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 July 31, 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 September 10, 2003 was 5,575,987.

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

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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 July 31		Nine Months Ended July 31	
	2003	2002	2003	2002
	(unaudited)		(unaudited)	
Sales and service fees............................	$ 18,354	$ 18,204	$ 51,760	$ 51,719
Cost of sales and service.........................	13,280	13,823	37,564	40,369
Cost of sales - restructuring.....................	--	--	--	1,083
Gross profit	5,074	4,381	14,196	10,267
Selling, general and administrative expenses......	4,332	4,672	13,323	14,421
Restructuring and other expense, net..............	--	--	--	1,751
Operating income (loss)	742	(291)	873	(5,905)
Interest expense..................................	167	159	476	469
Other income (expense), net.......................	(43)	(47)	5	153
Income (loss) before taxes....................	532	(497)	402	(6,221)
Provision for income taxes........................	201	154	514	282
Net income (loss).................................	$ 331	$ (651)	$ (112)	$ (6,503)
Earnings (loss) per common share				
Basic.......................................	$ 0.06	$ (0.12)	$ (0.02)	$ (1.16)
Diluted.....................................	$ 0.06	$ (0.12)	$ (0.02)	$ (1.16)
Weighted average common shares outstanding				
Basic.......................................	5,583	5,583	5,583	5,583
Diluted.....................................	5,630	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)

	July 31, 2003 (unaudited)	October 31, 2002 (unaudited)
ASSETS		
Current assets:		
Cash and cash equivalents..	$ 3,227	$ 4,358
Cash - restricted..	521	--
Accounts receivable..	11,545	13,425
Inventories..	26,018	22,548
Other..	1,851	1,204
Total current assets...	43,162	41,535
Property and equipment:		
Land...	761	761
Building...	7,221	7,203
Machinery and equipment..	10,469	10,144
Leasehold improvements...	503	396
	18,954	18,504
Less accumulated depreciation and amortization............................	(10,494)	(9,696)
	8,460	8,808
Software development costs, less amortization.....................................	1,787	1,604
Investments and other assets..	5,071	5,205

	$ 58,480	$ 57,152
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 11,318	$ 9,856
Accrued expenses	8,396	10,016
Bank debt	2,200	--
Current portion of long-term debt	981	1,313
Total current liabilities	22,895	21,185
Non-current liabilities:		
Long-term debt	7,153	7,572
Deferred credits and other obligations	446	378
Total non-current liabilities	7,599	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, and 5,583,158 shares issued	558	558
Additional paid-in capital	44,717	44,717
Accumulated deficit	(10,285)	(10,173)
Accumulated other comprehensive income	(7,004)	(7,085)
Total shareholders' equity	27,986	28,017
	$ 58,480	$ 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 July 31 2003	Three Months Ended July 31 2002	Nine Months Ended July 31 2003	Nine Months Ended July 31 2002
Cash flows from operating activities:				
Net income (loss)	$ 331	$ (651)	$ (112)	$ (6,503)
Adjustments to reconcile net income (loss) to net cash provided by (used for) operating activities:...				
Restructuring and other expense	--	(173)	--	2,346
Equity in (income) loss of affiliates	(11)	(11)	(156)	--
Depreciation and amortization	358	485	1,073	1,475
Change in assets and liabilities:				
(Increase) decrease in accounts receivable	(69)	(372)	2,751	3,197
(Increase) decrease in inventories	(178)	1,638	(2,608)	6,391
Increase (decrease) in accounts payable	(854)	1,404	1,287	(430)
Increase (decrease) in accrued expenses	(1,036)	447	(3,061)	(568)
Other	(352)	(647)	(399)	(613)
Net cash provided by (used for) operating activities	(1,811)	2,120	(1,225)	5,295
Cash flows from investing activities:				
Proceeds from sale of equipment	--	26	--	71
Purchase of property and equipment	(86)	(480)	(381)	(1,096)
Software development costs	(252)	(132)	(454)	(417)
Change in restricted cash	629	--	(521)	--
Other investments	6	155	(20)	1,046
Net cash provided by (used for) investing activities.	297	(431)	(1,376)	(396)
Cash flows from financing activities:				
Advances on bank credit facilities	17,952	6,450	38,631	19,025
Repayment on bank credit facilities	(15,867)	(8,350)	(36,757)	(28,925)
Proceeds from first mortgage	--	--	--	4,500
Repayment on first mortgage	(27)	(15)	(76)	(15)
Repayment of term debt	(336)	--	(673)	--
Proceeds from exercise of common stock options	--	--	--	4
Net cash provided by (used for) financing activities	1,722	(1,915)	1,125	(5,411)
Effect of exchange rate changes on cash	71	170	345	151
Net increase (decrease in cash and cash equivalents	279	(56)	(1,131)	(361)
Cash and cash equivalents at begining of period	2,948	3,218	4,358	3,523
Cash and cash equivalents at end of period	$ 3,227	$ 3,162	$ 3,227	$ 3,162

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 nine months ended July 31, 2003 and 2002

	Common Stock Shares Issued & Outstanding	Common Stock 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	--	--	--	(6,503)	--	(6,503)
Translation of foreign currency financial statements	--	--	--	--	870	870
Unrealized loss on derivative instruments	--	--	--	--	(215)	(215)
Comprehensive loss	--	--	--	--	--	(5,848)
Exercise of common stock options	2,500	--	3	--	--	3
Balances, July 31, 2002	5,583,158	$ 558	$ 44,717	$ (8,413)	$ (7,239)	$ 29,623

	Common Stock Shares Issued & Outstanding	Common Stock Amount	Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (loss)	Total

			(Dollars in thousands)			
Balances, October 31, 2002	5,583,158	$ 558	$ 44,717	$ (10,173)	$ (7,085)	$ 28,017
Net loss...........................	--	--	--	(112)	--	(112)
Translation of foreign currency financial statements............	--	--	--	--	1,032	1,032
Unrealized loss on derivative instruments......................	--	--	--	--	(951)	(951)
Comprehensive loss..................	--	--	--	--	--	(31)
Exercise of common stock options....	--	--	--	--	--	--
Balances, July 31, 2003	5,583,158	$ 558	$ 44,717	$ (10,285)	$ (7,004)	$ 27,986

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 July 31, 2003 and for the three and nine months ended July 31, 2003 and July 31, 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 consolidated 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 of product 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 Accumulated Other Comprehensive Income and recognized as an adjustment to cost of sales in the period that the sale of the related hedged item is recognized, thereby providing an offsetting economic impact against the corresponding change in the U.S. dollar value of the inter-company sale or purchase item being hedged.

At July 31, 2003, we had $1,596,000 of losses related to cash flow hedges deferred in Accumulated Other Comprehensive Income. Of this amount, $635,000 represents unrealized losses related to future cash flow hedge instruments that remain subject to currency fluctuation risk. These deferred losses will be recorded as an adjustment to cost of sales in the periods through October 31, 2004, in which the sale of the related hedged item is recognized, as described above. Net losses on cash flow hedge contracts which we reclassified from Other Comprehensive Income to Cost of Sales in the quarters ended July 31, 2003 and 2002 were $336,000 and $47,000, respectively.

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 $48,000 and $52,000 for the quarters ended July 31, 2003 and 2002, respectively.

3. STOCK OPTIONS

At July 31, 2003, we had two stock-based compensation plans for employees and non-employee directors, which is described more fully in the notes to the consolidated financial statements included in our 2002 annual report on Form 10-K. We account for those plans under the recognition and measurement principles of APB Opinion No. 25, "Accounting for Stock Issued to Employees," and related Interpretations. No stock based compensation cost is reflected in net earnings related to those plans, as all stock options granted had exercise prices equal to the market value of the underlying common stock on the date of grant. The following table illustrates the effect on net earnings and earnings per share if the Company had applied the fair value recognition provisions of

SFAS No. 123, "Accounting for Stock Based Compensation," to the above plans.

	3 Months Ended July 31		9 Months Ended July 31	
	2003	2002	2003	2002
Net income, as reported............................	$ 331	$ (651)	$ (112)	$ (6,503)
Deduct: Total stock-based employee compensation expense determined under fair value based method for all awards, net of related tax effects.............	(49)	(91)	(148)	(273)
Pro forma net income (loss)........................	$ 282	$ (742)	$ (260)	$ (6,776)
Earnings per share:				
Basic as reported.............................	$ 0.06	$ (0.12)	$ (0.02)	$ (1.16)
Basic pro forma................................	0.05	(0.13)	(0.05)	(1.21)
Diluted as reported...........................	$ 0.06	(0.12)	$ (0.02)	$ (1.16)
Diluted pro forma.............................	0.05	(0.13)	(0.05)	(1.21)

4. 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 stock options for the three months ended July 31, 2003 was 47,000, while the impact for the nine months ended July 31, 2003 was excluded from the computation of diluted earnings per share because their effect would be anti-dilutive.

5. ACCOUNTS RECEIVABLE

The allowance for doubtful accounts was $785,000 as of July 31, 2003 and $689,000 as of October 31, 2002.

6. INVENTORIES

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

	July 31, 2003	October 31, 2002
Purchased parts and sub-assemblies	$ 6,764	$ 6,677
Work-in-process	2,366	2,251
Finished goods	16,888	13,620
	$ 26,018	$ 22,548

7. 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.

8. 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 July 31, 2003, we had $23,000 accrued for costs related to employees that will be paid severance in future periods and $1.2 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	Translation	Balance 7/31/03
Severance	$ 264	$ --	$ (241)	$ --	$ 23
Foreign lease termination liability	1,113	--	--	97	1,210
Total	$ 1,377	$ --	$ (241)	97	$ 1,233

9. DEBT AGREEMENTS

During the past several quarters, we have been in discussions with several lenders to replace our existing long-term credit facility, which matures and, unless extended, will expire on December 15, 2003. We are currently in negotiations regarding proposed terms of a replacement domestic facility, and we believe, but cannot assure you, that we will be able to obtain a replacement domestic facility under acceptable terms. Failure to obtain a replacement facility or extension of our current facility would have a material adverse effect on our business and financial condition. Effective September 1, 2003, we modified our European credit facility, extending its maturity date to August 31, 2004. Outstanding borrowings under this facility of $2.5 million are classified as long-term debt at July 31, 2003.

We were in compliance with all loan covenants at July 31, 2003, and had an unused credit availability of $4.9 million.

10. 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 negotiations with the lessor. We continue to believe that our reserve of $1.2 million for this contingency is appropriate.

11. GUARANTEES

During the period ending January 31, 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 July 31, 2003 there were 27 third party guarantees totaling approximately $1.4 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	1,023
Charges to the accrual	(1,242)
Impact of foreign currency translation	63
Balance at July 31, 2003	$ 847

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 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 July 31, 2003 Compared to Three Months Ended July 31, 2002

Hurco's operating results for the third quarter of fiscal 2003 were favorably impacted to a significant extent by changes in foreign currency exchange rates, particularly the Euro, in relation to the U.S. Dollar, when translating sales and operating expenses of foreign subsidiaries to U.S. Dollars for financial reporting purposes. As noted in the following table, approximately 61.2% of

Hurco's net sales and service fees in the third quarter of 2003 were derived from European markets. The weighted average exchange rate for the Euro during the most recent fiscal quarter was $1.14, as compared to $.96 for the comparable prior year period, an increase of 19%.

Net Sales and Service Fees by Geographic Region

The following table sets forth net sales and service fees by geographic region for the third quarter ending July 31, 2003 and 2002 (in thousands):

	July 31, 2003		July 31, 2002	
Americas	$ 6,146	33.5%	$ 6,789	37.3%
Europe	11,226	61.2%	10,767	59.1%
Asia Pacific	982	5.3%	648	3.6%
Total	$ 18,354	100.0%	$ 18,204	100.0%

Total sales and service fees on a worldwide basis were $18.4 million in the third quarter of fiscal 2003, a $150,000, or 0.8%, increase compared to the prior year period. In the Americas, sales and service fees from continuing products and services increased $940,000, or 18%, fueled by the successful introduction of a new lower priced vertical machining center model in late fiscal 2002. This increase was more than offset by a decrease of $1.6 million in sales of discontinued products. The liquidation of discontinued products is now substantially complete. In Europe, sales and service fees benefited by $1.6 million from the favorable effect of stronger European currencies when translating sales and service fees to U.S. dollars for financial reporting purposes. However, when measured at constant exchange rates, sales and service fees in Europe decreased $1.1 million, or 10%, reflecting the continuing weakness in industrial equipment spending and reduced consumption of machine tools by many manufacturing companies, particularly in Germany. Sales and service fees in Asia Pacific were not significantly affected by currency rates, but reflect improved activity in Asian markets.

Net Sales and Service Fees by Product Category

The following table sets forth net sales and service fees by product category for the third quarter ending July 31, 2003 and 2002 (in thousands):

	July 31, 2003		July 31, 2002	
Continuing Products and Services				
Computerized Machine Tools	$ 14,740	80.3%	$ 12,967	71.2%
Computer Control Systems and Software	741	4.0%	776	4.3%
Service Parts	1,940	10.6%	2,006	11.0%
Service Fees	899	4.9%	840	4.6%
Total	18,320	99.8%	16,589	91.1%
Discontinued Products *	34	0.2%	1,615	8.9%
Total	$ 18,354	100.0%	$ 18,204	100.0%

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

Sales of continuing machine tool models increased $1.8 million, or 14%, of which $1.4 million was attributable to the favorable effects of foreign currency translation. Unit shipments of continuing machine tool models increased 31% due to the introduction of a new lower priced vertical machining center model in late fiscal 2002. The average net selling price per continuing unit decreased 13% due to the product mix shifting to the lower priced vertical machining center, along with some discounting, the effects of which were partially offset by the effects of currency translation. When measured in constant exchange rates, the average net selling price per continuing machine unit decreased 22%. Revenues from continuing non-machine sales and service fees approximated that of the prior year period.

New order bookings for the third quarter of fiscal 2003 were $18.9 million, an increase of 7% as compared to $17.6 million recorded in the prior year period. This increase was influenced by three factors: (1) at constant exchange rates, new order bookings for continuing products and services increased $1.0 million, or 6%; (2) orders for discontinued products decreased $1.6 million; and (3) the effect of the weaker U.S. dollar, when translating orders booked in foreign currencies, increased new orders booked by $1.9 million. The $1.0 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. Backlog was $7.3 million at July 31, 2003, compared to $5.3 million at October 31, 2002 and $6.8 million at April 30, 2003.

Gross profit margin increased in the third quarter of fiscal 2003 to 27.6% from 24.1% in the same period a year ago, due in large part to strengthening European currencies, particularly the Euro, as well as to previously reported cost reductions. The favorable effect of changes in currency rates on gross profit margin for the period was partially offset by losses on forward hedge contracts related to product shipped in the period, as described in Note 2.

Selling, general and administrative ("SG&A") expenses for the third quarter of fiscal 2003 of $4.3 million were $340,000, or 7% lower than the same period in the prior year. SG&A expenses increased approximately $271,000 due to the effects of a weaker U.S. Dollar when translating expenses incurred outside the United States for financial reporting purposes. However, when measured at constant exchange rates, SG&A expenses decreased $611,000, or 13%, from the prior year period, as a result of previously reported employee cost reductions, lower research and development expenses, and reduced sales and marketing expenditures.

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 loss carryforwards for which we have a 100% valuation reserve at July 31, 2003.

Nine Months Ended July 31, 2003 Compared to Nine Months Ended July 31, 2002

Similar to the third quarter, Hurco's operating results for the nine months ended July 31, 2003 were favorably impacted to a significant extent by changes in foreign currency exchange rates, particularly the Euro, in relation to the U.S. Dollar, when translating sales and operating expenses of foreign subsidiaries to U.S. Dollars for financial reporting purposes. As noted in the following table, approximately 62.5% of Hurco's net sales and service fees in the third quarter of 2003 were derived from European markets. The weighted average exchange rate for the Euro during the first nine months of fiscal 2003 was $1.09, as compared to $.91 for the comparable prior year period, an increase of 19%.

Net Sales and Service Fees by Geographic Region

The following table sets forth net sales and service fees by geographic region for the nine months ended July 31, 2003 and 2002 (in thousands):

	July 31,			
	2003		2002	
Americas	$ 17,411	33.6%	$ 18,020	34.8%
Europe	32,387	62.5%	32,204	62.3%
Asia Pacific	1,962	3.9%	1,495	2.9%
Total	$ 51,760	100.0%	$ 51,719	100.0%

Total sales and service fees on a worldwide basis were $51.8 million in the first nine months of fiscal 2003, approximating that of the prior year period. In the Americas, sales and service fees from continuing products and services increased $3.8 million, or 29%, due primarily to the successful introduction of a new lower priced vertical machining center model in late fiscal 2002. This increase was more than offset by a decrease of $4.4 million in sales of discontinued products. The liquidation of discontinued products is now substantially complete. In Europe, sales and service fees benefited by $4.8 million from the favorable effect of stronger European currencies when translating sales and service fees to U.S. dollars for financial reporting purposes. However, when measured at constant exchange rates, sales and service fees in Europe decreased $4.6 million, or 14%, reflecting the continuing weakness in industrial equipment spending and reduced consumption of machine tools by many manufacturing companies, particularly in Germany. Sales and service fees in Asia Pacific were not significantly affected by currency rates, but reflect improved activity in Asian markets.

Net Sales and Service Fees by Product Category

The following table sets forth net sales and service fees by product category for the nine months ended July 31, 2003 and 2002 (in thousands):

	July 31,			
	2003		2002	
Continuing Products and Services				
Computerized Machine Tools	$ 41,178	79.6%	$ 36,820	71.2%
Computer Control Systems and Software	2,244	4.3%	2,471	4.8%
Service Parts	5,238	10.1%	5,239	10.1%
Service Fees	2,633	5.1%	2,352	4.5%
Total	51,293	99.1%	46,882	90.6%
Discontinued Products *	467	0.9%	4,837	9.4%
Total	$ 51,760	100.0%	$ 51,719	100.0%

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

Sales of continuing machine tool products increased $4.4 million, or 12%, of which $4.3 million was attributable to the favorable effects of foreign currency translation, resulting in almost no change in total sales and service fees in constant U.S. Dollars. Unit shipments of continuing machine tool models increased 22%, 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 decreased approximately 8% due to product mix and discounting, the effects of which were partially offset by the favorable effects of currency translation. When measured at constant exchange rates, the average net selling price per continuing unit declined approximately 18%. Revenues from continuing non-machine sales and service fees approximated that of the prior year period.

New order bookings for the first nine months of fiscal 2003 were $53.3 million, an increase of 8% as compared to $49.6 million recorded in the comparable prior year period. New order bookings for continuing products and services increased $3.1 million, or 7%, when measured at constant exchange rates; orders for discontinued products decreased $4.4 million; and the translation effect of the weaker U.S. Dollar contributed $5.0 million to reported new orders, all as compared to the prior year period. The $3.1 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 order rates in the first fiscal quarter of 2003 related to the balance of the product line.

Gross profit margin increased in the first nine months of fiscal 2003 to 27.4% from 19.9% (21.9% 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 in relation to the U.S. dollar, as well as previously reported employee cost reductions. The favorable effect of changes in currency rates on gross profit margin for the period was partially offset by losses on forward hedge contracts related to product shipped in the period, as described in Note 2.

Selling, general and administrative ("SG&A") expenses for the first nine months of fiscal 2003 of $13.3 million were $1.1 million, or 8%, below those of the corresponding 2002 period. SG&A expenses increased approximately $853,000, due to the effects of a weaker U.S. Dollar when translating expenses incurred outside the United States for financial reporting purposes. When measured at constant exchange rates, SG&A expenses decreased $1.9 million or 13%, from the prior year period, as a result of previously reported employee cost reductions, lower research and development expenses, and reduced sales and marketing expenditures.

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 loss carryforwards for which we have a 100% valuation reserve at July 31, 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 $3.2 and $4.4 million at July 31, 2003 and October 31, 2002, respectively. We had $521,000 of restricted cash at July 31, 2003 resulting from hedging arrangements that require cash to be on deposit with the institution based on open positions. Cash used by operations totaled $1.2 million in the first nine months of fiscal 2003 compared to $5.3 million of cash provided by operations in the prior year period.

Net working capital, excluding short-term debt, was $23.4 million at July 31, 2003 compared to $21.7 million at October 31, 2002, an increase of $1.7 million, which was due entirely to the effects of stronger European currencies. When measured at average exchange rates during the period, net working capital increased $1.6 million due to a $3.1 million reduction in accrued expenses, related primarily to the timing of payments for income taxes, warranty expenses and other accrued items by our European subsidiaries, offset in part by an increase of $1.3 million in vendor payables related to manufacturing activities.

Capital investments for the first nine months of fiscal 2003 consisted principally of expenditures for software development projects and purchases of equipment. Cash used for investing activities during the first nine months of fiscal 2003 was funded by available cash and borrowings under bank credit facilities.

At July 31, 2003, outstanding borrowings of $2.2 million under our domestic bank credit facility were classified as a current liability because the facility matures on December 15, 2003. Effective September 1, 2003, we modified our European credit facility, extending its maturity date to August 31, 2004. Outstanding borrowings under this facility of $2.5 million were classified as long-term debt at July 31, 2003. Total debt at July 31, 2003 was $10.3 million representing 27% of total capitalization, compared to $8.9 million, or 24%, of total capitalization at October 31, 2002. We were in compliance with all loan covenants at July 31, 2003 and had unused credit availability of $4.9 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. During the past several quarters, we have been in discussions with several lenders to replace our existing long-term credit facility. We are currently in negotiations regarding proposed terms of a replacement domestic facility, and we believe, but cannot assure you, that we will be able to obtain a replacement domestic facility under acceptable terms. Failure to obtain a replacement facility or extension of our current facility 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 expired at 5:00 p.m. New York City time on Tuesday, September 2, 2003. Pursuant to the tender offer, we purchased 7,171 shares of common stock. Upon the expiration of the tender offer, we continued to have more than 300 stockholders of record.

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 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 July 31, 2003, outstanding borrowings under our bank credit facilities were $4.7 million and our total indebtedness was $10.3 million.

Foreign Currency Exchange Risk

In the third quarter of fiscal 2003, approximately 67% of our sales and service fees were derived from foreign markets. All of our computerized machine tools 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 July 31, 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		Maturity Dates
			At Date of Contract	July 31, 2003	
Sale Contracts:					
Euro	16,800,000	1.0790	18,127,200	18,784,313	August 2003 - October 2004
Sterling	1,290,000	1.6045	2,069,805	2,055,335	August 2003 - June 2004
Purchase Contracts:					
New Taiwan Dollar	70,000,000	34.50*	2,028,986	2,036,375	August 2003 - September 2003

* per U. S. Dollars

Forward contracts for the sale of foreign currencies as of July 31, 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		Maturity Dates
			At Date of Contract	July 31, 2003	
Sale Contracts:					
Euro	4,628,051	1.1412	5,281,532	5,196,080	August 2003 - September 2003
Singapore Dollar	2,261,873	1.7466*	1,295,015	1,286,249	August 2003 - November 2003
Sterling	510,633	1.6246	829,574	820,357	August 2003 - September 2003
Purchase Contracts:					
New Taiwan Dollar	26,000,000	34.32*	757,575	756,400	August 2003 - September 2003

* per U.S. Dollars

Item 4. CONTROLS AND PROCEDURES

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 as of July 31, 2003 pursuant to Rule 13a-15(b) under the Securities Exchange Act of 1934, as amended. 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 have been no changes in our internal controls over financial reporting that occurred during the quarter ended July 31, 2003 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

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 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits:

11 Statement re: Computation of Per Share Earnings

31.1 Certification by the Chief Executive Officer, pursuant to Rule 13a-14(a) under the Securities and Exchange Act of 1934, as amended.

31.2 Certification by the Chief Financial Officer, pursuant to Rule 13a-14(a) under the Securities and Exchange Act of 1934, as amended. ,

32.1 Certification by the Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

32.2 Certification by the Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

(b) Reports on Form 8-K:

Report filed on June 23, 2003 furnishing items under Item 5, Other Events.

Report filed on July 2, 2003 furnishing items under Item 5, Other Events.

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

September 11, 2003

Exhibit 11

Statement Re: Computation of Per Share Earnings

(in thousands, except per share data)	Three Months Ended July 31, 2003 Basic	Three Months Ended July 31, 2003 Diluted	Three Months Ended July 31, 2002 Basic	Three Months Ended July 31, 2002 Diluted	Nine months Ended July 31, 2003 Basic	Nine months Ended July 31, 2003 Diluted	Nine months Ended July 31, 2002 Basic	Nine months Ended July 31, 2002 Diluted
Net income (loss)..................	$ 331	$ 331	$ (651)	$ (651)	$ (112)	$ (112)	$ (6,503)	$ (6,503)
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....	--	47	--	--	--	--	--	--
	5,583	5,630	5,583	5,583	5,583	5,583	5,583	5,583
Earnings (loss) per common share.....	$ 0.06	$ 0.06	$ (0.12)	$ (0.12)	$ (0.02)	$ (0.02)	$ (1.16)	$ (1.16)

Exhibit 31.1

CERTIFICATION PURSUANT TO RULE 13a-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED

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 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 report;

3. Based on my knowledge, the financial statements, and other financial information included in this 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 report;

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

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, 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 report is being prepared;

   (b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

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

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Michael Doar
Michael Doar
Chairman & Chief Executive Officer
September 10, 2003

Exhibit 31.2

CERTIFICATION PURSUANT TO RULE 13a-14(a) UNDER THE
SECURITIES EXCHANGE ACT OF 1934, AS AMENDED

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 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 report;

3. Based on my knowledge, the financial statements, and other financial information included in this 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 report;

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

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, 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 report is being prepared;

   (b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

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

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Roger J. Wolf
Roger J. Wolf
Senior Vice President & Chief Financial Officer
September 10, 2003

Exhibit 32.1

CERTIFICATION 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 period ending July 31, 2003 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned hereby certifies, 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
September 10, 2003

Exhibit 32.2

CERTIFICATION 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 period ending July 31, 2003 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned hereby certifies, 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
September 10, 2003