

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) January 31, 2006

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 February 23, 2006, Hurco Companies, Inc. (the "Registrant") reported its results of operations for the first quarter ended January 31, 2006. 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 February 23, 2006

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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.

Dated: February 23, 2006

HURCO COMPANIES, INC

By: /s/ Stephen J. Alesia

Vice President and

Chief Financial Officer

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FOR IMMEDIATE RELEASE  
THURSDAY, FEBRUARY 23, 2006

#### HURCO REPORTS RECORD ORDERS IN FIRST QUARTER 2006 RESULTS

**INDIANAPOLIS, INDIANA, — February 23, 2006, Hurco Companies, Inc. (NASDAQ: HURC)** today reported net income of \$3,033,000 or \$.48 per share, for its first fiscal quarter, which ended January 31, 2006, compared to \$3,030,000 or \$.48 per share, for the corresponding period in 2005.

The Company noted that its provision for income taxes increased by approximately \$1,250,000 during the first quarter of fiscal 2006, due primarily to the Company's utilization of substantially all of its domestic net operating loss carryforwards during the fourth quarter of fiscal 2005. Income before taxes for the latest quarter was \$4,651,000, an increase of 37% over the \$3,399,000 reported in the same period one year ago.

Sales and service fees for the first quarter of fiscal 2006 were \$31,894,000, an increase of 5% from the amount for the prior year period. Due to the effects of a stronger U.S. Dollar when translating foreign sales for financial reporting purposes, sales and service fees for the first quarter of fiscal 2006 were approximately \$1,800,000 less than would have been the case if foreign sales had been translated at the same rate of exchange that was utilized for the first quarter of 2005. Unit shipments increased by 19% on a quarter-to-quarter basis, with the largest increase occurring in North America.

New orders booked during the first quarter of fiscal 2006 totaled \$37,790,000, a new record and an increase of \$10,906,000, or 41%, over the amount recorded in the first quarter of fiscal 2005, notwithstanding the adverse effects of currency translation. Orders were strong worldwide and unit orders increased 59%, 44% and 86% in North America, Europe and Asia, respectively.

Gross margin for the first quarter of fiscal 2006 was 34% compared to 32% for the prior year period. Selling, general and administrative expenses were \$6,296,000, a slight increase from the \$6,187,000 reported in the prior year period.

Operating income for the first quarter was \$4,631,000, or 15% of sales and service fees, compared to \$3,553,000, or 12% of sales and service fees in the 2005 period.

Michael Doar, Chief Executive Officer, stated, "We are pleased with the first quarter increase in operating income and the record order intake. We are continuing to increase production at our wholly-owned manufacturing facility in Taiwan to meet the increase in our order rate."

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.*

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**Hurco Companies, Inc.**  
**CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS**

(In thousands, except per-share data)

	Three Months Ended January 31,	
	2006 (unaudited)	2005
<b>Sales and service fees</b>	\$ 31,894	\$ 30,246
Cost of sales and service	20,967	20,506
<b>Gross profit</b>	<u>10,927</u>	<u>9,740</u>
Selling, general and administrative expenses	6,296	6,187
<b>Operating income</b>	<u>4,631</u>	<u>3,553</u>
Interest expense	84	83
Other (income) expense, net	<u>(103)</u>	<u>71</u>
Income before taxes	4,651	3,399
Provision for income taxes	<u>1,618</u>	<u>369</u>
<b>Net income</b>	<u><u>\$ 3,033</u></u>	<u><u>\$ 3,030</u></u>
<b>Earnings per common share</b>		
<b>Basic</b>	<u><u>\$ 0.49</u></u>	<u><u>\$ 0.50</u></u>
<b>Diluted</b>	<u><u>\$ 0.48</u></u>	<u><u>\$ 0.48</u></u>
<b>Weighted average common shares outstanding</b>		
<b>Basic</b>	<u><u>6,242</u></u>	<u><u>6,071</u></u>
<b>Diluted</b>	<u><u>6,328</u></u>	<u><u>6,270</u></u>

**OTHER CONSOLIDATED FINANCIAL DATA**

	Three Months Ended January 31,	
	2006 (unaudited)	2005
<b>Operating Data:</b>		
Gross margin	34.3%	32.2%
SG&A expense as a percentage of sales	19.7%	20.5%
Operating income as a percentage of sales	14.5%	11.7%
Pre-tax income as a percentage of sales	14.6%	11.2%
Effective tax rate	34.8%	10.9%
Depreciation	365	317
Capital expenditures	492	623
<b>Balance Sheet Data:</b>	<u>1/31/2006</u>	<u>10/31/2005</u>
Working capital	\$ 48,241	\$ 43,183
Days sales outstanding	47	41
Inventory turns	2.8	2.6
Capitalization		
Total Debt	\$ 4,106	\$ 4,136
Shareholders' Equity	64,151	58,944
<b>Total</b>	<u><u>\$ 68,257</u></u>	<u><u>\$ 63,080</u></u>

**Hurco Companies, Inc.**  
**CONDENSED CONSOLIDATED BALANCE SHEET**

(In thousands, except per-share data)

	January 31, 2006 (unaudited)	October 31, 2005 (audited)
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 21,562	\$ 17,559
Accounts receivable	18,686	20,100
Inventories	31,375	29,530
Deferred tax assets, net	2,686	3,043
Other	4,041	3,586
Total current assets	78,350	73,818
<b>Property and equipment:</b>		
Land	761	761
Building	7,205	7,205
Machinery and equipment	13,286	13,170
Leasehold improvements	140	1,102
	22,392	22,238
Less accumulated depreciation and amortization	(13,499)	(13,187)
	8,893	9,051
<b>Non-current assets:</b>		
Deferred tax assets, net	1,307	1,346
Software development costs, less amortization	4,093	3,752
Investments and other assets	6,215	6,147
	\$ 98,858	\$ 94,114
<b>LIABILITIES AND SHAREHOLDER'S EQUITY</b>		
<b>Current liabilities:</b>		
Accounts payable	\$ 19,734	\$ 17,051
Accrued expenses	10,375	13,584
Current portion of long-term debt	128	126
Total current liabilities	30,237	30,761
<b>Non-current liabilities:</b>		
Long-term debt	3,978	4,010
Deferred credits and other obligations	492	399
Total liabilities	34,707	35,170
<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 6,341,020 and 6,220,220 shares issued, respectively	634	622
Additional paid-in capital	49,723	48,701
Retained earnings	16,034	13,001
Accumulated other comprehensive income	(2,240)	(3,380)
Total shareholders' equity	64,151	58,944
	\$ 98,858	\$ 94,114

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