,058 used trucks in the first quarter of 2006. Parts, service and body shop sales increased to \$109.9 million in the first quarter of 2007 from \$97.5 million in the first quarter of 2006.

The Company's construction equipment segment recorded revenues of \$21.5 million in the first quarter of 2007, compared to \$18.9 million in the first quarter of 2006. New and used construction equipment unit sales revenue increased 16.0% to \$16.7 million in the first quarter of 2007 from \$14.4 million in the first quarter of 2006. Construction equipment parts, service and body shop sales increased 12.5% to \$4.5 million in the first quarter of 2007 from \$4.0 million in the first quarter of 2006.

Marvin Rush, Chairman, said, "As expected, new emissions standards governing diesel engines went into effect on January 1, 2007. We continue to believe that Class 8 truck sales will decrease about 40 percent this year due to the transition to the new technology, with the softening occurring primarily in the second and third quarters of this year. We also expect that beginning in the fourth quarter of 2007 and into 2008 and 2009, truck orders will strengthen as customers prepare for the pending 2010 emissions regulations."

Rusty Rush, President and Chief Executive Officer of Rush Enterprises, Inc., said, "We have been preparing for this industry cycle for the past several years, by focusing our efforts on growing our medium-duty and vocational truck sales, and increasing parts and service sales while improving operational efficiency to increase our absorption rate. This diversity in our earnings stream has proven to be effective in the first quarter of this year.

"Although first quarter Class 8 truck sales were down compared to prior year, this decrease was more than offset by a 61 percent increase in our medium-duty truck deliveries. Even more impressive, our absorption rate during the first quarter increased from 100.9% in 2006 to 101.7% in 2007 and our same store absorption rate reached 102.4%. This illustrates our people's commitment to implement necessary expense reductions while continuing to provide the highest levels of customer service," he continued.

"While our visibility into the remainder of 2007 is limited, we believe our strong levels of pre-emissions truck inventory, continued growth in medium-duty truck sales, and focus on maintaining to slightly improving our absorption rate will help us outperform the industry in the declining 2007 truck market," Rush concluded.

Conference Call Info

Rush Enterprises will host its quarterly conference call to discuss earnings for the first quarter on Wednesday, April 18, 2007 at 11a.m. EST/ 10 a.m. CST. Earnings will be reported on Tuesday, April 17, 2007 after close of market. The call can be heard live by dialing 888-802-2269 (U.S.) or 913-312-1272 (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 on our website at the above link until July 17,

2007. Listen to the audio replay until July 17, 2007 by dialing 888-203-1112 (U.S.) or 719-457-0820 (International) and entering the replay pass code 7350408.

About Rush Enterprises, Inc.

Rush Enterprises, Inc. operates the largest network of heavy-duty truck and medium-duty 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, Oklahoma, New Mexico, 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.primenewswire.com/newsroom/prs/?pkgid=3352>

Certain statements contained herein, including those concerning current and projected truck industry and market conditions, the timing of such conditions, sales and delivery forecasts, projections regarding the Company's absorption rates, growth of the Company's medium-duty market, ability to properly manage inventories, the Company's prospects and anticipated results for 2007 and the impact of diesel emissions standards on the truck market, 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, governmental 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)

	March 31, 2007	December 31, 2006
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Assets	(Unaudited)	

Current assets:		
Cash and cash equivalents	\$ 162,096	\$ 161,558
Accounts receivable, net	58,595	74,441
Inventories	486,691	484,696
Prepaid expenses and other	2,548	2,128
Deferred income taxes, net	8,069	7,496
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Total current assets	717,999	730,319
Property and equipment, net	288,370	278,690
Goodwill, net	119,905	117,071
Other assets, net	2,223	2,330
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Total assets	\$1,128,497	\$1,128,410
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Liabilities and shareholders' equity

Current liabilities:

Floor plan notes payable	\$ 435,332	\$ 446,354
Current maturities of long-term debt	26,986	25,999
Current maturities of capital lease obligations	3,211	2,933
Trade accounts payable	31,090	37,449
Accrued expenses	57,730	61,287
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Total current liabilities	554,349	574,022
Long-term debt, net of current maturities	169,711	166,125
Capital lease obligations, net of current maturities	14,291	14,799
Deferred income taxes, net	35,439	33,856

Shareholders' equity:

Preferred stock, par value \$.01 per share; 1,000,000 shares authorized; 0 shares outstanding in 2007 and 2006	--	--
Common stock, par value \$.01 per share; 40,000,000 class A shares and 10,000,000 class B shares authorized; 17,142,980 class A shares and 8,092,358 class B shares outstanding in 2007; 17,069,494 class A shares and 8,072,226 class B shares outstanding in 2006	252	251
Additional paid-in capital	171,875	169,801
Retained earnings	182,580	169,556
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Total shareholders' equity	354,707	339,608
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Total liabilities and shareholders' equity	\$1,128,497	\$1,128,410
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RUSH ENTERPRISES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

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

Three months ended
March 31,

2007 2006

Revenues:

New and used truck sales	\$ 377,636	\$ 363,347
Parts and service	117,296	104,867
Construction equipment sales	16,734	14,434
Lease and rental	12,065	9,380
Finance and insurance	5,504	4,065
Other	2,023	1,792
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Total revenue	531,258	497,885
Cost of products sold:		
New and used truck sales	347,892	334,172
Parts and service	68,423	62,279
Construction equipment sales	14,996	12,698
Lease and rental	10,451	7,136
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Total cost of products sold	441,762	416,285
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Gross profit	89,496	81,600
Selling, general and administrative	60,448	56,656
Depreciation and amortization	3,602	2,908
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Operating income	25,446	22,036
Interest expense, net	4,528	3,546
Gain on sale of assets	88	33
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Income before taxes	21,006	18,523
Provision for income taxes	7,982	6,946
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Net income	\$ 13,024	\$ 11,577
	=====	=====
Earnings per share:		
Earnings per common share - Basic	\$.52	\$.47
	=====	=====
Earnings per common share - Diluted	\$.51	\$.46
	=====	=====
Weighted average shares outstanding:		
Basic	25,177	24,707
	=====	=====
Diluted	25,347	25,050
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SOURCE: Rush Enterprises, Inc.

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