

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

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**FORM 8-K**

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**CURRENT REPORT**

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

Date of Report (Date of earliest event reported) **July 18, 2007**

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**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**

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(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(b) 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))

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**Item 2.02. Results of Operations and Financial Condition.**

On July 18, 2007 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 July 18, 2007

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**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.**

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(Registrant)

**July 18, 2007**

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(Date)

**/s/ STEVEN L. KELLER**

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Steven L. Keller  
*Vice President and Chief Financial Officer*

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## **Exhibit Index**

99.1 Press release dated July 18, 2007

## Rush Enterprises, Inc. Reports Second Quarter Results

SAN ANTONIO, July 18, 2007 (PRIME 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 second quarter ended June 30, 2007.

In the second quarter, the Company's gross revenues totaled \$519.4 million, an 8.7% decrease from gross revenues of \$569.2 million reported for the second quarter ended June 30, 2006. Net income for the quarter was \$13.0 million, or \$0.51 per diluted share, compared with net income of \$14.9 million, or \$0.59 per diluted share, in the quarter ended June 30, 2006.

The Company's truck segment recorded revenues of \$488.0 million in the second quarter of 2007, compared to \$543.9 million in the second quarter of 2006. The Company delivered 1,869 new heavy-duty trucks, 1,324 new medium-duty trucks and 984 used trucks during the second quarter of 2007, compared to 2,695 new heavy-duty trucks, 1,185 new medium-duty trucks and 954 used trucks during the second quarter of 2006. Parts, service and body shop sales increased to \$112.0 million in the second quarter of 2007 from \$104.8 million in the second quarter of 2006.

The Company's construction equipment segment recorded revenues of \$26.3 million in the second quarter of 2007, compared to \$20.2 million in the second quarter of 2006. New and used construction equipment unit sales revenue increased 31.8% to \$20.7 million in the second quarter of 2007 from \$15.7 million in the second quarter of 2006. Construction equipment parts and service sales increased 26.2% to \$5.3 million in the second quarter of 2007 from \$4.2 million in the second quarter of 2006.

In making the announcement, W. Marvin Rush, Chairman of Rush Enterprises, Inc. said, "As expected, we continued to experience the softening of the Class 8 truck market in the second quarter. While we previously expected United States retail sales of Class 8 units to be weaker in the second and third quarters of 2007, we now expect industry Class 8 deliveries to remain soft for the remainder of the year. We anticipate that Class 8 order intake will increase beginning in early 2008. Additionally, we believe industry conditions including normal customer trade cycles and new diesel emission regulations scheduled to take effect in 2010 will result in a pre-buy beginning in 2008. The magnitude of the 2008 and 2009 pre-buy will be largely dictated by the economy, among other factors. If general economic conditions in the U.S. are good in 2008 and 2009, we believe 2009 could be a record year for U.S. Class 8 deliveries."

W. M. "Rusty" Rush, President and Chief Executive Officer of Rush Enterprises, Inc., said, "We prepared for the expected decrease in Class 8 truck sales by ensuring we had surplus inventory of Class 8 trucks with engines built before the new emissions guidelines took effect to sustain us during the first half of 2007. More importantly, we have focused on expanding our medium-duty and vocational truck offerings, increasing parts and service sales and increasing operational efficiencies throughout the organization. We believe the diversity in our earnings stream and our focus on increasing operational efficiencies will continue to allow us to outperform the truck sales industry in the declining 2007 truck market."

Rusty Rush further explained, "Our people have performed admirably during this soft Class 8 environment. While industry deliveries of Class 8 units are down 37% for the first six months of the year, our Class 8 deliveries are only down 22%. Our medium-duty truck deliveries increased 12% from the second quarter of last year to the second quarter of 2007. Additionally, our second quarter absorption rate held steady at 109%, compared to the second quarter of 2006, despite fewer Class 8 truck deliveries. Even more encouraging was our same store absorption rate, which increased to 106.2% in the first half of 2007 versus 105.3% in the first half of 2006. We believe we can continue to outperform the Class 8 truck market in the third quarter and deliver approximately the same number of Class 8 trucks as we did in the second quarter. Our ability to predict Class 8 deliveries beyond the third quarter is still very limited, but we believe the weak Class 8 truck market's impact on our earnings will continue to be softened by the growth of our medium-duty business and the stability of our absorption rate."

### Conference Call Information

Rush Enterprises will host its quarterly conference call to discuss earnings for the second quarter of 2007 on Thursday, July 19, 2007 at 10 a.m. EST/ 9 a.m. CST. The call can be heard live by dialing 800-811-8845 (US) or 913-981-4905 (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 October 10, 2007. Listen to the audio replay until August 31, 2007 by dialing 888-203-1112 (US) or 719-457-0820 (International) and entering the replay pass code 4302156.

### About Rush Enterprises, Inc.

Rush Enterprises, Inc. 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. Its operations include a network of over 50 Rush Truck Centers located in Alabama, Arizona, California, Colorado, Florida, Georgia, New Mexico, 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](http://www.rushenterprises.com)

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, predictions regarding our ability to outperform the Class 8 truck market, 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

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 CONSOLIDATED BALANCE SHEETS  
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(In Thousands, Except Shares and Per Share Amounts)

	June 30, 2007	December 31, 2006
	----- (Unaudited)	-----
Assets		
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Current assets:		
Cash and cash equivalents	\$ 165,695	\$ 161,558
Accounts receivable, net	63,116	74,441
Inventories	478,627	484,696
Prepaid expenses and other	2,247	2,128
Deferred income taxes, net	7,790	7,496
	-----	-----
Total current assets	717,475	730,319
Property and equipment, net	293,908	278,690
Goodwill, net	119,931	117,071
Other assets, net	2,056	2,330
	-----	-----
Total assets	<u>\$ 1,133,370</u>	<u>\$ 1,128,410</u>
	=====	=====
Liabilities and shareholders' equity		
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Current liabilities:		
Floor plan notes payable	\$ 418,922	\$ 446,354
Current maturities of long-term debt	26,208	25,999
Current maturities of capital lease obligations	3,183	2,933
Trade accounts payable	30,939	37,449
Accrued expenses	59,546	61,287
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Total current liabilities	538,798	574,022
Long-term debt, net of current maturities	173,348	166,125
Capital lease obligations, net of current maturities	14,099	14,799
Deferred income taxes, net	36,420	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; 17,261,688 class A shares and 8,129,615 class B shares outstanding in 2007; 17,069,494 class A shares		

and 8,072,226 class B shares outstanding in 2006	254	251
Additional paid-in capital	174,823	169,801
Retained earnings	195,628	169,556
	-----	-----
Total shareholders' equity	370,705	339,608
	-----	-----
Total liabilities and shareholders' equity	\$ 1,133,370	\$ 1,128,410
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RUSH ENTERPRISES, INC. AND SUBSIDIARIES

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CONSOLIDATED STATEMENTS OF INCOME  
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(In Thousands, Except Per Share Amounts)  
(Unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2007	2006	2007	2006
	-----	-----	-----	-----
Revenues:				
New and used truck sales	\$356,504	\$423,717	\$734,140	\$787,064
Parts and service	120,502	112,449	237,798	217,316
Construction equipment sales	20,690	15,706	37,424	30,140
Lease and rental	13,257	10,239	25,322	19,619
Finance and insurance	6,273	5,005	11,777	9,070
Other	2,178	2,122	4,201	3,914
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Total revenue	519,404	569,238	1,050,662	1,067,123
Cost of products sold:				
New and used truck sales	328,708	393,298	676,600	727,470
Parts and service	69,621	66,068	138,044	128,347
Construction equipment sales	18,386	14,008	33,382	26,706
Lease and rental	10,964	7,898	21,415	15,034
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Total cost of products sold	427,679	481,272	869,441	897,557
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Gross profit	91,725	87,966	181,221	169,566
Selling, general and administrative	62,539	57,572	122,987	114,228
Depreciation and amortization	3,675	3,106	7,277	6,014
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Operating income	25,511	27,288	50,957	49,324
Interest expense, net	4,533	3,518	9,061	7,064
Gain on sale of assets	68	17	156	50
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Income before taxes	21,046	23,787	42,052	42,310
Provision for income taxes	7,998	8,920	15,980	15,866
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Net income	\$ 13,048	\$ 14,867	\$ 26,072	\$ 26,444
	=====	=====	=====	=====
Earnings per common share:				
Basic	\$ .51	\$ .59	\$ 1.03	\$ 1.06
	=====	=====	=====	=====
Diluted	\$ .51	\$ .59	\$ 1.02	\$ 1.05
	=====	=====	=====	=====

Weighted average shares

outstanding:

Basic	25,352	24,998	25,265	24,853
	=====	=====	=====	=====
Diluted	25,561	25,215	25,471	25,174
	=====	=====	=====	=====

CONTACT: Rush Enterprises, Inc., San Antonio  
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830-626-5226