

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 January 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 (I.R.S. Employer Identification Number)
incorporation or organization)

One Technology Way 46268
Indianapolis, Indiana (Zip code)
(Address of principal executive offices)

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 February 28, 2003 was 5,583,158.

HURCO COMPANIES, INC
January 2003 Form 10-Q Quarterly Report

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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

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

	Three Months Ended January 31,	
	2003	2002
	(Unaudited)	
Sales and service fees.....	\$ 15,953	\$ 18,520
Cost of sales and service.....	11,959	14,517
Gross profit.....	3,994	4,003
Selling, general and administrative expenses.....	4,428	5,214
Restructuring expense and other expense, net.....	--	356
Operating loss.....	(434)	(1,567)
Interest expense.....	159	177
Other income, net.....	116	202
Loss before income taxes.....	(477)	(1,542)

Provision for income taxes.....	105	99
Net loss.....	\$ (582)	\$ (1,641)
Loss per common share		
Basic.....	\$ (.10)	\$ (.29)
Diluted.....	\$ (.10)	\$ (.29)
Weighted average common shares outstanding		
Basic.....	5,583	5,582
Diluted.....	5,583	5,582

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

HURCO COMPANIES, INC. CONDENSED CONSOLIDATED BALANCE SHEETS (Dollars in thousands)	January 31, 2003	October 31, 2002
ASSETS	(Unaudited)	(Audited)
Current assets:		
Cash and cash equivalents.....	\$ 3,232	\$ 4,358
Cash - restricted.....	1,176	--
Accounts receivable.....	13,161	13,425
Inventories.....	23,774	22,548
Other.....	1,361	1,204
Total current assets.....	42,704	41,535
Property and equipment:		
Land.....	761	761
Building.....	7,203	7,203
Machinery and equipment.....	10,305	10,144
Leasehold improvements.....	436	396
Less accumulated depreciation and amortization.....	(10,001)	(9,696)
Total.....	8,704	8,808
Software development costs, less amortization.....	1,580	1,604
Investments and other assets.....	5,392	5,205
	\$ 58,380	\$ 57,152
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable.....	\$ 10,770	\$ 9,856
Accrued expenses.....	10,048	10,016
Bank debt.....	3,479	--
Current portion of long-term debt.....	1,653	1,313
Total current liabilities.....	25,950	21,185
Non-current liabilities:		
Long-term debt.....	4,735	7,572
Deferred credits and other.....	380	378
Total.....	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, respectively.....	558	558
Additional paid-in capital.....	44,717	44,717
Accumulated deficit.....	(10,755)	(10,173)
Accumulated other comprehensive income.....	(7,205)	(7,085)
Total shareholders' equity.....	27,315	28,017
The accompanying notes are an integral part of the condensed consolidated financial statements.	\$ 58,380	\$ 57,152

HURCO COMPANIES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Dollars in thousands)

	Three Months Ended January 31, 2003	2002
	(Unaudited)	(Unaudited)
Cash flows from operating activities:		
Net loss.....	\$ (582)	\$ (1,641)
Adjustments to reconcile net income to net cash provided by (used for) operating activities:		
Equity (income) loss of affiliates.....	(96)	44
Restructuring expense and other expense, net.....	--	225
Depreciation and amortization.....	349	513
Change in assets and liabilities:		
(Increase) decrease in accounts receivable.....	896	1,378
(Increase) decrease in inventories.....	(288)	2,820
Increase (decrease) in accounts payable.....	788	(2,471)
Increase (decrease) in accrued expenses.....	(1,535)	145
Other.....	(307)	275

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 Accumulated other comprehensive income and recognized as an adjustment to the related sale or purchase transaction in the period that the transaction occurs. Net gains (losses) on cash flow hedge contracts which we reclassified from Accumulated other comprehensive income to Cost of sales in the first quarter ended January 31, 2003 and 2002 were (\$158,000) and \$435,000, respectively.

At January 31, 2003, we had \$1,413,000 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 October 2003.

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 gains were \$37,000 and \$35,000 for the quarters ended January 31, 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 months ended January 31, 2003 were excluded from the computation of diluted earnings per share because their effect would be anti-dilutive.

4. ACCOUNTS RECEIVABLE

The allowance for doubtful accounts was \$744,000 as of January 31, 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):

	January 31, 2003	October 31, 2002
Purchased parts and sub-assemblies	\$ 6,093	\$ 6,677
Work-in-process	1,614	2,251
Finished goods	16,067	13,620
	-----	-----
	\$ 23,774	\$ 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 software and computer control systems have been fully integrated. At January 31, 2003, we had \$85,000 accrued for costs related to seven 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 (Note 9) (In thousands).

Description	Balance 10/31/02	Provision	Charges to Accrual	Balance 1/31/03
-----	-----	-----	-----	-----
Severance	\$ 264	\$ --	\$ (179)	\$ 85
Foreign lease termination liability	1,113	--	--	1,113
	-----	-----	-----	-----
Total	\$ 1,377	--	\$ (179)	\$ 1,198

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 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.

We were in compliance with all loan covenants at January 31, 2003, and had an unused credit availability of \$6.0 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 vigorously contesting the amount of the claim made by the lessor and have recently entered into settlement discussions. As of October 31, 2002, we established a reserve of \$1.1 million for this claim, which we continue to believe is appropriate.

10. GUARANTEES

For the quarter 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 January 31, 2003 there were 23 third party guarantees totaling approximately \$1.1 million, all of which were entered into prior to January 1, 2003. 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	330
Charges to the accrual	(357)

Balance at January 31, 2003

\$ 1,035
=====

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with the 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 January 31, 2003 Compared to Three Months Ended January 31, 2002

The following tables set forth net sales by geographic region and product category for the quarters ended January 31, 2003 and 2002 (in thousands):

Net Sales and Service Fees by Geographic Region

	January 31,			
	----- 2003		----- 2002	
Americas	\$ 5,989	37.5%	\$ 5,458	29.5%
Europe	9,720	60.9%	12,483	67.4%
Asia Pacific	244	1.6%	579	3.1%
	-----	-----	-----	-----
Total	\$15,953	100.0%	\$ 18,520	100.0%
	=====	=====	=====	=====

Net Sales and Service Fees by Product Category

	January 31,			
	----- 2003		----- 2002	
Continuing Products and Services				
Computerized Machine Tools	\$ 12,689	79.6%	\$ 14,022	75.7%
Computer Control Systems and Software	703	4.4%	937	5.1%
Service Parts	1,533	9.6%	1,566	8.4%
Service Fees	819	5.1%	755	4.1%
	-----	-----	-----	-----
Total	\$ 15,744	98.7%	\$ 17,280	93.3%
Discontinued Product	209	1.3%	1,240	6.7%
	-----	-----	-----	-----
Total	\$ 15,953	100.0%	\$ 18,520	100.0%
	=====	=====	=====	=====

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

Total sales and service fees were \$16.0 million in the first quarter of fiscal 2003, a \$2.6 million, or 14%, decline compared to the prior year period. The decline was primarily attributable to decreased sales in Europe, reflecting the continuing weakness in industrial equipment spending and reduced consumption of machine tools by many manufacturing companies, particularly in Germany. The decline in European sales and service fees was offset partially by \$1.3 million favorable effect of stronger European currencies when translating foreign sales to U.S. dollars for financial reporting purposes. Sales of computerized machine tools in Europe declined

30% in units and 25% in current dollars. Sales of computerized machine tools in the United States (exclusive of discontinued products) increased \$1.9 million, or 92%, aided by the successful introduction of a new low cost vertical machining center model along with an increase in orders for our other vertical machining center models. Sales of discontinued products declined \$1.0 million as that liquidation is substantially complete.

The following table sets forth unit volume and average net selling price for computerized machine tools during the periods indicated:

		January 31,	

Computerized Machine Tools - Units Sold			
	2003	2002	
	-----	-----	
Continuing Products	180	184	
Discontinued Products	7	18	
	-----	-----	
Total	187	202	
Average Net Selling Price - Per Unit (in thousands)			
	2003	2002	
	-----	-----	
Continuing Products	\$ 70.5	\$ 76.2	
Discontinued Products	\$ 26.0	\$ 48.5	
	-----	-----	
Total	\$ 68.8	\$ 73.7	

The decrease in average net selling price per unit for continuing products from fiscal 2002 to 2003 was due to the introduction in 2003 of a new low cost entry level vertical machining center model, but was partially offset by the effect of stronger European currencies when translating foreign sales for financial reporting purposes.

New order bookings for the first quarter of fiscal 2003 were \$14.3 million, a decline of 7% as compared to \$15.5 million recorded in the prior year period. New orders for computerized machine tools in the U.S. increased 31% in units and 24% in dollars, whereas new orders in Europe declined 23% in units and 17% in current dollars. Backlog was \$3.9 million at January 31, 2003 compared to \$5.3 million at October 31, 2002 and \$5.1 million at January 31, 2002.

Gross profit margin increased in the first quarter of fiscal 2003 to 25.0% from 21.6% 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 quarter of fiscal 2003 of \$4.4 million were \$786,000, or 15% below those of the corresponding 2002 period, due to previously reported cost reduction programs.

Other income, net in the first quarter 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 January 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 January 31, 2003 and October 31, 2002, respectively. We had \$1.2 million of

restricted cash at January 31, 2003 resulting from hedging arrangements that require cash collateral based on open positions. Cash used by operations totaled \$775,000 in the first quarter of fiscal 2003 compared to cash provided by operations of \$1.3 million in the prior year.

Net working capital, excluding short-term debt of \$5.1 million, was \$21.9 million at January 31, 2003 compared to \$21.7 million at October 31, 2002.

Capital investments for the first quarter ended January 31, 2003 consisted principally of expenditures for software development projects and purchases of equipment. Cash used for investing activities during the quarter was funded by borrowings under our bank credit facilities.

At January 31, 2003, outstanding borrowings of \$3.5 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 January 31, 2003 was \$9.9 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 January 31, 2003 and had unused credit availability of \$6.0 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.

New Accounting Pronouncements

In June 2001, the Financial Accounting Standards Board issued Statement No. 142, "Goodwill and Other Intangible Assets" (SFAS 142). Under SFAS 142, amortization of goodwill will cease and the goodwill carrying values will be tested periodically for impairment. We adopted SFAS 142, effective November 1, 2002 for goodwill and intangible assets acquired prior to July 1, 2001. Goodwill and intangible assets acquired after June 30, 2001 were subject immediately to the goodwill non-amortization and intangible provisions of this statement. The adoption of this standard did not have a material effect on the Condensed Consolidated Financial Statements.

In August 2001, the Financial Accounting Standards Board issued Statement No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets" (SFAS 144), which is effective for the fiscal year beginning November 1, 2002. SFAS 144 establishes a single model to account for impairment of assets to be held or disposed of, incorporating guidelines for accounting and disclosure of discontinued operations. The adoption of this standard did not have a material effect on the Condensed Consolidated Financial Statements.

In July 2002, the Financial Accounting Standards Board issued Statement No. 146, "Accounting for Costs Associated with Exit or Disposal Activities". This Standard, which is effective for disposal activities initiated after December 31, 2002, addresses significant issues regarding the recognition, measurement and reporting of costs associated with exit and disposal activities. We will comply with the provisions of the Standard with respect to exit and disposal activities initiated after the effective date.

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 Contingent Liabilities 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 January 31, 2003, outstanding borrowings under our bank credit facilities were \$3.5 million and our total indebtedness was \$9.9 million.

Foreign Currency Exchange Risk

In the first quarter of fiscal 2003, approximately 64% 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 January 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	January 31, 2003	
Sale Contracts:					
Euro	12,100,000	.9948	\$12,037,080	\$12,951,870	February - October 2003

Sterling	1,150,000	1.5526	\$1,785,490	\$1,878,646	February - October 2003
Purchase Contracts:					
New Taiwan Dollar	150,000,000	34.36*	\$4,365,541	\$4,324,409	February - July 2003

Forward contracts for the sale of foreign currencies as of January 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	January 31, 2003	
Sale Contracts:					
Euro	3,374,129	1.0406	\$3,511,119	\$3,625,277	February - March 2003
Singapore Dollar	1,814,753	.5743	\$1,042,213	\$1,044,122	February - May 2003
Sterling	840,202	1.6038	\$1,347,516	\$1,380,651	February - April 2003
Purchase Contracts:					
New Taiwan Dollar	150,700,000	34.48*	\$3,790,603	\$3,765,949	February - April 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 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: None

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

March 14, 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 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
March 13, 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 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
March 13, 2003

Three Months Ended
January 31,

(in thousands, except per share amounts)

	2003		2002	
	Basic	Diluted	Basic	Diluted
Net loss	\$ (582)	\$ (582)	\$ (1,641)	\$ (1,641)
Weighted average shares outstanding	5,583	5,583	5,582	5,582
Dilutive effect of stock options	--	--	--	-
	5,583	5,583	5,582	5,582
Loss per common share	\$ (.10)	\$ (.10)	\$ (.29)	\$ (.29)

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 January 31, 2003 as filed with the Securities and Exchange Commission on March , 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
March 13, 2003

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 January 31, 2003 as filed with the Securities and Exchange Commission on March , 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
March 13, 2003

