

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 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) March 7, 2014

Hurco Companies, Inc.

(Exact Name of Registrant as Specified in Its Charter)

Indiana

(State or Other Jurisdiction of Incorporation)

0-9143

(Commission File Number)

35-1150732

(I.R.S. Employer Identification Number)

One Technology Way  
Indianapolis, Indiana

(Address of principal executive offices)

46268

(Zip code)

(317) 293-5309

(Registrant's Telephone Number, Including Area Code)

Not Applicable

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

**Item 2.02. Results of Operation and Financial Condition**

On March 7, 2014, Hurco Companies, Inc. (the "Registrant") reported its results of operations for the first quarter ended January 31, 2014. The Registrant's earnings release for the period 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 2.02 of Form 8-K.

**Item 9.01 Financial Statements and Exhibits.**

99 Press Release dated March 7, 2014.

---

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.

Dated: March 7, 2014

HURCO COMPANIES, INC

By: /s/Sonja K. McClelland  
Sonja K. McClelland  
Interim Chief Financial Officer, Secretary,  
Corporate Controller and Principal Accounting Officer

---

EXHIBIT INDEX

Exhibit 99      Press Release of Hurco Companies, Inc. dated March 7, 2014.

---

**FOR IMMEDIATE RELEASE**  
**FRIDAY, MARCH 7, 2014**

**HURCO REPORTS FIRST QUARTER RESULTS**

**INDIANAPOLIS, INDIANA — March 7, 2014**, Hurco Companies, Inc. (Nasdaq Global Select Market: HURC) today reported results for the first fiscal quarter ended January 31, 2014. For the first quarter of fiscal 2014, Hurco recorded net income of \$2,369,000, or \$0.36 per diluted share, compared to net income of \$2,254,000, or \$0.34 per diluted share, for the corresponding period in fiscal 2013. The increase in net income was attributable to a 16% growth in sales and service fees year-over-year. Orders for the first quarter of fiscal 2014 were 12% higher than the first quarter of fiscal 2013.

Sales and service fees for the first quarter of fiscal 2014 were \$50,970,000, an increase of \$6,885,000, or 16%, from the corresponding prior year period. The increase in sales and service fees included a favorable impact of \$600,000 primarily due to a stronger Euro when translating foreign sales to U.S. Dollars for financial reporting purposes.

The following table sets forth net sales and service fees by geographic region for the first quarters of fiscal 2014 and 2013 (in thousands):

	Net Sales and Service Fees Three Months Ended January 31,				
	2014	2013	\$ Change	% Change	
North America	\$ 16,293	\$ 16,252	\$ 41	0%	
Europe	29,234	24,670	4,564	19%	
Asia Pacific	5,443	3,163	2,280	72%	
Total	\$ 50,970	\$ 44,085	\$ 6,885	16%	

European and Asian Pacific sales increased during the first quarter of fiscal 2014 by 19% and 72%, respectively, compared to the corresponding prior year period. The overall improvement in sales was primarily driven by increased orders and shipments in Germany and China. European sales and service fees included \$1,676,000 attributable to sales of electro-mechanical components and accessories manufactured by Hurco's Italian-based subsidiary LCM Precision Technologies (LCM). Hurco acquired this business on July 1, 2013. LCM products accounted for 6% of Hurco's sales in Europe for the first quarter of fiscal 2014. Asian Pacific sales in the fiscal 2014 period benefited from a multiple machine order from a customer in China totaling approximately \$725,000, or 13% of total Asian Pacific sales.

Orders in the first quarter of fiscal 2014 increased by 12% compared to the corresponding period in the prior year. European orders included \$3,357,000 of LCM products for the first quarter of fiscal 2014, or 9% of total orders for Europe. European and Asian Pacific orders in the first quarter of fiscal 2014 were higher than those reported in any of the previous four quarters of fiscal 2013, even when excluding orders for LCM products. The impact of currency translation on orders booked in the first quarter of fiscal 2014 was consistent with the impact on sales.

---

The following table sets forth orders by geographic region for the first quarters of fiscal 2014 and 2013 (in thousands):

	Orders Three Months Ended January 31,		\$ Change	% Change
	2014	2013		
North America	\$ 14,572	\$ 14,613	\$ (41)	0%
Europe	36,511	30,696	5,815	19%
Asia Pacific	6,011	5,792	219	4%
Total	\$ 57,094	\$ 51,101	\$ 5,993	12%

Hurco's gross profit for the first quarter of fiscal 2014 was \$13,919,000, or 27% of sales, compared to \$12,916,000, or 29% of sales, for the prior year period. The increase in gross profit was attributable to the increase in sales, including LCM products. The decrease in gross margin year over year was primarily due to the effect of selling machines in the first quarter of fiscal 2014 that were manufactured in fiscal 2013 when fixed costs were leveraged over lower production levels.

Selling, general and administrative expenses for the first quarter of fiscal 2014 were \$10,600,000, or 21% of sales, compared to \$8,920,000, or 20% of sales, in the same quarter of fiscal 2013. The increase in selling, general and administrative expenses was due primarily to incremental operating expenses associated with the acquisition of the LCM business and changes in incentive compensation implemented during the first quarter of fiscal 2014.

The effective tax rate for the first quarter of fiscal 2014 was 28%, compared to the rate of 39% for the corresponding prior year period, due to changes in the geographic mix of income or loss between tax jurisdictions.

Cash and cash equivalents totaled \$47,993,000 at January 31, 2014, compared to \$42,804,000 at October 31, 2013. Inventories at January 31, 2014 were \$93,708,000, a decrease of \$1,552,000 from those at the end of fiscal 2013.

Michael Doar, Chief Executive Officer, stated, "I am pleased that Europe has shown some improvement from the economic disruption experienced last year. Historically, our business has depended on the premium reputation our products have earned in Europe, which makes us sensitive to changes in market conditions there. As for Asia, since China is the number one consumer of machine tools in the world, our participation is vital to long-term success. I am optimistic that our sales in China will increase as their market begins to embrace more complex manufacturing operations, which is where our technology benefits customers the most."

Hurco Companies, Inc. is an industrial technology company that designs and produces interactive computer controls, software and computerized machine tools and machine tool components 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 aerospace, defense, medical equipment, energy, transportation and computer equipment. The Company is based in Indianapolis, Indiana, with manufacturing operations in Taiwan, Italy, and China, and sells its products through direct and indirect sales forces throughout North America, Europe, and Asia. The Company has sales, application engineering support and service subsidiaries in China, England, France, Germany, India, Italy, Poland, Singapore, South Africa and the United States of America. 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, the cyclical nature of the machine tool industry, changes in general economic and business conditions that affect demand for our products, the risks of our international operations, changes in manufacturing markets, innovations by competitors, the ability to protect our intellectual property, fluctuations in foreign currency exchange rates, increases in prices of raw materials, quality and delivery performance by our vendors, our ability to effectively integrate acquisitions, uncertainty concerning our ability to use tax loss carryforwards and governmental actions and initiatives including import and export restrictions and tariffs.*

Contact: Michael Doar  
Chairman, Chief Executive Officer  
317-293-5309

---

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

	Quarter Ended January 31,	
	2014	2013
	(unaudited)	
<b>Sales and service fees</b>	\$ 50,970	\$ 44,085
Cost of sales and service	37,051	31,169
<b>Gross profit</b>	13,919	12,916
Selling, general and administrative expenses	10,600	8,920
<b>Operating income</b>	3,319	3,996
Interest expense	77	65
Interest income	16	16
Investment income	31	11
Other expense (income), net	16	259
Income before taxes	3,273	3,699
Provision for income taxes	904	1,445
<b>Net income</b>	<u>\$ 2,369</u>	<u>\$ 2,254</u>
<b>Earnings per common share</b>		
<b>Basic</b>	<u>\$ 0.36</u>	<u>\$ 0.35</u>
<b>Diluted</b>	<u>\$ 0.36</u>	<u>\$ 0.34</u>
<b>Weighted average common shares outstanding</b>		
<b>Basic</b>	<u>6,477</u>	<u>6,447</u>
<b>Diluted</b>	<u>6,514</u>	<u>6,484</u>
<b>OTHER CONSOLIDATED FINANCIAL DATA</b>		
<b>Operating Data:</b>		
	Quarter Ended January 31,	
	2014	2013
	(unaudited)	
Gross margin	27%	29%
SG&A expense as a percentage of sales	21%	20%
Operating income as a percentage of sales	7%	9%
Pre-tax income as a percentage of sales	6%	8%
Effective Tax Rate	28%	39%
Depreciation and amortization	735	917
Capital expenditures	519	836
<b>Balance Sheet Data:</b>		
	1/31/2014	10/31/2013
	(unaudited)	(audited)
Working capital (excluding cash)	\$ 83,097	\$ 86,512
Days sales outstanding (unaudited)	49	45
Inventory turns (unaudited)	1.5	1.4
<b>Capitalization</b>		
Total debt	\$ 3,301	\$ 3,665
Shareholders' equity	152,884	151,491
Total	<u>\$ 156,185</u>	<u>\$ 155,156</u>



---

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

	January 31, 2014 <u>(unaudited)</u>	October 31, 2013 <u>(audited)</u>
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 47,993	\$ 42,804
Accounts receivable, net	34,579	36,139
Refundable taxes	3	6
Inventories, net	93,708	95,260
Deferred income taxes	2,218	2,080
Derivative assets	736	699
Other	9,089	8,014
Total current assets	<u>188,326</u>	<u>185,002</u>
<b>Property and equipment:</b>		
Land	782	782
Building	7,326	7,326
Machinery and equipment	18,870	19,059
Leasehold improvements	3,577	3,634
	<u>30,555</u>	<u>30,801</u>
Less accumulated depreciation and amortization	(18,609)	(18,502)
	<u>11,946</u>	<u>12,299</u>
<b>Non-current assets:</b>		
Software development costs, less accumulated amortization	3,697	3,714
Goodwill	2,789	2,807
Intangible assets, net	2,041	2,155
Other assets	5,445	5,258
	<u>\$ 214,244</u>	<u>\$ 211,235</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current liabilities:</b>		
Accounts payable	\$ 39,093	\$ 35,527
Derivative liabilities	1,447	1,212
Accrued expenses	13,395	15,282
Short-term debt	3,301	3,665
Total current liabilities	<u>57,236</u>	<u>55,686</u>
<b>Non-current liabilities:</b>		
Deferred income taxes	744	743
Accrued Tax Liability	1,135	1,103
Deferred credits and other obligations	2,245	2,212
Total liabilities	<u>61,360</u>	<u>59,744</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; 6,571,986 and 6,533,510 shares issued; and 6,482,344 and 6,465,054 shares outstanding, as of January 31, 2014 and October 31, 2013, respectively	648	647
Additional paid-in capital	54,943	54,698
Retained earnings	100,175	98,130
Accumulated other comprehensive loss	(2,882)	(1,984)
Total shareholders' equity	<u>152,884</u>	<u>151,491</u>
	<u>\$ 214,244</u>	<u>\$ 211,235</u>