SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

X Quarterly report pursuant to section 13 or 15(d) of the Securities Exchange Act of 1934 for the quarterly period ended April 30, 2003 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 ___

Indicate by check mark whether the Registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act).

Yes ___ No X

The number of shares of the Registrant's common stock outstanding as of May 30, 2003 was 5,583,158.

HURCO COMPANIES, INC.
April 2003 Form 10-Q Quarterly Report

Table of Contents

Part I - Financial Information

Part II - Other Information

PART I - FINANCIAL INFORMATION

Item 1. Condensed Financial Statements

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

	Three Months Ended April 30, 2003	Three Months Ended April 30, 2002	Six Months Ended April 30, 2003	Six Months Ended April 30, 2002
	(unaudited)		(unaudited)	
Sales and service fees	$ 17,453	$ 14,995	$ 33,406	$ 33,515
Cost of sales and service	12,325	12,029	24,284	26,546
Cost of sales - restructuring	--	1,083	--	1,083
Gross profit	5,128	1,883	9,122	5,886
Selling, general and administrative expenses	4,563	4,535	8,991	9,749
Restructuring expense and other expense, net	--	1,395	--	1,751
Operating income (loss)	565	(4,047)	131	(5,614)
Interest expense	150	133	309	310
Other income (expense), net	(68)	(2)	48	200
Income (loss) before taxes	347	(4,182)	(130)	(5,724)
Provision for income taxes	208	29	313	128

Net income (loss)	$ 139	$ (4,211)	$ (443)	$ (5,852)
Earnings (loss) per common share				
Basic	$ .02	$ (.75)	$ (.08)	$ (1.05)
Diluted	$ .02	$ (.75)	$ (.08)	$ (1.05)
Weighted average common shares outstanding				
Basic	5,583	5,583	5,583	5,583
Diluted	5,583	5,583	5,583	5,583

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

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

	April 30, 2003 (unaudited)	October 31, 2002 (audited)
ASSETS		
Current assets:		
Cash and cash equivalents	$ 2,948	$ 4,358
Cash - restricted	1,150	--
Accounts receivable	11,397	13,425
Inventories	26,090	22,548
Other	1,615	1,204
Total current assets	43,200	41,535
Property and equipment:		
Land	761	761
Building	7,203	7,203
Machinery and equipment	10,390	10,144
Leasehold improvements	483	396
Less accumulated depreciation and amortization	(10,236)	(9,696)
	8,601	8,808
Software development costs, less amortization	1,625	1,604
Investments and other assets	4,933	5,205
	$ 58,359	$ 57,152
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 12,065	$ 9,856
Accrued expenses	10,027	10,016
Bank debt	2,493	--
Current portion of long-term debt	1,316	1,313
Total current liabilities	25,901	21,185
Non-current liabilities:		
Long-term debt	4,707	7,572
Deferred credits and other obligations	408	378
Total non-current liabilities	5,115	7,950
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; 5,583,158 and 5,583,158 shares issued and outstanding, respectively	558	558
Additional paid-in capital	44,717	44,717
Accumulated deficit	(10,616)	(10,173)
Other comprehensive income	(7,316)	(7,085)
Total shareholders' equity	27,343	28,017
	$58,359	$ 57,152

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 April 30, 2003	2002	Six Months Ended April 30, 2003	2002
	(unaudited)		(unaudited)	
Cash flows from operating activities:				
Net income (loss)	$ 139	$ (4,211)	$ (443)	$ (5,852)
Adjustments to reconcile net income (loss) to net cash provided by (used for) operating activities:				
Restructuring and other expense	--	2,219	--	2,519
Equity in (income) loss of affiliates	(49)	(33)	(145)	11
Depreciation and amortization	366	477	715	990
Change in assets and liabilities:				
(Increase) decrease in accounts receivable	1,924	2,191	2,820	3,569
(Increase) decrease in inventories	(2,142)	1,933	(2,430)	4,753
Increase (decrease) in accounts payable	1,353	637	2,141	(1,834)
Increase (decrease) in accrued expenses	(490)	(1,085)	(2,025)	(1,015)
Other	260	(241)	(47)	34
Net cash provided by operating activities	1,361	1,887	586	3,175
Cash flows from investing activities:				
Proceeds from sale of equipment	--	--	--	45
Purchase of property and equipment	(193)	(324)	(295)	(616)
Software development costs	(136)	(128)	(202)	(285)

Change in restricted cash	26	--	(1,150)	--
Other investments	(18)	912	(26)	891
Net cash provided by (used for) investing activities	(321)	460	(1,673)	35
Cash flows from financing activities:				
Advances on bank credit facilities	7,100	5,600	13,300	12,575
Repayment on bank credit facilities	(8,145)	(12,300)	(13,511)	(20,575)
Proceeds from first mortgage	--	4,500	--	4,500
Repayment of first mortgage	(24)	--	(49)	--
Repayment of term debt	(337)	--	(337)	--
Proceeds from exercise of common stock options	--	--	--	4
Net cash used for financing activities	(1,406)	(2,200)	(597)	(3,496)
Effect of exchange rate changes on cash	82	110	274	(19)
Net increase (decrease) in cash and Cash equivalents	(284)	257	(1,410)	(305)
Cash and cash equivalents at beginning of period	3,232	2,961	4,358	3,523
Cash and cash equivalents at end of period	$ 2,948	$ 3,218	$ 2,948	$ 3,218

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

HURCO COMPANIES, INC.
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
For the Six Months Ended April 30, 2003 and 2002

	Common Stock					
	Shares Issued & Outstanding	Amount	Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (loss)	Total
			(Dollars in thousands)			
Balances, October 31, 2001	5,580,658	$558	$44,714	$ (1,910)	$(7,894)	$35,468
Net loss	--	--	--	(5,852)	--	(5,852)
Translation of foreign currency financial statements	--	--	--	--	461	461
Unrealized gain on derivative instruments	--	--	--	--	3	3
Comprehensive loss	--	--	--	--	--	(5,388)
Exercise of common stock options	2,500	--	3	--	--	3
Balances, April 30, 2002	5,583,158	$558	$44,717	$(7,762)	$(7,430)	$30,083
Balances, October 31, 2002	5,583,158	$558	$44,717	$ (10,173)	$(7,085)	$28,017
Net loss	--	--	--	(443)	--	(443)
Translation of foreign currency financial statements	--	--	--	--	901	901
Unrealized loss on derivative instruments	--	--	--	--	(1,132)	(1,132)
Comprehensive loss	--	--	--	--	--	(674)
Exercise of common stock options	--	--	--	--	--	--
Balances, April 30, 2003	5,583,158	$558	$44,717	$(10,616)	$(7,316)	$27,343

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

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. GENERAL

The unaudited Condensed Consolidated Financial Statements include the accounts of Hurco Companies, Inc. and its consolidated subsidiaries. We design and produce interactive computer control systems and software and computerized machine tools for sale through our distribution network to the worldwide metal working market. We also provide software options, computer control upgrades, accessories and replacement parts for our products, as well as customer service and training support.

The condensed financial information as of April 30, 2003 and for the three and six months ended April 30, 2003 and April 30, 2002 is unaudited, however, in our opinion, the interim data includes all adjustments, consisting only of normal recurring adjustments, necessary for a fair statement of the results and financial position for the interim periods. We suggest that you read these condensed financial statements in conjunction with the financial statements and the notes thereto included in our Annual Report on Form 10-K for the year ended October 31, 2002.

2. HEDGING

We enter into foreign currency forward exchange contracts periodically to hedge certain forecast inter-company sales and forecast inter-company and third-party purchases denominated in foreign currencies (primarily Pound Sterling, Euro and New Taiwan Dollar). The purpose of these instruments is to mitigate the risk that the U.S. Dollar net cash inflows and outflows resulting from the sales and purchases denominated in foreign currencies will be adversely affected by changes in exchange rates. These forward contracts have been designated as cash flow hedge instruments, and are recorded in the Condensed Consolidated Balance Sheet at fair value in Other Current Assets and Accrued Expenses. Gains and losses resulting from changes in the fair value of these hedge contracts are deferred in Other Comprehensive Income and recognized as an adjustment to the related sale or purchase transaction in the period that the transaction occurs. Net losses on cash flow hedge contracts which we reclassified from Other Comprehensive Income to Cost of Sales in the second quarter ended April 30, 2003 and 2002 were $193,000 and $7,000, respectively.

At April 30, 2003, we had $1,777,000 of unrealized losses related to cash flow hedges deferred in Accumulated Other Comprehensive Income, which we expect to recognize in Cost of Sales within the next twelve months. Cash flow hedge contracts mature at various dates through April 2004.

We also enter into foreign currency forward exchange contracts to protect against the effects of foreign currency fluctuations on receivables and payables denominated in foreign currencies. These derivative instruments are not designated as hedges under Statement of Financial Accounting Standards No. 133, "Accounting Standards for Derivative Instruments and Hedging Activities" (SFAS 133), and, as a result, changes in fair value are reported currently as Other Income, Net in the Consolidated Statement of Operations consistent with the transaction gain or loss on the related foreign denominated receivable or payable. Such net transaction losses were $95,000 and $77,000 for the quarters ended April 30, 2003 and 2002, respectively.

3. EARNINGS PER SHARE

Basic and diluted earnings per common share are based on the weighted average number of our shares of common stock outstanding. Diluted earnings per common share give effect to outstanding stock options using the treasury method. The impact of all stock options for the three and six months ended April 30, 2003 were excluded from the computation of diluted earnings per share because there effect would be anti-dilutive.

4. ACCOUNTS RECEIVABLE

The allowance for doubtful accounts was $790,000 as of April 30, 2003 and $689,000 as of October 31, 2002.

5. INVENTORIES

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

	April 30, 2003	October 31, 2002
Purchased parts and sub-assemblies	$ 6,565	$ 6,677
Work-in-process	2,606	2,251
Finished goods	16,919	13,620
	$ 26,090	$ 22,548

6. SEGMENT INFORMATION

We operate in a single segment: industrial automation systems. We design and produce interactive computer control systems and software and computerized machine tools for sale through our distribution network to the worldwide metal working market. We also provide software options, computer control upgrades, accessories and replacement parts for our products, as well as customer service and training support.

7. RESTRUCTURING EXPENSE AND OTHER EXPENSE, NET

During fiscal 2002, we discontinued several under-performing product lines, sold the related assets and discontinued a software development project, to enable us to focus our resources and technology development on our core products, which consist primarily of general purpose computerized machine tools for the metal cutting industry (vertical machining centers) into which our proprietary Ultimax(R) software and computer control systems have been fully integrated. At April 30, 2003, we had $43,000 accrued for costs related to five employees that are being paid severance in future periods and $1.1 million for potential expenditures related to a disputed claim in the United Kingdom regarding a terminated facility lease (See Note 9). These expenses are summarized below (in thousands):

Description	Balance 10/31/02	Provision	Charges to Accrual	Balance 4/30/03
Severance	$ 264	--	$ (221)	$ 43
Foreign lease termination liability	1,113	--	--	1,113
Total	$1,377	--	$ (221)	$1,156

8. DEBT AGREEMENTS

We are currently in discussions with lenders to replace our existing domestic credit facility with a long-term credit facility in conjunction with assessing our liquidity needs for fiscal 2004 and beyond. We believe, but cannot assure you, that we will be able to obtain a replacement domestic facility and a renewed European facility under acceptable terms. Failure to obtain replacement facilities would have a material adverse effect on our business and financial condition.

We were in compliance with all loan covenants at April 30, 2003, and had an unused credit availability of $6.6 million.

9. LEASEHOLD REPAIRS CONTINGENCY

We previously occupied a facility located in England under a lease that expired in April 2002. The lease required that, following expiration of the lease, we make certain repairs to the facility resulting from deterioration of the facility during the lease term. We are in settlement discussions with the lessor. We continue to believe that our reserve at $1.1 million for this contingency is appropriate.

10. GUARANTEES

For the quarter ending April 30, 2003, we adopted Financial Accounting Standards Board Interpretation No. 45 ("FIN 45"), "Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others, an interpretation of FASB Statements No. 5, 57 and 107 and Rescission of FASB Interpretation No. 34." FIN 45 clarifies the requirements of FASB Statement No. 5, Accounting for Contingencies, relating to the guarantor's accounting for, and disclosure of, the issuance of certain types of guarantees.

From time to time, our German subsidiary guarantees third party lease financing residuals in connection with the sale of certain machines in Europe. At April 30, 2003 there were 25 third party guarantees totaling approximately $1.3 million. A retention of title clause allows us to obtain the machine should the customer default on the payment terms to the financing company. If default occurs, the proceeds obtained from liquidation of the machine would, we believe, cover any payments required under the guarantee.

We provide warranties on our products with respect to defects in material and workmanship. The terms of these warranties are generally one year for machines and shorter periods for service parts. We recognize a reserve with respect to this obligation at the time of product sale, with subsequent warranty claims recorded against the reserve. The amount of the warranty reserve is determined based on historical trend experience and any known warranty issues that could cause future warranty costs to differ from historical experience. A reconciliation of the changes in our warranty reserve is as follows (in thousands):

	Warranty Reserve
Balance at October 31, 2002	$1,003
Provision for warranties during the period	670
Charges to the accrual	(812)
Impact of foreign currency translation	59
Balance at April 30, 2003	$ 920

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" within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements involve known and unknown risks, uncertainties and other factors that that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. These factors include, among others, changes in general economic and business conditions that affect market demand for machines tools and related computer control systems, software products, and replacement parts, changes in manufacturing markets, adverse currency movements, innovations by competitors, quality and delivery performance by our contract manufacturers and governmental actions and initiatives including import and export restrictions and tariffs.

RESULTS OF OPERATIONS

Three Months Ended April 30, 2003 Compared to Three Months Ended April 30, 2002

The following tables set forth net sales by geographic region and product category for the second quarter ending April 30, 2003 and 2002 (in thousands):

Net Sales and Service Fees by Geographic Region

	April 30,			
	2003		2002	
Americas	$5,276	30.2%	$ 5,773	38.5%
Europe	11,442	65.6%	8,954	59.7%
Asia Pacific	735	4.2%	268	1.8%
Total	$17,453	100.0%	$ 14,995	100.0%

Net Sales and Service Fees by Product Category

	April 30,			
	2003		2002	
Continuing Products and Services				
Computerized Machine Tools	$13,748	78.8%	$ 9,832	65.6%
Computer Control Systems and Software	801	4.6%	757	5.0%
Service Parts	1,765	10.1%	1,667	11.1%
Service Fees	915	5.2%	757	5.0%
Total	17,229	98.7%	13,013	86.7%
Discontinued Products *	224	1.3%	1,982	13.3%
Total	$17,453	100.0%	$14,995	100.0%

* Discontinued product sales were made solely in the United States.

Total sales and service fees were $17.5 million in the second quarter of fiscal 2003, a $2.5 million, or 16.4%, increase compared to the prior year period. The increase was attributable primarily to a $1.9 million favorable effect of stronger European currencies when translating foreign sales and service fees to U.S. Dollars for financial reporting purposes. When measured at constant exchange rates, sales and service fees increased $521,000, or 3.5%, from the prior year period. Sales and services fees of continuing products in the United States increased $1.3 million, or 33%, fueled by the successful introduction in late fiscal 2002, of a new lower priced vertical machining center. The increase was more than offset by reduced sales of discontinued products in the United States which decreased $1.8 million, as that liquidation is substantially complete. Sales and service fees in Europe increased $584,000, or 6.5%, in constant U.S. Dollars which was also attributable to sales of the new lower priced vertical machining center model.

Sales of continuing machine tool products increased $3.9 million, or 40%, of which $1.7 million was attributable to the favorable effects of translation of sales made in foreign currencies. Unit shipments of continuing machine tool models increased 23% due to the introduction of a new lower priced vertical machining center model in late fiscal 2002. The average net selling price per unit of continuing machine tool models increased 13.5% due to the effect of the weaker U.S. Dollar when translating sales made in foreign currencies. When measured at constant exchange rates, the average net selling price per unit declined slightly due to the inclusion of the lower priced new model in the overall sales mix.

New order bookings for the second quarter of fiscal 2003 were $20.6 million, an increase of 25% as compared to $16.5 million recorded in the prior year period. New order bookings for continuing products and services increased $3.5 million, or 23%, when measured at constant exchange rates; orders for discontinued products decreased $1.8 million; and the effect of the weaker U.S. Dollar, when translating orders booked in foreign currencies, contributed $2.4 million to reported new orders, all as compared to the prior year period. The $3.5 million increase in orders for continuing products in constant U.S. Dollars was attributable almost entirely to orders for the new lower priced vertical machining center model, of which approximately 55% were in the U.S. market. Backlog was $7.3 million at April 30, 2003 compared to $5.3 million at October 31, 2002 and $3.9 million at January 31, 2003.

Gross profit margin increased in the second quarter of fiscal 2003 to 29.4% from 12.6% (19.8% excluding a $1.1 million restructuring charge) in the same period a year ago, due in large part to the effect of the weaker U.S. Dollar when converting sales made in European currencies, as well as previously reported cost reductions.

Selling, general and administrative expenses for the second quarter of fiscal 2003 of $4.6 million were substantially unchanged from the prior year. The benefits of previously reported cost reductions were offset by the unfavorable currency effect from translation of foreign selling, general and administrative expenses into U.S. Dollars.

The provision for income taxes is related to the earnings of two foreign subsidiaries. In the United States and certain other foreign jurisdictions, we have net operating carryforwards for which we have a 100% valuation reserve at April 30, 2003.

Six Months Ended April 30, 2003 Compared to Six Months Ended April 30, 2002

The following tables set forth net sales by geographic region and product category for the six months ended April 30, 2003 and 2002 (in thousands):

Net Sales and Service Fees by Geographic Region

	April 30,			
	2003		2002	
Americas	$11,266	33.7%	$11,231	33.5%
Europe	21,161	63.3%	21,437	64.0%
Asia Pacific	979	3.0%	847	2.5%
Total	$33,406	100.0%	$ 33,515	100.0%

Net Sales and Service Fees by Product Category

	April 30,			
	2003		2002	
Continuing Products and Services				
Computerized Machine Tools	$26,438	79.1%	$23,853	71.2%
Computer Control Systems and Software	1,504	4.5%	1,695	5.1%
Service Parts	3,298	9.9%	3,233	9.6%
Service Fees	1,734	5.2%	1,512	4.5%
Total	32,974	98.7%	30,293	90.4%
Discontinued Products *	432	1.3%	3,222	9.6%
Total	$33,406	100.0%	$33,515	100.0%

* Discontinued product sales were made solely in the United States.

Total sales and service fees were $33.4 million in the first half of fiscal 2003, approximating that of the prior year period. Sales and service fees benefited $3.2 million from the favorable effect of stronger European currencies when translating foreign sales to U.S. Dollars for financial reporting purposes. Sales and service fees in Europe measured at constant exchange rates declined $3.4 million, or 16%, reflecting the continuing weakness in industrial equipment spending and reduced consumption of machine tools by many manufacturing companies, particularly in Germany. In the Americas, sales and service fees of continuing products and services increased $2.8 million, or 35%, which was offset by reduced sales of discontinued products, as that inventory liquidation is substantially complete.

Sales of continuing machine tool products increased $2.6 million, or 11%, of which $2.8 million was attributable to the favorable effects from translation of sales made in foreign currencies, resulting in a slight decline in sales in constant U.S. Dollars. Unit shipments of continuing machine tool models increased 9.6%, as sales of the new lower priced vertical machining center model introduced in late fiscal 2002 more than offset a decline in the balance of the product line. The average net selling price per unit of continuing machine tool models increased approximately 12% due to the effect of the weaker U.S. Dollar when translating foreign sales to U.S. Dollars for financial reporting purposes. When measured at constant exchange rates, the average net selling price per unit declined approximately 10% due to the inclusion of the lower-priced new model in the overall sales mix. The net effect was a slight increase in the average net selling price per unit.

New order bookings for the first half of fiscal 2003 were $34.9 million, an increase of 9.2% as compared to $32.0 million recorded in the comparable prior year period. New order bookings for continuing products and services increased $2.4 million, or 8.3%, when measured at constant exchange rates; orders for discontinued products decreased $2.8 million; and the translation effect of the weaker U.S. Dollar contributed $3.3 million to reported new orders, all as compared to the prior year period. The $2.4 million increase in orders for continuing products in constant U.S. Dollars was attributable to orders for the new low cost vertical machining center model, which more than offset the effect of weak orders rates in the first fiscal quarter of 2003 related to the balance of the product line. Backlog was $7.3 million at April 30, 2003 compared to $5.3 million at October 31, 2002.

Gross profit margin increased in the first half of fiscal 2003 to 27.3% from 17.6% (20.8% excluding a $1.1 million restructuring charge) in the same period a year ago, due in large part to strengthening European currencies, particularly the Euro, as well as previously reported employee cost reductions.

Selling, general and administrative expenses for the first half of fiscal 2003 of $9.0 million were $758,000, or 8%, below those of the corresponding 2002 period, despite an unfavorable $547,000 effect of currency translation, due to previously reported cost reduction programs.

Other income, net in the first half of fiscal 2003 consisted primarily of earnings from two affiliates accounted for using the equity method. Other income in the prior year period consisted primarily of license fee income from the patent licensing program that was completed in fiscal 2002.

The provision for income taxes is related to the earnings of two foreign subsidiaries. In the United States and certain other foreign jurisdictions, we have net operating carryforwards for which we have a 100% valuation reserve at April 30, 2003.

FOREIGN CURRENCY RISK MANAGEMENT

We manage our foreign currency exposure through the use of foreign currency forward exchange contracts. We do not speculate in the financial markets and, therefore, do not enter into these contracts for trading purposes. We also moderate our 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. See Item 3 below and Note 2 to the Condensed Consolidated Financial Statements.

LIQUIDITY AND CAPITAL RESOURCES

We had unrestricted cash and cash equivalents of $2.9 and $4.4 million at April 30, 2003 and October 31, 2002, respectively. We had $1.2 million of restricted cash at April 30, 2003 resulting from hedging arrangements that require cash to be on deposit with the institution based on open positions. Cash provided by operations totaled $586,000 in the first half of fiscal 2003 compared to $3.2 million in the prior year period.

Net working capital, excluding short-term debt, was of $21.1 million at April 30, 2003 compared to $21.7 million at October 31, 2002.

Capital investments for the first half of fiscal 2003 consisted principally of expenditures for software development projects and purchases of equipment. Cash used for investing activities during the first half of fiscal 2003 was funded by cash flow from operations.

At April 30, 2003, outstanding borrowings of $2.5 million under our domestic and European bank credit facilities were classified as a current liability because the facilities mature on December 15, 2003 and November 30, 2003, respectively. Total debt at April 30, 2003 was $8.5 million representing 23.7% of total capitalization, compared to $8.9 million, or 24.1%, of total capitalization at October 31, 2002. We were in compliance with all loan covenants at April 30, 2003 and had unused credit availability of $6.6 million.

Based on our business plan and financial projections for fiscal 2003, we believe that cash flow from operations and borrowings available to us under our credit facilities will be sufficient to meet our anticipated cash requirements for the balance of fiscal 2003. Although we believe that the assumptions underlying our 2003 business plan are reasonable and achievable, there are risks related to further declines in market demand and reduced sales in the U.S. and Europe and adverse currency movements that could cause our actual results to differ from our business plan. We are also currently in discussions with lenders to replace our existing domestic credit facility with a long-term credit facility in conjunction with assessing our liquidity needs for fiscal 2004 and beyond. We expect the European bank credit facility to be renewed for twelve-months on or before its maturity date. We believe, but cannot assure you, that we will be able to obtain a replacement domestic facility and a renewed European facility under acceptable terms. Failure to obtain replacement facilities would have a material adverse effect on our business and financial condition.

ODD-LOT TENDER OFFER

On June 3, 2003, we commenced a tender offer for the purchase, at a price of $3.35 per share, of all shares of our common stock held by persons owning ninety-nine (99) or fewer shares as of the close of business on June 2, 2003. The offer will expire at 5:00 p.m. New York City time on Tuesday, July 1, 2003, unless extended or terminated earlier. If, after completion of the tender offer, we have fewer than 300 shareholders of record, we intend to terminate the registration of our common stock under the Securities Act of 1934 and become a non-reporting company. This means that we will no longer file periodic reports with the SEC, including, among other things, annual reports on Form 10-K and quarterly reports on Form 10-Q, and we will not be subject to the SEC's proxy rules. In addition, our common stock will no longer be eligible for trading in the Nasdaq market. The tender offer is being made upon the terms and subject to the conditions set forth in the Offer to Purchase and the accompanying letter of transmittal, each dated June 3, 2003, copies of which are included in our Schedule 13E-3 Transaction Statement which we filed with the SEC on June 6, 2003.

NEW ACCOUNTING PRONOUCEMENTS

In December 2002, the Financial Accounting Standards Board issued Statement No. 148, "Accounting for Stock-Based Compensation - Transition and Disclosure - an amendment of SFAS No. 123, Accounting for Stock-Based Compensation" (SFAS 148). The Standard provides for (1) alternative methods of transition for an entity that voluntarily changes to the fair-value method of accounting for stock-based compensation; (2) requires more prominent disclosure of the effects of an entity's accounting policy decisions with respect to stock-based compensation on reported income; and (3) amends APB Opinion No. 28, "Interim Financial Reporting", to require disclosure of those effects in interim financial information. SFAS No. 148 is effective for fiscal years ending after December 15, 2002, and for financial reports containing condensed financial statements for interim periods beginning after December 15, 2002. We are currently reviewing alternatives related to the adoption of the fair-value method of accounting for stock-based compensation and will finalize our decision in fiscal 2003. We do not expect the adoption of SFAS 148 to have a material impact on our Condensed Consolidated Financial Statements.

CRITICAL ACCOUNTING POLICIES

Our accounting policies require our management to make significant estimates and assumptions using information available at the time the estimates are made. Such estimates and assumptions significantly affect various reported amounts of assets, liabilities, revenues and expenses. If our future experience differs materially from these estimates and assumptions, our results of operations and financial condition could be affected. There have been no material changes to our critical accounting policies, which are described in our Annual Report on Form 10-K for the fiscal year ended October 31, 2002.

CONTRACTUAL OBLIGATIONS AND COMMITMENTS

There have been no material changes from the information provided in our Annual Report on Form 10-K for the fiscal year ended October 31, 2002.

Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Interest Rate Risk

Interest on our bank borrowings is affected by changes in prevailing U.S. and European interest rates. At April 30, 2003, outstanding borrowings under our bank credit facilities were $2.5 million and our total indebtedness was $8.5 million.

Foreign Currency Exchange Risk

In the second quarter of fiscal 2003, approximately 72% of our sales and service fees, including export sales, were derived from foreign markets. All of our computerized machine systems and computer numerical control systems, as well as certain proprietary service parts, are sourced by our U.S.-based engineering and manufacturing division and re-invoiced to our foreign sales and service subsidiaries, primarily in their functional currencies.

Our products are sourced from foreign suppliers or built to our specifications by either our wholly owned subsidiary in Taiwan, or contract manufacturers overseas. These purchases are predominantly in foreign currencies and in many cases our arrangements with these suppliers include foreign currency risk sharing agreements, which reduce (but do not eliminate) the effects of currency fluctuations on product costs. The predominant portion of our exchange rate risk associated with product purchases relates to the New Taiwan Dollar.

We enter into forward foreign exchange contracts from time to time to hedge the cash flow risk related to forecast inter-company sales, and forecast inter-company and third-party purchases denominated in, or based on, foreign currencies. We also enter into foreign currency forward exchange contracts to provide a natural hedge against the effects of foreign currency fluctuations on receivables and payables denominated in foreign currencies. We do not speculate in the financial markets and, therefore, do not enter into these contracts for trading purposes.

Forward contracts for the sale or purchase of foreign currencies as of April 30, 2003 which are designated as cash flow hedges under SFAS No. 133 were as follows:

Forward Contracts	Notional Amount in Foreign Currency	Weighted Avg. Forward Rate	Contract Amount at Forward Rates in U.S. Dollars: At Date of Contract	Contract Amount at Forward Rates in U.S. Dollars: April 30, 2003	Maturity Dates
Sale Contracts:					
Euro	14,400,000	1.0379	$14,945,760	$16,007,014	May 2003 - April 2004
Sterling	940,000	1.5598	$1,466,212	$1,492,294	May 2003 - April 2004
Purchase Contracts:					
New Taiwan Dollar	175,000,000	34.32*	$5,099,068	$5,028,118	May - September 2003

Forward contracts for the sale of foreign currencies as of April 30, 2003, which were entered into to protect against the effects of foreign currency fluctuations on receivables and payables denominated in foreign currencies were as follows:

Forward Contracts	Notional Amount in Foreign Currency	Weighted Avg. Forward Rate	Contract Amount at Forward Rates in U.S. Dollars: At Date of Contract	Contract Amount at Forward Rates in U.S. Dollars: April 30, 2003	Maturity Dates
Sale Contracts:					
Euro	5,297,080	1.0854	$5,749,451	$5,912,204	May - June 2003
Singapore Dollar	2,087,377	.5648	$1,178,976	$1,177,171	May - June 2003
Sterling	756,332	1.5750	$1,191,223	$1,206,884	May - June 2003
Purchase Contracts:					
New Taiwan Dollar	149,700,000	34.49*	$4,340,389	$4,297,727	May - June 2003

* NT Dollars per U.S. Dollars

Item 4. CONTROLS AND PROCEDURES

Within 90 days prior to the date of this report, we carried out an evaluation under the supervision and with participation of management, including the Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures pursuant to Exchange Act Rule 13a-15. Based upon that evaluation, our management, including the Chief Executive Officer and Chief Financial Officer, concluded that our disclosure controls and procedures were effective as of the evaluation date. There were no significant changes in the internal controls or in other factors that could significantly affect these controls subsequent to the evaluation date.

PART II - OTHER INFORMATION

Item 1. LEGAL PROCEEDINGS

We are involved in various claims and lawsuits arising in the normal course of business. We believe it is remote that any of these claims will have a material adverse effect on our consolidated financial position or results of operations.

Item 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

At our Annual Meeting of Shareholders held on April 3, 2002, the following individuals were elected to the Board of Directors by the following votes cast at the meeting:

	For	Abstentions and Broker Non-Votes
Robert W. Cruickshank	4,900,374	81,371
Michael Doar	4,900,294	81,451
Richard T. Niner	4,900,494	81,251
O. Curtis Noel	4,899,890	81,855
Charles E. M. Rentschler	4,900,294	81,481
Gerald V. Roch	4,899,890	81,855

Item 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits:

11 Statement re: Computation of Per Share Earnings

99.1 Certification pursuant to 18 U.S.C. Section 1350 by the Chief Executive Officer, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

99.2 Certification pursuant to 18 U.S.C. Section 1350 by the Chief Financial Officer, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

(b) Reports on Form 8-K:

Report filed on May 22, 2003 furnishing items under Item 9. Regulation FD Disclosure.

Report filed on June 3, 2003 furnishing items under Item 5. Regulation FD Disclosure.

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

June 13, 2003

CERTIFICATIONS

I, Michael Doar, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Hurco Companies,

Inc.;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report; and

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report.

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and have:

   a. Designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

   b. Evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

   c. Presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies in the design or operations of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

/s/ Michael Doar
Michael Doar
Chairman & Chief Executive Officer
June 12, 2003

I, Roger J. Wolf, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Hurco Companies, Inc.;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report; and

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report.

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and have:

a. Designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

b. Evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

c. Presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a. All significant deficiencies in the design or operations of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

/s/ Roger J. Wolf
Roger J. Wolf
Senior Vice President & Chief Financial Officer
June 12, 2003

EXHIBIT 11
Statement Re: Computation of Per Share Earnings

	Three Months Ended April 30,				Six Months Ended April 30,			
	2003		2002		2003		2002	
(in thousands, except per share amount)	Basic	Diluted	Basic	Diluted	Basic	Diluted	Basic	Diluted
Net income (loss)	$ 139	$ 139	$(4,211)	$(4,211)	$ (443)	$ (443)	$(5,852)	$(5,852)
Weighted average shares outstanding	5,583	5,583	5,583	5,583	5,583	5,583	5,583	5,583
Dilutive effect of stock options	--	--	--	--	--	--	--	--
	5,583	5,583	5,583	5,583	5,583	5,583	5,583	5,583
Earnings (loss) per common share	$ 0.02	$ 0.02	$ (0.75)	$(0.75)	$(0.08)	$(0.08)	$(1.05)	$(1.05)

exhibit 99.1

Certification pursuant to
18 U.S.C. Section 1350,
as adopted pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report of Hurco Companies, Inc., (the

"Company") on Form 10-Q for the Quarter ending April 30, 2003 as filed with the Securities and Exchange Commission on June , 2003 (the "Report"), I, Michael Doar, Chairman and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. ss. 1350, as adopted pursuant to ss. 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Michael Doar
Michael Doar
Chairman & Chief Executive Officer
June 12, 2003

A signed original of this written statement required by Section 906 has been provided to Hurco Companies, Inc. ("Hurco") and will be retained by Hurco and furnished to the Securities and Exchange Commission or its staff upon request.

exhibit 99.2

Certification pursuant to
18 U.S.C. Section 1350,
as adopted pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report of Hurco Companies, Inc., (the "Company") on Form 10-Q for the quarter ending April 30, 2003 as filed with the Securities and Exchange Commission on June , 2003 (the "Report"), I, Roger J. Wolf, Senior Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. ss. 1350, as adopted pursuant to ss. 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Roger J. Wolf
Roger J. Wolf
Senior Vice President & Chief Financial Officer
June 12, 2003

A signed original of this written statement required by Section 906 has been provided to Hurco Companies, Inc. ("Hurco") and will be retained by Hurco and furnished to the Securities and Exchange Commission or its staff upon request.