

**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) **October 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 October 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 October 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)

**October 18, 2007**

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**/s/ STEVEN L. KELLER**

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(Date)

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

## Rush Enterprises, Inc. Reports Third Quarter Results

SAN ANTONIO, Oct. 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 third quarter ended September 30, 2007.

As previously announced, on October 10, 2007, Rush Enterprises, Inc. distributed one additional share of stock for every two shares of Class A common stock, par value \$0.01 per share, or Class B common stock, par value \$0.01 per share, held by shareholders of record as of October 1, 2007. All share and per share amounts in the attached consolidated balance sheets and consolidated statements of income have been adjusted and restated to reflect the stock split as if it occurred on the first day of the earliest period presented.

In the third quarter, the Company's gross revenues totaled \$521.6 million, a 19.9% decrease from gross revenues of \$651.3 million reported for the third quarter ended September 30, 2006. Net income for the quarter was \$13.1 million, or \$0.34 per diluted share, compared with net income of \$16.4 million, or \$0.43 per diluted share, in the quarter ended September 30, 2006. During the third quarter of 2007, the Company decreased its effective tax rate from 38% to 37% which resulted in reporting an additional \$.01 per diluted share.

The Company's truck segment recorded revenues of \$491.3 million in the third quarter of 2007, compared to \$625.6 million in the third quarter of 2006. The Company delivered 1,820 new heavy-duty trucks, 1,520 new medium-duty trucks and 1,032 used trucks during the third quarter of 2007, compared to 3,512 new heavy-duty trucks, 1,109 new medium-duty trucks and 999 used trucks during the third quarter of 2006. Parts, service and body shop sales increased to \$115.5 million in the third quarter of 2007 from \$105.6 million in the third quarter of 2006.

The Company's construction equipment segment recorded revenues of \$25.3 million in the third quarter of 2007, compared to \$20.7 million in the third quarter of 2006. New and used construction equipment unit sales revenue increased 22.6% to \$19.5 million in the third quarter of 2007 from \$15.9 million in the third quarter of 2006. Construction equipment parts and service sales increased 18.6% to \$5.1 million in the third quarter of 2007 from \$4.3 million in the third quarter of 2006.

In making the announcement, W. Marvin Rush, Chairman of Rush Enterprises, Inc., said, "I am pleased to announce that we have significantly outperformed the Class 8 truck market in the third quarter. And more importantly, that our business model has proven to be successful in both strong and weak Class 8 truck markets. Our strategic focus to improve the quality of earnings by building a network that is diverse in product offerings, customer base and geography has made us less dependent on Class 8 truck sales. We are confident this diversity -- mainly due to our focus on the less cyclical parts, service and body shop operations, medium-duty truck sales, expansion in the refuse and crane market, and construction equipment sales growth, as well as the ability of our people and stores to operate efficiently -- will continue to allow us to out-perform the Class 8 truck market.

"We believe normal customer trade cycles and new diesel emission regulations scheduled to take effect in 2010 will result in increased Class 8 truck orders beginning in the first half of 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, we continue to 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, "As our results indicate, we were well prepared for the expected downturn in Class 8 truck sales. Year to date, we have increased our absorption rate and outperformed the industry in terms of both Class 8 and medium-duty truck deliveries and increased our construction equipment segment revenue by 22%. This has resulted in our year-to-date net income declining only 8.5% while Class 8 truck deliveries are down 43%.

"Despite the weak Class 8 truck market, our parts, service and body shop sales increased 9%, resulting in another quarter of solid absorption rate performance. This quarter our absorption rate increased to 105.1%, compared to last year's 104.5%, while our year-to-date same store absorption rate increased to 106.1% in 2007 compared to 105.0% in 2006.

"I am extremely proud of the 34% increase in our year-to-date Class 4-7 (medium-duty) truck sales compared to the industry's overall decrease of 8%. This increase is directly related to our focus over the past several years to penetrate the medium-duty market segment in the areas where we operate by providing a knowledgeable dedicated sales staff and offering a breadth of products to meet the varied needs of this customer base. We expect medium-duty truck sales will continue to grow as our medium-duty franchises mature in their respective markets and we strengthen relationships with our customers in this segment," Rusty Rush emphasized.

"I continue to credit the dedication and hard work of our people for the Company's strong performance during this challenging market environment. They continue to operate within a set of core values that include productivity, excellence, fairness and a positive attitude. It is this culture that promotes the entrepreneurial spirit that sustains our success," Rusty Rush concluded.

### Conference Call Information

Rush Enterprises will host its quarterly conference call to discuss earnings for the third quarter of 2007 on Friday, October 19, 2007 at 10 a.m. EST/ 9 a.m. CST. The call can be heard live by dialing 800-289-0459 (U.S.) or 913-312-1498 (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 January 10, 2008. Listen to the audio replay until November 30, 2007 by dialing 888-203-1112 (U.S.) or 719-457-0820 (International) and entering the replay pass code 9806004.

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.

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

RUSH ENTERPRISES, INC. AND SUBSIDIARIES

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

	September 30, 2007	December 31, 2006
	----- (Unaudited)	-----
Assets		
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Current assets:		
Cash and cash equivalents	\$ 176,601	\$ 161,558
Accounts receivable, net	55,527	74,441
Inventories	386,036	484,696
Prepaid expenses and other	2,094	2,128
Deferred income taxes, net	7,894	7,496
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Total current assets	628,152	730,319
Property and equipment, net	296,312	278,690
Goodwill, net	120,576	117,071
Other assets, net	2,108	2,330
	-----	-----
Total assets	\$1,047,148	\$1,128,410
	=====	=====
Liabilities and shareholders' equity		
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Current liabilities:		
Floor plan notes payable	\$ 320,351	\$ 446,354
Current maturities of long-term debt	26,211	25,999
Current maturities of capital lease obligations	3,266	2,933
Trade accounts payable	30,278	37,449
Accrued expenses	60,185	61,287
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Total current liabilities	440,291	574,022
Long-term debt, net of current maturities	169,529	166,125
Capital lease obligations, net of current		

maturities	13,863	14,799
Deferred income taxes, net	38,344	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; 60,000,000 class A shares and 20,000,000 class B shares authorized; 25,969,747 class A shares and 12,206,592 class B shares outstanding in 2007; 25,604,241 class A shares and 12,108,339 class B shares outstanding in 2006	382	377
Additional paid-in capital	176,109	169,801
Retained earnings	208,630	169,430
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Total shareholders' equity	385,121	339,608
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Total liabilities and shareholders' equity	\$1,047,148	\$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 September 30,		Nine months ended September 30,	
	2007	2006	2007	2006
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Revenues:				
New and used truck sales	\$ 357,408	\$ 504,281	\$1,091,548	\$1,291,345
Parts and service	123,690	113,183	361,488	330,499
Construction equipment sales	19,465	15,939	56,889	46,079
Lease and rental	13,457	10,978	38,779	30,546
Finance and insurance	5,457	4,717	17,234	13,787
Other	2,121	2,223	6,322	6,137
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Total revenues	521,598	651,321	1,572,260	1,718,393
Cost of products sold:				
New and used truck sales	329,629	470,208	1,006,229	1,197,678
Parts and service	73,433	65,330	211,477	193,677
Construction equipment sales	17,498	14,228	50,880	40,934
Lease and rental	11,297	8,472	32,712	23,506
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Total cost of products sold	431,857	558,238	1,301,298	1,455,795
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Gross profit	89,741	93,083	270,962	262,598
Selling, general and administrative	61,780	59,141	184,767	173,318
Depreciation and amortization	3,769	3,353	11,046	9,367
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Operating income	24,192	30,589	75,149	79,913
Interest expense, net	3,444	4,235	12,505	11,299
Gain (loss) on sale of assets	91	(93)	247	(43)
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Income before taxes	20,839	26,261	62,891	68,571
Provision for income taxes	7,711	9,849	23,691	25,714

Net income	\$ 13,128	\$ 16,412	\$ 39,200	\$ 42,857
Earnings per common share: (a)				
Basic	\$ .34	\$ .44	\$ 1.03	\$ 1.15
Diluted	\$ .34	\$ .43	\$ 1.02	\$ 1.13
Weighted average shares outstanding: (a)				
Basic	38,162	37,647	37,987	37,404
Diluted	38,653	37,899	38,391	37,832

(a) Amounts have been adjusted to reflect the stock split that was effective October 10, 2007.

CONTACT: Rush Enterprises, Inc., San Antonio  
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