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SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): February 18, 2004

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

INDIANA	0-9143	35-1150732
(State or other jurisdiction of incorporation or organization)	(Commission File No.)	(I.R.S. Employer Identification No.)

ONE TECHNOLOGY WAY  
INDIANAPOLIS, INDIANA 46268  
(Address of principal executive offices and zip code)

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

NOT APPLICABLE  
(Former name or former address, if changed since last report)

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**ITEM 12. RESULTS OF OPERATION AND FINANCIAL CONDITION**

On August 18, 2004, Hurco Companies, Inc. (the "Registrant") reported its results of operations for the third quarter ended July 31, 2004. The Registrant's earnings release for the quarter is attached as Exhibit 99 and the information set forth therein is incorporated herein by reference and constitutes a part of this report. The attached Exhibit is furnished pursuant to Item 12 of Form 8-K.

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**SIGNATURE**

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 hereunto duly authorized.

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**EXHIBIT INDEX**

[Exhibit 99 Press Release of Hurco Companies, Inc. dated August 18, 2004](#)

FOR IMMEDIATE RELEASE  
WEDNESDAY, AUGUST 18, 2004

**HURCO REPORTS THIRD QUARTER 2004 RESULTS**

**INDIANAPOLIS, INDIANA, — August 18, 2004—Hurco Companies, Inc. (Nasdaq:HURC)** today announced that for its third fiscal quarter, which ended July 31, 2004, it recorded net income of \$1,582,000, or \$.25 per share, compared to \$331,000, or \$.06 per share, for the corresponding quarter of 2003. For the first nine months of fiscal 2004, Hurco recorded net income of \$3,988,000, or \$.67 per share, compared to a net loss of \$112,000, or \$.02 per share, for the corresponding 2003 period.

The Company attributed the dramatic improvement in its operating results to a substantial increase in its sales of computerized machine tools, due primarily to strong demand for its new machine tool models introduced over the past two years and improving market conditions, particularly in the United States and Southeast Asia. The improved results also reflected the favorable effects of stronger European currencies during the 2004 period, which resulted in a more favorable average exchange rate when translating foreign currencies into U.S. dollars for financial reporting purposes.

Sales and service fees for the third quarter of fiscal 2004 were \$23,748,000, an increase of \$5,394,000, or 29%, over the corresponding quarter of 2003. Approximately 67% of Hurco's sales during the 2004 period were made outside the United States and were denominated in local currencies (primarily the Euro and Pound Sterling). As a result, approximately \$1,000,000 of the increase was attributable to the favorable effects of currency translation.

New order bookings for the third quarter of fiscal 2004 were \$27,448,000, an increase of \$8,539,000, or 45%, over the third quarter of 2003. Approximately \$1,200,000 of the increase was attributable to the favorable effects of currency translation. Orders increased 54% in the United States, 33% in Europe and 244% in Asia. For the nine months ended July 31, 2004, new orders increased \$19,995,000, or 38%, over the 2003 period. Backlog was \$11,104,000 at July 31, 2004, compared to \$7,392,000 at April 30, 2004., and \$8,153,000 at October 31, 2003.

Hurco's gross margin for the third quarter of fiscal 2004 was 30.8% compared to 27.6% for the prior year period. The improvement reflected the benefits of higher unit sales and stronger European currencies. Selling, general and administrative expenses were \$5,241,000 for the 2004 period, an increase of \$909,000 over the amount recorded for the corresponding 2003 period.

Total debt was \$4,953,000 at July 31, 2004, and represented 12% of the Company's total capitalization, which aggregated \$40,859,000. As of July 31, 2004, the Company had unutilized credit facilities of \$12,211,000 available for direct borrowing or commercial letters of credit.

Michael Doar, Chief Executive Officer, stated, "We are encouraged by the financial results achieved in the third quarter. Order intake in the United States and Asia continues to be strong while order rates in Europe improved considerably in the third quarter. Our lower-priced VM product line introduced nearly two years ago continues to generate significant orders. To meet customer demand, we have increased our inventories of finished products and are increasing our production capacity. We look forward to introducing new machine tool models at the International Manufacturing Technology Show in September, including a series of turning centers (lathes), a first for Hurco, that will broaden our product lines and the markets we can serve. "

Hurco Companies, Inc. is an industrial technology company that designs and produces interactive computer controls, software and computerized machine tools for the worldwide metal cutting and metal forming industry. The end market for the Company's products consists primarily of independent job shops and short-run manufacturing operations within large corporations in industries such as the aerospace, defense, medical equipment, energy, transportation and computer equipment. The Company is based in Indianapolis, Indiana, and has sales, application engineering and service subsidiaries in High Wycombe, England; Munich, Germany; Paris, France; Milan, Italy; Shanghai, China and Singapore, along with manufacturing operations in Taiwan. Products are sold through independent agents and distributors in the United States, Europe and Asia. The Company also has direct sales forces in the United Kingdom, Germany, France, Italy, and Asia.

Web Site: [www.hurco.com](http://www.hurco.com)

*This news release contains forward looking statements which involve known and unknown risks, uncertainties and other factors 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 demand for computerized machine systems, computer numerical control systems and software products, changes in manufacturing markets, innovations by competitors, quality and delivery performance by our contract manufacturers and governmental actions and initiatives including import and export restrictions and tariffs.*

Contact: Roger J. Wolf  
Sr. Vice President & CFO  
317-293-5319

**Hurco Companies, Inc.**  
**CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS**  
(In thousands, except per-share data)

Three Months Ended July 31,

Nine Months Ended July 31,

	2004	2003	2004	2003
		(unaudited)		(unaudited)
<b>Sales and service fees</b>	\$ 23,748	\$ 18,354	\$ 70,721	\$ 51,760
Cost of sales and service	16,435	13,280	49,464	37,564
<b>Gross profit</b>	7,313	5,074	21,257	14,196
Selling, general and administrative expenses	5,241	4,332	15,295	13,323
<b>Operating income</b>	2,072	742	5,962	873

Interest expense	113	167	374	476
Variable Option Expense	-	-	322	-
Other income (expense), net	28	(43)	(119)	5
Income before taxes	1,987	532	5,147	402
Provision for income taxes	405	201	1,159	514
<b>Net income (loss)</b>	<b>\$ 1,582</b>	<b>\$ 331</b>	<b>\$ 3,988</b>	<b>\$ (112)</b>
<b>Earnings (loss) per common share</b>				
<b>Basic</b>	<b>\$ 0.27</b>	<b>\$ 0.06</b>	<b>\$ 0.70</b>	<b>\$ (0.02)</b>
<b>Diluted</b>	<b>\$ 0.25</b>	<b>\$ 0.06</b>	<b>\$ 0.67</b>	<b>\$ (0.02)</b>
<b>Weighted average common shares outstanding</b>				
<b>Basic</b>	<b>5,882</b>	<b>5,583</b>	<b>5,722</b>	<b>5,583</b>
<b>Diluted</b>	<b>6,204</b>	<b>5,630</b>	<b>5,964</b>	<b>5,583</b>

**OTHER CONSOLIDATED FINANCIAL DATA**

Data:	Three Months Ended July 31,		Nine Months Ended July 31,	
	2004	2003	2004	2003
<b>Operating Data:</b>		(unaudited)		(unaudited)
Gross margin	30.8	27.6	30.1	27.4
SG&A expense as a percentage of sales	22.1	23.6	21.6	25.7
Operating income as a percentage of sales	8.7	4.0	8.4	1.7
Income before taxes as a percentage of sales	8.4	2.9	7.3	0.8
Depreciation	291	358	932	1,073
Capital expenditures	742	338	1,732	835
<b>Balance Sheet Data:</b>	<b>7/31/2004</b>	<b>7/31/2003</b>		
Working capital (excluding short term debt)	\$ 24,698	\$ 23,448		
Days sales outstanding	45	45		
Inventory turns	2.5	1.9		
Capitalization Total debt Shareholders' equity	\$ 35,906	\$ 27,986		
Total	\$ 40,859	\$ 38,320		

**Hurco Companies, Inc.**  
**CONDENSED CONSOLIDATED BALANCE SHEET**  
(In thousands, except per-share data)

	July 31, 2004	October 31, 2003
	(unaudited)	(audited)
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 6,564	\$ 5,289
Cash - restricted	-	622
Accounts receivable	14,351	12,823
Inventories	27,393	22,247
Other	2,171	1,409
Total current assets	<u>50,479</u>	<u>42,390</u>
<b>Property and equipment:</b>		
Land	761	761
Building	7,242	7,239
Machinery and equipment	10,908	10,568
Leasehold improvements	648	544
	<u>19,559</u>	<u>19,112</u>
Less accumulated depreciation and amortization	(11,131)	(10,730)
	<u>8,428</u>	<u>8,382</u>
<b>Software development costs, less amortization</b>	2,686	1,922
<b>Investments and other assets</b>	5,599	5,264
	<u>\$ 67,192</u>	<u>\$ 57,958</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current liabilities:</b>		
Accounts payable	\$ 16,746	\$ 9,461
Accrued expenses	9,035	10,048
Current portion of long-term debt	315	645
Total current liabilities	<u>26,096</u>	<u>20,154</u>
<b>Non-current liabilities:</b>		
Long-term debt	4,638	8,577
Deferred credits and other obligations	552	486
Total liabilities	<u>31,286</u>	<u>29,217</u>
<b>Shareholders' equity:</b>		
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 5,953,694 and  
5,575,987 shares issued, respectively

Additional paid-in capital

Accumulated deficit

Accumulated other comprehensive income

Total shareholders' equity

	595	557
	46,495	44,695
	(5,723)	(9,711)
	(5,461)	(6,800)
	<u>35,906</u>	<u>28,741</u>
	<u>\$ 67,192</u>	<u>\$ 57,958</u>