SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

Quarterly report pursuant to section 13 or 15(d) of the Securities Exchange Act of 1934 for the quarterly period ended January 31, 1998 or Transition report pursuant to section 13 or 15(d) of the Securities Exchange Act of 1934 for the transition period from _________ to _________.

Commission File No. 0-9143

HURCO COMPANIES, INC.
(Exact name of registrant as specified in its charter)

Indiana	35-1150732
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)

One Technology Way Indianapolis, Indiana	46268
(Address of principal executive offices)	(Zip code)

Registrant's telephone number, including area code (317) 293-5309

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Sections 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months, and (2) has been subject to the filing requirements for the past 90 days:

Yes X No

The number of shares of the Registrant's common stock outstanding as of March 12, 1998 was 6,578,011.

HURCO COMPANIES, INC.
January 1998 Form 10-Q Quarterly Report

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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

HURCO COMPANIES, INC.
CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
(In thousands, except per-share data)

	Three Months Ended January 31, 1998	1997
	(Unaudited)	
Sales and service fees	$ 22,120	$ 22,278
Cost of sales and service	15,997	15,796
Gross profit	6,123	6,482
Selling, general and administrative expenses	5,024	5,046
Operating income	1,099	1,436
License fee income, net	1,494	143
Interest expense	274	522
Other income (expense), net	23	(23)
Income before income taxes	2,342	1,034
Provision for foreign income taxes	156	18
Net Income	$ 2,186	$1,016
Earnings per common share		
Basic	$ .33	$ .16
Diluted	$ .32	$ .15
Weighted average common shares outstanding		
Basic	6,553	6,533
Diluted	6,749	6,680

The accompanying notes are an integral part of the condensed consolidated financial statements.

HURCO COMPANIES, INC.
CONDENSED CONSOLIDATED BALANCE SHEET
(Dollars in thousands)

ASSETS	January 31, 1998 (Unaudited)	October 31, 1997 (Audited)
Current assets:		
Cash and cash equivalents	$ 2,481	$ 3,371
Accounts receivable	16,917	15,687
Inventories	19,624	21,752
Other	2,108	1,412
Total current assets	41,130	42,222
Long-term license fee receivables	1,135	1,178
Property and equipment:		
Land	761	761
Building	7,067	7,067
Machinery and equipment	11,540	11,463
Leasehold improvements	1,120	1,121
Less accumulated depreciation and amortization	(11,365)	(11,218)
	9,123	9,194
Software development costs, less amortization	4,339	4,447
Other assets	1,973	1,707
	$ 57,700	$ 58,748
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 8,772	$ 9,246
Accrued expenses	6,942	8,338
Current portion of long-term debt	1,786	1,786
Total current liabilities	17,500	19,370
Non-current liabilities		
Long-term debt	7,168	8,257
Deferred credits and other obligations	1,379	1,345
Total non-current liabilities	8,547	9,602
Shareholders' equity:		
Preferred stock: no par value per share; 1,000,000 shares authorized; no shares issued	--	--
Common stock: no par value; $.10 stated value per share; 12,500,000 shares authorized; and 6,559,311 and 6,544,831 shares issued , respectively	656	654
Additional paid-in capital	50,381	50,349
Accumulated deficit	(14,218)	(16,404)
Foreign currency translation adjustment	(5,166)	(4,823)
Total shareholders' equity	31,653	29,776
	$57,700	$58,748

The accompanying notes are an integral part of the condensed consolidated financial statements.

HURCO COMPANIES, INC.
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(Dollars in thousands)

	Three Months Ended January 31, 1998	1997
	(Unaudited)	
Cash flows from operating activities:		
Net income	$ 2,186	$ 1,016

Adjustments to reconcile net income to net cash provided by (used for) operating activities:		
Depreciation and amortization.........	522	549
Change in assets and liabilities:		
(Increase) decrease in accounts receivable........................	(1,450)	2,016
(Increase) decrease in license fee receivables...................	(835)	--
(Increase) decrease in inventories...	1,902	(2,656)
Increase (decrease) in accounts payable............................	(443)	(117)
Increase (decrease) in accrued expenses...........................	(1,293)	(1,235)
Other.............................	(37)	44
Net cash provided by (used for) operating activities................	552	(383)
Cash flows from investing activities:		
Proceeds from sale of equipment.........	2	76
Purchases of property and equipment.....	(192)	(226)
Software development costs.............	(163)	(374)
Other.................................	(139)	--
Net cash provided by (used for) investing activities................	(492)	(524)
Cash flows from financing activities:		
Advances on bank credit facilities......	6,000	8,928
Repayment on bank credit facilities.....	(5,292)	(6,727)
Repayments of term debt.................	(1,786)	(1,786)
Proceeds from exercise of common stock options	34	--
Net cash provided by (used for) financing activities................	(1,044)	415
Effect of exchange rate changes on cash......	94	(147)
Net increase (decrease) in cash.....	(890)	(639)
Cash and cash equivalents at beginning of period	3,371	1,877
Cash and cash equivalents at end of period...	$ 2,481	$ 1,238

The accompanying notes are an integral part of the condensed consolidated financial statements.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. GENERAL

The condensed financial information as of January 31, 1998 and 1997 is unaudited but includes all adjustments which the Company considers necessary for a fair presentation of financial position at those dates and its results of operations and cash flows for the three months then ended. It is suggested that those condensed financial statements be read in conjunction with the financial statements and the notes thereto included in the Company's Annual Report on Form 10-K for the year ended October 31, 1997.

2. LICENSE FEE INCOME, NET

From time to time, the Company's wholly-owned subsidiary, IMS Technology, Inc. ("IMS") enters into agreements for the licensing of its interactive computer numerical control (CNC) patents. License fees received or receivable under a fully paid-up license, for which there are no future performance requirements or contingencies, are recognized in income, net of legal fees and expenses, if any, at the time the license agreement is executed. License fees received in periodic installments that are contingent upon the continuing validity of a licensed patent are recognized in income, net of legal fees and expenses, if any, over the life of the licensed patent.

During the first quarter ended January 31, 1998, the Company's wholly-owned subsidiary, IMS Technology, Inc. (IMS), entered into license agreements with a number of manufacturers and end-users of interactive CNCs, including machine tool manufacturers who incorporate interactive CNCs in their products, some of which were defendants in patent infringement actions brought by IMS. These agreements resulted in additional license fee income of approximately $1.4 million, net of expenses and foreign withholding taxes, of which $591,000 was received during the first quarter. In addition, one of the agreements was with a supplier to the Company and provides for discounts of up to $600,000 in the aggregate on future purchases by the Company from that supplier through December 31, 2001.

3. HEDGING

The Company seeks to hedge its exposure to fluctuations in foreign currency exchange rates through the use of foreign currency forward exchange contracts. The U.S. dollar equivalent notional amount of outstanding foreign currency forward exchange contracts was approximately $17.4 million as of January 31, 1998 ($17.1 million related to firm intercompany sales commitments) and $12.5 million as of January 31, 1997 ($9.8 related to firm intercompany sales commitments). Deferred gains related to hedges of future sales transactions were approximately $58,000 and $316,000 as of January 31, 1998 and 1997, respectively. Contracts outstanding at January 31, 1998 mature at various times through July 28, 1998. All contracts are for the sale of currency. The Company does not enter into these contracts for trading purposes.

4. EARNINGS PER SHARE

Basic and diluted earnings per common share are based on the weighted average number of common shares outstanding. Diluted earnings per common share give effect to outstanding stock options using the treasury method. Common stock equivalents totaled 196,000 shares for the first quarter of fiscal 1998.

5. ACCOUNTS RECEIVABLE

The allowance for doubtful accounts was $778,000 as of January 31, 1998 and $757,000 as of October 31, 1997.

6. INVENTORIES

Inventories, priced at the lower of cost (first-in, first-out method) or market are summarized below (in thousands):

	January 31, 1998	October 31, 1997
Purchased parts and sub-assemblies	$ 9,326	$ 9,749
Work-in-Process	1,173	1,578
Finished Goods	9,125	10,425
	$ 19,624	$ 21,752

7. SUBSEQUENT EVENT

In February 1998, the Company's wholly-owned subsidiary, IMS Technology, Inc. (IMS), entered into patent license agreements with Okuma Machinery Works, Okuma America Corporation and Cincinnati Incorporated, that provide for one-time cash payments to IMS. As a result of those agreements, the Company expects to recognize additional license fee income of approximately $1.3 million, net of foreign withholding taxes and expenses, in its second fiscal quarter ended April 30, 1998.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with the Condensed Consolidated Financial Statements and Notes thereto appearing elsewhere herein.

Certain statements made in this report may constitute "forward-looking statements". For a description of risks and uncertainties related to forward-looking statements, see the Company's Annual Report on Form 10-K for the year ended October 31, 1997.

RESULTS OF OPERATIONS

Three Months Ended January 31, 1998 Compared to Three Months Ended January 31, 1997

Sales and service fees for the first quarter of fiscal 1998 were approximately 3.4% higher than those recorded in the 1997 period before the effect of foreign currency rate changes when converting foreign revenues into U.S. dollars for financial reporting purposes. However, as a result of a strengthened U.S. dollar, sales and service fees after the effect of such conversion approximated the amount reported during the first quarter of fiscal 1997. Sales of computerized machine systems increased $1.7 million, or 12.9%, net of currency translation effects, as a result of strong demand, primarily in Germany, for the Company's new line of 30-inch and 40-inch machining systems that incorporated its Ultimax(R) interactive control software. Sales of computer numerical control (CNC) systems, consisting primarily of the Company's Autobend(R) and Delta(TM) series products, declined approximately $1.4 million, or 28.6%, from the 1997 first quarter level, reflecting reduced demand from OEM and retrofit customers and the Company's repositioning of these products for inclusion as fully-integrated components of computerized machine systems. Sales of service parts and service fees decreased by $321,000, or 9.3%, compared to the first quarter of fiscal 1997, due principally to improvements in the quality of the Company's products as well as the transfer to the Company's U.S. distributors of responsibility for certain service activities.

New order bookings were $22.1 million, an increase of 3.9% from the $21.2 million reported for the first quarter of fiscal 1997, net of currency translation effects. When measured at constant exchange rates, however, new orders were approximately 8.2% above the fiscal 1997 level. Orders for computerized machine systems, at constant exchange rates, increased approximately 27% over the first quarter of fiscal 1997. Orders for CNC systems declined by 28%, paralleling the decline in shipments of these products. Backlog was $7.6 million at January 31, 1998 compared to $7.5 million at October 31, 1997.

As a percentage of sales, gross profit decreased to 27.7% compared to 29.1% for the first quarter of fiscal 1997. The reduction was primarily attributable to the net effects of a stronger U.S. dollar relative to foreign currencies, as well as the reduced sales of CNC systems and service parts, which historically have been associated with higher margins.

The substantial increase in net income was attributable primarily to fees under patent license agreements entered into during the quarter. License fees, net of expenses and foreign withholding taxes, aggregated $1.4 million in the 1998 first quarter compared to $143,000 in the 1997 period. Net income also was favorably effected by a 48% decline in interest expense as a result of the substantial reduction in outstanding debt since the end of the 1997 first quarter.

Subsequent License Agreements

The Company expects to recognize additional license fee income of approximately $1.3 million, net of foreign withholding taxes and expenses, in its second fiscal quarter ending April 30, 1998 as a result of agreements entered into in February 1998. Through its subsidiary, IMS Technology, Inc., the Company is continuing to seek opportunities to license its patent rights while actively pursuing its on-going patent infringement litigation against several other manufacturers of interactive CNC products. However, there can be no assurance that IMS will enter into additional license agreements in the future nor can the Company predict the ultimate outcome of such litigation. Also, excluding those CNC Users that are defendants in the patent infringement actions, there are a limited number of remaining CNC Users that IMS has identified as potential licensees for the Patent. Accordingly, management believes it is unlikely that license fee income in fiscal 1998 from such other potential licensees would equal that recorded in fiscal 1997.

Foreign Currency Risk Management

The Company seeks to manage its foreign currency exposure through the use of foreign currency forward exchange contracts. The Company does not speculate in the financial markets and, therefore, does not enter into these contracts for trading purposes. The Company also endeavors to moderate its currency risk related to significant purchase commitments with certain foreign vendors through price adjustment agreements that provide for a sharing of, or otherwise limit, the potential adverse effect of currency fluctuations on the costs of purchased products. The results of these programs achieved management's objectives for the first quarter of fiscal 1998.
See Note 3 to the Condensed Consolidated Financial Statements.

LIQUIDITY AND CAPITAL RESOURCES

At January 31, 1998, the Company had cash and cash equivalents of $2.5 million compared to $3.4 million at October 31, 1997. Cash provided by operations totaled $552,000 in the first quarter of fiscal 1998, compared to $383,000 used for operations in the same period of fiscal 1997. Cash flow from operations included approximately $591,000 of license fees, net of expenses and taxes, received during the 1998 first quarter.

Working capital was $23.6 million at January 31, 1998, compared to $22.9 million at October 31, 1997. The increase was attributable primarily to approximately $835,000 of net license fees receivable included in other current assets as of January 31, 1998. During the first quarter of fiscal 1998, accounts receivable increased by $1.5 million, while inventories decreased by $1.9 million. Accounts payable and accrued expenses decreased during the 1998 first quarter by $1.7 million, primarily because of seasonal payments related to fiscal 1997 operations. The ratio of current assets to current liabilities was 2.4 to 1 at January 31, 1998 and 2.2 to 1 at October 31, 1997.

Cash used for investing activities during the quarter was funded by cash flow from operations. As of January 31, 1998, the Company has a commitment to invest approximately $370,000 in its Taiwan affiliate, Hurco Automation Ltd., through fiscal 1999.

Cash used for financing activities was funded by operations and by existing cash on hand. During the first quarter of fiscal 1998, payment of an annual installment of approximately $1.8 million on the Company's Senior Notes was partially funded by borrowings under the Company's revolving credit facilities. As of January 31, 1998, the Company had unutilized availability of $12.8 million under its credit facilities. The Company was in compliance with all loan covenants at January 31, 1998.

Management believes that anticipated cash flow from operations and available borrowings under the credit facilities will be sufficient to meet its anticipated cash requirements in the foreseeable future.

PART II - OTHER INFORMATION

Item 1. LEGAL PROCEEDINGS

As previously reported, IMS and the Company are parties to litigation against various defendants for alleged pending patent infringement. In a recent settlement with Okuma Machinery Works, and its affiliate, Okuma America Corporation, IMS granted licenses to each of these companies in exchange for a lump sum cash payment and litigation between these entities and IMS was discontinued.

On January 29, 1998, IMS commenced an infringement action against Marshall Machinery, Inc., ADK Machine, Inc., Precise Machine & Fabrication, Western Branch Metals, Inc., American Gasket & Seal Technology, Inc., Classic Machine, Kosmo Machine, Inc., and Cincinnati Incorporated. In February 1998, concurrent with the execution by Cincinnati Incorporated of a license agreement providing for payment of a lump-sum cash fee, the action against Cincinnati Incorporated was discontinued.

There have been no other material developments in the IMS infringement litigation except as described in the Company's Annual Report on Form 10-K for the year ended October 31, 1997.

The Company is involved in various other claims and lawsuits arising in the ordinary course of business, none of which, in the opinion of management, is expected to have a material adverse effect on its consolidated financial position or results of operations.

Item 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits:

10.15 Employment agreement between the Registrant and James D. Fabris dated November 18, 1997.

10.16 Employment agreement between the Registrant and Richard Blake dated January 1, 1998.

11 Statement re: Computation of Per Share Earnings

27 Financial Data Schedule (electronic filing only).

(b) Reports on Form 8-K: None

SIGNATURES

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

HURCO COMPANIES, INC.

By: /s/ Roger J. Wolf
Roger J. Wolf
Senior Vice President and
Chief Financial Officer

By: /s/ Stephen J. Alesia
Stephen J. Alesia
Corporate Controller and
Principal Accounting Officer

March 16, 1998

Exhibit 10.15

Employment Agreement between the Registrant and James D. Fabris
Dated November 18, 1997

November 18, 1997

Mr. James D. Fabris
13633 Elgin Drive
Carmel, IN 46032

Dear Jim:

I am pleased to offer you the position of Executive Vice President of Operations for Hurco Companies, Inc. effective January 1, 1998 reporting to myself.

Your responsibilities in this new position include: management of all machine tool and controls manufacturing, engineering, material control, and quality assurance for the cor-poration.

In addition you are responsible for the sales, marketing, and service for all the Company's products in the Asia Pacific Region and the sales, marketing, and service of ATI and ICP product lines.

COMPENSATION

Your base salary is increased to $160,000 per year effective January 1, 1998.

Salary reviews are held in January of each year in accordance with the Compensation Committee of the Board of Directors review cycle.

The Corporate Performance Annual Bonus Plan is based upon the financial performance of the Corporation and annual accomplishments subject to the approval of the Compen-sation Committee of the Board of Directors.

We will finalize your 1998 objectives and 1998 bonus plan by January 15, 1998.

STOCK OPTIONS

As a key employee in the management of the Corporation's performance and future stra-tegic direction, you will be awarded stock options in accordance with the Corporation's Stock Option Plan and as approved by the Board of Directors.

EMPLOYEE FRINGE BENEFITS

In addition to the Corporation's standard benefit package, key executives are provided additional fringe benefits including split dollar life insurance coverage, an opportunity to participate in the Deferred Compensation Plan and additional short term and long term disability insurance.

COMPANY CAR

The Corporation will provide you with a company car and pay for normal operating expenses, subject to the standard IRS regulations.

SEVERANCE

I have included the following employment severance agreement. In the event Hurco ter-minates your employment as Executive Vice President, for reasons other than gross mis-conduct, Hurco shall pay you twelve (12) months severance, at the then present base salary rate, from the date you are relieved of your responsibilities which would be thirty (30) days following a written notice. Health and life insurance benefits will be maintained during the twelve month severance period or until you have obtained alternate employment, if earlier. The Corporation will also provide you with the services of a professional outplacement firm.

In the event you resign prior to the termination of your employment, Hurco will not be obligated to continue making salary payments after your last day of employment.

Congratulations Jim on this well deserved promotion. Please acknowledge acceptance of this offer by signing where indicated and returning the original copy to me.

Very truly yours,

/s/ Brian D. McLaughlin

Brian D. McLaughlin
Chief Executive Officer

ACKNOWLEDGED AND ACCEPTED:

/s/ James D. Fabris	December 15, 1997
James D. Fabris	Date

Exhibit 10.16

Employment Agreement between the Registrant and Richard Blake
Dated January 1, 1998

Transfer Agreement

The Transfer Agreement is effective as of the 1st day of January, 1998 and is between Hurco Companies, Inc. ("Employer") and Richard Blake ("Employee").

Recitals

A. Employer is an Indiana corporation engaged in the business of manufacturing and selling industrial machine tool products.
B. Hurco Europe LTD. ("HEL") is a wholly-owned subsidiary of Employer which is engaged in the business of marketing Employer's products in the United Kingdom, continental Europe and certain other international markets.
C. Employer desires to transfer Employee to Hurco Companies, Inc., and Employee desires to accept such transfer with Employer, upon the terms and conditions contained in this Agreement.

Now, therefore, Employer and Employee agree as follows:

1. Employment. Employer hereby transfers Employee to render services on behalf of Hurco Companies, Inc. Employee will, however, for all purposes, remain an Employee of Hurco Europe, LTD with the same general rights and obligations of HEL, except as specifically set forth herein to the contrary.

Employee's position shall be President, Machine Tool Products Division of Hurco Companies, Inc.

Employee may also perform other such services related thereto as may be designated from time to time by Employer.

During the term of this Agreement, Employee will be a resident in the United States. As a part of his regular duties, Employee may be required from time to time to attend business and educational meetings and activities, including return visits to the United Kingdom, for training and other business purposes.

Employee shall expend his entire time and best efforts performing his duties under this agreement.

2. Term. This agreement shall, except as hereinafter provided, be for a term of thirty six (36) months, beginning on the effective date hereof. It is intended that Employee will have an option to return to the United Kingdom at the end of this term to resume employment with Hurco Europe, LTD. In the event the Employee does not do so at the end of the thirty six (36) month period, then this Agreement shall continue from month-to-month thereafter until terminated as provided in Section 7.

If the employee exercises the option to return after the thirty six (36) months, the Employer does not guarantee a lateral or promotional opportunity for employment. If no opportunity for employment exists, the Employer will pay Employee severance pay equal to twelve (12) months base salary.

It is mutually understood that the Employer may exercise an option to have the Employee return to the United Kingdom at any time due to the business needs of the Company under the terms and conditions of this contract . Notice of such action will be given as much in advance as is feasible, dependent upon the existing circumstances that time.

3. Compensation. As his entire compensation for all services rendered during the term of this Agreement, Employee shall have and receive, subject to withholding and other applicable United States and foreign employment taxes, a base income of $125,000 per year during the initial term of this Agreement, and thereafter in an amount to be determined.

Employer will pay Employee a foreign assignment premium during the transfer period of $10,000 per year payable biweekly in salary payroll.

Employee shall also be entitled to all other regular compensation elements as may be provided from time to time in the Company policies as prepared and issued by the Employer.

Employer will provide a monthly housing allowance of $1500.00. Employer agrees to pay the customary deposits necessary to obtain a residence in the U.S.

4. Employee Benefits. Employee shall be permitted to participate in and be provided for all employee benefits which may be provided from time to time by Employer at its expense including disability insurance, group life insurance, 401(k) plan, profit sharing plan, split dollar life insurance plan, health insurance and deferred compensation plan and other benefits which Employer may from time to time adopt.

5. Holidays and Vacations. Employee will follow the Hurco Companies, Inc. holiday schedule and will be eligible for vacation days as if Employee were a Hurco Companies, Inc. employee. All vacation days shall be taken in the manner most convenient to the business of Employer and Hurco Europe, LTD. Plans for vacation should be submitted to Employer in advance for approval.Unused days of vacation may not be carried over to future years.

6. Death or Disability During Employment. If Employee dies or becomes totally and permanently disabled during the term of his employment, Employer shall pay to the estate of the Employee the salary which would otherwise be payable to Employee if he had performed services until the end of the month in which his death/disability occurs. Employer shall have no further financial obligations to Employee or to his estate, except for the regular employee benefits provided by the Employer.

7. Termination. This Agreement may be terminated by either Employer or Employee upon the giving of one (1) month's notice to the other. This Agreement shall terminate automatically, without notice, upon the death or disability of Employee; upon either party engaging in any activity which constitutes a serious crime, or by mutual agreement. If this agreement is terminated as a result of the Company engaging in any activity which constitutes a serious crime, or the Employee is terminated by mutual agreement, or upon the Employee's death or disability, Employer will pay for the return of Employee and immediate family to the United Kingdom including coach air fare and air freight for 1,000 pounds of baggage. If this agreement is terminated as a result of the Employee being terminated for cause other than gross misconduct, Employer will pay to Employee severance pay equal to twelve months base salary at the then current base salary rate. If Employee voluntarily resigns employment, Employer will pay Employee through the last date of active employment.

8. Other.

A. Vehicle. Employer will provide an automobile and reimburse reasonable expenses incurred in connection with the business operation thereof. Fuel for personal mileage is not included. Size and model will be of the kind customarily provided to persons of comparable position in the United States.

B. Family Moving Expenses. Employer will pay all reasonable expenses incurred by Employee and Employee's family in connection with such moves to and from the United States in accordance with the Company's standard "Relocation and Move Policy for Current Employees" including all packing, moving and unpacking of household furnishings, all reasonable travel, meal and lodging expenses incurred by Employee and his family during such move; and any other reasonable costs or expenses incurred in connection with such move including insurance on personal possessions during such move.

C. Transfer Allowance. It is recognized that there are many other expenses connection with an international move which are not covered by normal moving expense reimbursements. These expenses include replacement of personal electrical appliances, home cleaning expenses, etc. To reimburse the employee for these and similar expenses a transfer allowance of $3,000, less appropriate taxes, will be paid both upon move to and return from the United States.

D. Trips Home. Once annually at a time of Employee's choice, Employer will pay coach fare for air flights for Employee and members of his immediate family for a personal visit home to the United Kingdom and return to the United States.

E. Tax Consultant. Compensation will be taxable during this assignment. Employer will make available a tax consultant to assist with tax report preparation. If actual taxes owed by Employee on compensation during the term of this Agreement exceed taxes that would have been owed if Employee was working in the United Kingdom, Employer will reimburse employee for the difference as evidenced by a qualified tax consultant.

D. Confidentiality. Employee recognizes and acknowledges that the information concerning the Employer's customers and suppliers as they may exist from time to time and Employer's technical and manufacturing processes are unique assets of the Employer. Employee agrees to keep confidential and will not disclose, during or after the term of this assignment, such information or processes to any person, firm, corporation or partnership.

9. Miscellaneous. The terms and conditions of the Employer's policies, as from time to time are in effect, are incorporated herein and shall be a part of this agreement. Except as stated in the immediately preceding sentence, this Agreement contains the entire Agreement between Employer and Employee and supersedes all prior agreements between them, whether oral or written.

The affairs of Employer and Hurco Europe, LTD., and the contents of this agreement are confidential and are not to be disclosed or discussed with any unauthorized person irrespective of whether such person is an Employee of Employer or Hurco Europe LTD.

This Agreement and the obligations hereunder shall be interpreted, construed and enforced in accordance with the laws of the State of Indiana.

No waiver or any breach of this Agreement shall be deemed or construed as a waiver of any other breach.

More than one copy of this Agreement may be executed each of which shall constitute an executed original. Any amendment of this Agreement shall be effective only if in writing and signed by both Employer and Employee.

If any provision of this Agreement shall be held invalid under applicable law, such provision shall be ineffective only to the extent of such invalidity, without invalidity to the remaining provisions of this Agreement.

10. Notices. Any notices or other communications required or permitted to be given under the provisions of this Agreement shall be in writing. All such notices or communications shall be deemed to have been properly given or served by hand delivery or by depositing same in the United States mail addressed to the appropriate party, postage prepaid and registered or certified with return receipt requested at the following address:

To: Hurco Companies, Inc.
One Technology Way
Indianapolis, IN 46268
Attention: Brian D. McLaughlin

To: Richard Blake
One Technology Way
Indianapolis, IN 46268

Either party has the right to change the above address by giving thirty (30) days notice thereof to the other party.

ACCEPTANCE:

Acceptance of this Agreement should be indicated where provided below and this letter returned to Brian D. McLaughlin, Chief Executive Officer.

HURCO COMPANIES, INC.

By: /s/ Brian D. McLaughlin
Brian D. McLaughlin
Chief Executive Officer

The undersigned hereby accepts the foregoing Agreement made by the undersigned and Hurco Companies, Inc. this 1st day of December, 1997, but effective as therein set forth in this Agreement.

By: /s/ Richard Blake
Richard Blake

Exhibit 11

Statement Re: Computation of Per Share Earnings

	Three Months Ended January 31, 1998			
	1998		1997	
	Basic	Fully Diluted	Basic	Fully Diluted
(in thousands, except per share amount)				
Net income........................	$2,186	$2,186	$1,016	$1,016
Weighted average shares outstanding	6,553	6,553	6,532	6,533
Assumed issuances under stock options plans...........................		196		148
	6,553	6,749	6,532	6,681
Earnings per common share	$.33	$.32	$.16	$.15

<ARTICLE> 5
<LEGEND>
THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE QUARTERLY REPORT 10-Q FOR THE PERIOD ENDED JANUARY 31, 1998 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.
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<BONDS>	0
<PREFERRED-MANDATORY>	0
<PREFERRED>	0
<COMMON>	656
<OTHER-SE>	30,997
<TOTAL-LIABILITY-AND-EQUITY>	57,700
<SALES>	22,120
<TOTAL-REVENUES>	22,120
<CGS>	15,997
<TOTAL-COSTS>	15,997
<OTHER-EXPENSES>	(1,511)
<LOSS-PROVISION>	0
<INTEREST-EXPENSE>	274
<INCOME-PRETAX>	2,342
<INCOME-TAX>	156
<INCOME-CONTINUING>	2,186
<DISCONTINUED>	0
<EXTRAORDINARY>	0
<CHANGES>	0
<NET-INCOME>	2,186
<EPS-PRIMARY>	.33
<EPS-DILUTED>	.32