

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM S-3
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

HURCO COMPANIES, INC.
(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

INDIANA (STATE OR OTHER JURISDICTION OF INCORPORATION OR ORGANIZATION)	3541 (PRIMARY STANDARD INDUSTRIAL CLASSIFICATION NUMBER)	35-1150732 (I.R.S. EMPLOYER IDENTIFICATION NUMBER)
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ONE TECHNOLOGY WAY
INDIANAPOLIS, INDIANA 46268
(317) 293-5309
(ADDRESS, INCLUDING ZIP CODE, AND TELEPHONE NUMBER,
INCLUDING AREA CODE, OF REGISTRANT'S PRINCIPAL EXECUTIVE OFFICES)

ROGER J. WOLF
CHIEF FINANCIAL OFFICER
HURCO COMPANIES, INC.
ONE TECHNOLOGY WAY
INDIANAPOLIS, INDIANA 46268
(317) 293-5309
(NAME, ADDRESS, INCLUDING ZIP CODE, AND TELEPHONE NUMBER,
INCLUDING AREA CODE, OF AGENT FOR SERVICE)

COPIES OF COMMUNICATIONS TO:

DAVID C. WORRELL, ESQ.
BAKER & DANIELS
300 NORTH MERIDIAN STREET
INDIANAPOLIS, INDIANA 46204
(317) 237-0300

STEPHEN H. COOPER, ESQ.
WEIL, GOTSHAL & MANGES LLP
767 FIFTH AVENUE
NEW YORK, NY 10153
(212) 310-8000

APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE TO THE PUBLIC: As soon as practicable after this Registration Statement becomes effective.

If the only securities being registered on this Form are being offered pursuant to dividend or reinvestment plans, check the following box. []

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box. []

CALCULATION OF REGISTRATION FEE

TITLE OF EACH CLASS OF SECURITIES TO BE REGISTERED	AMOUNT TO BE REGISTERED	PROPOSED MAXIMUM OFFERING PRICE PER SHARE	PROPOSED MAXIMUM AGGREGATE OFFERING PRICE (a)	AMOUNT OF REGISTRATION FEE
Common Stock (no par value).....	1,085,296 (b)	\$4.63	\$5,024,921	\$1,734

- (a) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(a).
- (b) This Registration Statement also covers such indeterminate number of additional shares as may be required to be issued upon exercise of rights as a consequence of rounding.

THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(a) OF THE SECURITIES ACT OF 1933, OR UNTIL THE REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(a), MAY DETERMINE.

1,085,296 SHARES

HURCO COMPANIES, INC.

COMMON STOCK

Hurco Companies, Inc. (the "Company") is distributing to holders of record of its Common Stock, no par value (the "Common Stock"), as of the close of business on June 5, 1996 (the "Record Date"), non-transferable rights (the "Rights") to subscribe for and purchase additional shares of Common Stock at a subscription price (the "Subscription Price") of \$4.63 per share (the "Rights Offering").

Shareholders of record will receive .20 of a Right for each share of Common Stock held by them as of the Record Date. Each whole Right will entitle the holder to purchase one share of Common Stock at the Subscription Price (the "Basic Subscription Privilege"). No fractional Rights or cash in lieu thereof will be distributed or paid by the Company. The number of Rights distributed to each holder of Common Stock will be rounded up to the nearest whole number. As a consequence of such rounding, the total number of shares that may be issued pursuant to the Rights Offering may be increased by up to 500 shares. Each Right also carries the right (the "Oversubscription Privilege") to subscribe at the Subscription Price for shares of Common Stock that are not otherwise purchased by shareholders through the exercise of Rights. The Rights will be evidenced by non-transferable subscription certificates. Certificates representing shares of Common Stock purchased through the exercise of Rights will be issued as soon as practicable after the related Rights have been validly exercised. Once a holder has exercised Rights, such exercise may not be revoked. The Rights will expire at 5:00 p.m., New York City time, on July 3, 1996, unless extended for up to thirty (30) days (the "Expiration Time").

PRIOR TO DECIDING TO EXERCISE RIGHTS, SHAREHOLDERS SHOULD CAREFULLY CONSIDER THE FACTORS SET FORTH UNDER "RISK FACTORS" BEGINNING ON PAGE 7 HEREOF.

(Continued on following page)

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

	PROCEEDS TO COMPANY (1) (2)		
	SUBSCRIPTION PRICE	MINIMUM (3)	MAXIMUM (4)
Per Share.....	\$4.63	\$4.63	\$4.63
Total.....	\$5,024,921	\$2,800,000	\$5,024,921

- (1) The Common Stock is being offered and sold directly by the Company, and no commission or other remuneration will be paid to any person for soliciting purchases of the Common Stock. See "The Rights Offerings--Information Agent" for information with respect to certain contingent fees payable by the Company to Georgeson & Company Inc., the Information Agent for the Rights Offering.
- (2) Before deducting expenses payable by the Company, estimated at \$200,000.
- (3) Assumes the sale only of the 278,001 shares and 326,751 shares that are the subject of commitments of the Standby Purchasers. See "The Rights Offering--Standby Commitments."
- (4) Assumes the sale of all of the 1,085,296 shares offered hereby, without adjustment for rounding.

The date of this Prospectus is June 6, 1996.

(Continued from previous page)

The Rights may not be exercised by any person, and neither this Prospectus nor any Subscription Certificate (as defined herein) shall constitute an offer to sell or a solicitation of an offer to purchase any shares of Common Stock, in any jurisdiction in which such transactions would be unlawful. See "The Rights Offering--Subscription Privileges--State and Foreign Securities Laws."

Brynwood Partners Limited Partnership ("Brynwood I"), the owner of 1,390,001 shares (or approximately 25.6% of the outstanding shares) of Common Stock, has advised the Company that, due to liquidity limitations, it does not intend to exercise any of its Rights. In lieu thereof, Brynwood Partners II L.P. ("Brynwood II"), an affiliate of Brynwood I, has agreed to purchase from the Company and the Company has agreed to sell to Brynwood II, at the Subscription Price, all of the 278,001 shares of Common Stock that otherwise would have been available for purchase by Brynwood I pursuant to the exercise of its Basic Subscription Privilege. In addition, Brynwood II, Hendrik J. Hartong, Jr. and Richard T. Niner (collectively, the "Standby Purchasers") have agreed to purchase from the Company, at the Subscription Price, an aggregate of up to 326,751 shares of Common Stock to the extent such shares are not purchased by shareholders pursuant to the exercise of Rights, including the Oversubscription Privilege. Messrs. Hartong and Niner, both of whom are directors of the Company, are the general partners of partnerships that serve, respectively, as managing general partner of Brynwood I and Brynwood II. See "The Rights Offering--Standby Commitments."

The Company's Common Stock is traded in the NASDAQ National Market under the symbol "HURC." On June 5, 1996, the last trading day prior to public announcement of the Rights Offering, the closing sales price of the Common Stock on the NASDAQ National Market was \$6 5/8 per share. The Subscription Price represents a discount of 10% from the average closing price of the Common Stock on the NASDAQ National Market for the thirty (30) trading days ending June 3, 1996.

AVAILABLE INFORMATION

The Company has filed with the Securities and Exchange Commission (the "Commission") a Registration Statement on Form S-3 under the Securities Act of

1933, as amended (the "Securities Act"), with respect to the Rights and the Common Stock offered hereby. This Prospectus, which is a part of such Registration Statement, does not contain all of the information set forth in the Registration Statement and the exhibits thereto. For further information with respect to the Company, the Rights and the Common Stock, reference is hereby made to such Registration Statement and the exhibits filed therewith. The Registration Statement, including the exhibits thereto, may be inspected without charge at the public reference facilities maintained by the Commission at 450 Fifth Street, N.W., Washington, D.C. 20549. The statements contained in this Prospectus as to the contents of any contract or other document are not necessarily complete, and in each instance reference is made to the copy of such contract or other document filed as an exhibit to the Registration Statement, each such statement being qualified in all respects by such reference and the exhibits thereto. Copies of each such contract or other document may be obtained from the Commission at its principal office in Washington, D.C. upon payment of the charges prescribed by the Commission.

The Company is subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and in accordance therewith files periodic reports, proxy and information statements and other information with the Commission. The Registration Statement, including the exhibits thereto, as well as such reports, proxy and information statements and other information filed by the Company with the Commission, may be inspected, without charge, and copied at the public reference facilities maintained by the Commission at 450 Fifth Street, N.W., Washington, D.C. 20549, Room 1024, and at its regional offices at 7 World Trade Center, 13th Floor, New York, New York 10048 and 500 West Madison Street, Suite 1400, Chicago, Illinois 60661-2511. Copies of such materials may be obtained from the Public Reference Section of the Commission at 450 Fifth Street, N.W., Washington, D.C. 20549, at prescribed rates. The Company's Common Stock is listed on the NASDAQ National Market. Reports, proxy and information statements and other information concerning the Company may be inspected at the offices of the NASDAQ National Market, 1735 K Street, Washington, D.C. 20006-1500.

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The Company hereby incorporates by reference in this Prospectus its Annual Report on Form 10-K for the fiscal year ended October 31, 1995 and its Quarterly Report on Form 10-Q for the fiscal quarter ended January 31, 1996, which have been filed with the Commission pursuant to the Exchange Act.

All documents filed by the Company pursuant to Sections 13(a), 13(c), 14 and 15(d) of the Exchange Act subsequent to the date of this Prospectus and prior to the termination of the offering of the Company's Common Stock pursuant hereto shall be deemed to be incorporated by reference in this Prospectus and to be a part hereof from the date of filing such documents.

Any statement contained herein or in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Prospectus to the extent that a statement contained herein, or in any other subsequently filed document that also is or is deemed to be incorporated by reference herein, modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.

The Company will furnish without charge to each person to whom this Prospectus is delivered, on written or oral request of such person, a copy of any or all documents incorporated by reference in this Prospectus, without exhibits to such documents (unless such exhibits are specifically incorporated by reference into such documents). Copies of this Prospectus, as amended or supplemented from time to time, and any other documents (or parts of documents) that constitute part of the Prospectus under Section 10(a) of the Securities Act will also be provided without charge to each such person, upon written or oral request. Requests should be directed to Investor Relations, Hurco Companies, Inc., One Technology Way, Indianapolis, Indiana 46268, telephone number (317) 293-5309.

The following summary is qualified in its entirety by the more detailed information and the financial statements and notes thereto incorporated by reference in this Prospectus. Holders of Rights are urged to read this Prospectus in its entirety prior to making a decision to exercise their Rights. Certain capitalized terms used herein are defined elsewhere in this Prospectus.

THE COMPANY

The Company designs and produces computer numerical control ("CNC") systems and software and CNC-guided machine tools for sale through its own distribution systems to the worldwide machine tool industry. The Company's proprietary CNC systems and related software products are either integrated with machine tools marketed by the Company, sold to machine tool end users or sold to other manufacturers who integrate them with their own products.

THE RIGHTS OFFERING

RIGHTS..... Each holder of the Company's Common Stock will receive, at no cost, .20 of a Right for each share of Common Stock held of record by such holder as of 5:00 p.m., New York City time, on June 5, 1996 (the "Record Date"). The number of Rights distributed to each holder will be rounded up to the nearest whole number and no fractional Rights or cash in lieu thereof will be distributed or paid. An aggregate of 1,085,296 Rights will be distributed. The Rights will be evidenced by non-transferable subscription certificates (the "Subscription Certificates") and will expire at 5:00 p.m., New York City time, on July 3, 1996, unless extended for up to thirty (30) days (the "Expiration Time").

BASIC SUBSCRIPTION

PRIVILEGE..... Each whole Right will entitle the holder thereof to purchase, at the Subscription Price, one share of Common Stock (the "Basic Subscription Privilege").

OVERSUBSCRIPTION

PRIVILEGE..... Each holder of Rights who elects to exercise the Basic Subscription Privilege in full will also be entitled to subscribe, subject to proration, for up to 1,085,296 additional shares of Common Stock at the Subscription Price (the "Oversubscription Privilege"). Brynwood I, the holder of 1,390,001 shares, has advised the Company that it does not intend to exercise any of its Rights. In lieu thereof, Brynwood II, an affiliate of Brynwood I, has agreed to purchase from the Company and the Company has agreed to sell to Brynwood II, at the Subscription Price, all of the 278,001 shares that otherwise would have been available for purchase by Brynwood I pursuant to exercise of its Basic Subscription Privilege. (See "Standby Commitments," below.) If the number of shares of Common Stock available (the "Excess Shares") after (i) the sale to Brynwood II of the shares that otherwise could have been purchased by Brynwood I and (ii) the satisfaction of all subscriptions pursuant to exercise of the Basic Subscription Privilege by shareholders other than Brynwood I is insufficient to satisfy in full all elections to exercise the Oversubscription Privilege, the Excess Shares will be allocated

among holders who have exercised their Oversubscription Privilege, pro rata, in the same ratio that the number of shares subscribed for by each such holder pursuant to exercise of the Oversubscription Privilege bears to the total number of shares subscribed for by all such holders pursuant to exercise of the Oversubscription

Privilege.

SUBSCRIPTION PRICE..... \$4.63 in cash per share of Common Stock subscribed.

RECORD DATE..... June 5, 1996.

EXPIRATION TIME..... 5:00 p.m., New York City time, on July 3, 1996, unless extended for up to thirty (30) days.

TRANSFERABILITY OF RIGHTS... The Rights are non-transferable.

PROCEDURE FOR EXERCISING RIGHTS..... Rights may be exercised by the holder by properly completing and signing the Subscription Certificate evidencing those Rights and forwarding that Subscription Certificate (or following the Guaranteed Delivery Procedures described herein), with payment of the Subscription Price for each share of Common Stock subscribed for pursuant to the Basic Subscription Privilege and the Oversubscription Privilege, to State Street Bank & Trust Company (the "Subscription Agent") on or prior to the Expiration Time. If the mail is used to forward Subscription Certificates, it is recommended that insured, registered mail be used. No interest will be paid on funds delivered in payment of the Subscription Price. ONCE A HOLDER HAS EXERCISED ANY RIGHTS, SUCH EXERCISE MAY NOT BE REVOKED. See "The Rights Offering--Exercise of Rights."

PROCEDURE FOR EXERCISING RIGHTS BY FOREIGN AND CERTAIN OTHER SHAREHOLDERS..... Subscription Certificates will not be mailed to holders of Common Stock whose addresses are outside the United States or who have an APO or FPO address, but will be held by the Subscription Agent for their account. To exercise the Rights represented thereby, such holders must notify the Subscription Agent on or prior to the Expiration Time. If no instructions have been received by that time, such Rights will expire. See "The Rights Offering--Foreign and Certain Other Shareholders."

PERSONS HOLDING COMMON STOCK, OR WISHING TO EXERCISE RIGHTS, THROUGH OTHERS..... Persons holding shares of Common Stock, and receiving the Rights distributed with respect thereto, through a broker, dealer, commercial bank, trust company or other nominee, as well as persons holding certificates of Common Stock personally who would prefer to have such institutions effect transactions relating to the Rights on their behalf, should contact the appropriate institution or nominee and request it to effect the transactions for them. See "The Rights Offering--Exercise of Rights."

ISSUANCE OF COMMON STOCK.... Certificates representing shares of Common Stock purchased pursuant to the exercise of the Basic Subscription Privilege will be delivered to subscribers as soon as practicable after the corresponding

Rights have been validly exercised. Certificates representing Excess Shares purchased pursuant to exercise of the Oversubscription Privilege will be delivered to subscribers as soon as practica-

ble after the Expiration Time and after all pro-
rations have been effected. See "The Rights Of-
fering--Subscription Privileges."

SUBSCRIPTION AGENT..... The Subscription Agent is State Street Bank &
Trust Company, Boston, Massachusetts.

INFORMATION AGENT..... Georgeson & Company Inc. will act as the informa-
tion agent for the Rights Offering (the "Informa-
tion Agent").

STANDBY COMMITMENTS..... In lieu of the exercise of Rights by Brynwood I,
Brynwood II has agreed to purchase from the Com-
pany and the Company has agreed to sell to
Brynwood II, at the Subscription Price, all of
the 278,001 shares that otherwise could have been
purchased by Brynwood I pursuant to the exercise
of its Basic Subscription Privilege. In addition,
Brynwood II and the other Standby Purchasers have
agreed to purchase from the Company, at the Sub-
scription Price, an aggregate of up to 326,751
shares of Common Stock not purchased by share-
holders pursuant to the exercise of Rights, in-
cluding the Oversubscription Privilege. See "The
Rights Offering--Standby Commitments."

USE OF PROCEEDS..... To prepay installments of outstanding indebted-
ness coming due on July 31, 1996 and for general
corporate purposes. See "Use of Proceeds."

RISK FACTORS..... Purchase of the Common Stock involves certain
risks. See "Risk Factors."

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RISK FACTORS

The purchase of shares of Common Stock through the exercise of Rights
involves certain risks. Holders of Rights should consider the following risk
factors before making a decision to exercise their Rights and subscribe for
shares.

RECENT LOSSES

Although the Company reported net income in its fiscal year ended October
31, 1995, it reported substantial losses during each of the three preceding
fiscal years. There can be no assurance that the Company will be able to
maintain or increase its profitability.

SIGNIFICANT LEVERAGE AND DEBT SERVICE REQUIREMENTS

The Company is significantly leveraged and will continue to be so after
completion of the Rights Offering. At January 31, 1996, the Company's
outstanding indebtedness for borrowed money aggregated approximately \$34.0
million, all of which is secured, and its total debt represented approximately
82% of its total capitalization (including short-term debt). If all of the
1,085,296 shares offered hereby are sold at the Subscription Price of \$4.63
per share, that percentage will be 70%.

Approximately \$4.5 million of the Company's outstanding indebtedness at
January 31, 1996 is due in fiscal 1996, including approximately \$3.1 million
that is due on July 31, 1996. Term loan payments of \$3.0 million are due in
fiscal 1997 and annual installments of approximately \$1.8 million are due
thereafter through December 2000. Of the remaining indebtedness of \$19.5
million, approximately \$18.4 million consists of borrowings under the
Company's revolving credit facility, which expires on May 1, 1997 subject to
automatic extension to November 1, 1997 if, at any time prior to May 1997, the
Company's consolidated net worth exceeds \$12 million.

Management believes that the proceeds from this Rights Offering, together
with anticipated cash flow from operations, will be sufficient to enable the
Company to meet its anticipated cash requirements, including scheduled debt
amortization payments, through the end of fiscal 1997, even if the proceeds of
this Rights Offering do not exceed the minimum set forth on the cover page of

this Prospectus. In addition, although no assurance can be given, the Company believes that it will be able to replace or obtain an extension of its revolving credit facility at or prior to its expiration in 1997. However, if the proceeds of this Rights Offering do not exceed the minimum set forth on the cover page of this Prospectus, or cash flow from operations is less than currently anticipated, the Company may be required to limit planned investments in new products, equipment and business development opportunities in order to meet its debt service requirements in fiscal 1997 and in subsequent years.

INDUSTRY CONDITIONS

The machine tool industry served by the Company is highly competitive and is sensitive to cyclical economic changes. During the period from 1991 through 1994, markets for machine tools, particularly those in Europe (which accounted for approximately 37% of the Company's sales in fiscal 1995), were adversely affected by recessionary conditions and experienced significant declines in demand and resulting price pressure on suppliers. Although these markets improved significantly in fiscal 1995 and demand for the Company's products has continued to be strong, there can be no assurance that market conditions will continue to be favorable or that changing economic conditions in the future will not have a material adverse effect upon the Company.

IMPACT OF THE RIGHTS OFFERING ON EXISTING SHAREHOLDERS

The Rights entitle the holders of Common Stock on the Record Date to purchase shares of Common Stock at a price below the prevailing market price of the Common Stock prior to the announcement of the Rights Offering. Those Common Stock holders who exercise their Rights will preserve, and through the Oversubscription Privilege may increase, their proportionate interests in the Company. Those Common Stock

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holders who do not exercise their Rights will experience a decrease in their proportionate interests in the Company.

If none of the Company's existing shareholders exercise their Rights and the Standby Purchasers purchase all of the 604,752 shares they have committed to purchase, as described under "The Rights Offering--Standby Commitments," the proportionate interest in the Company held by its current shareholders other than Brynwood I will be reduced by approximately 7.5%.

OWNERSHIP BY CONTROLLING SHAREHOLDERS

An aggregate of 1,390,001 shares, or approximately 25.6% of the Common Stock outstanding on the Record Date, is owned by Brynwood I. The general partner of Brynwood I is an entity controlled by Messrs. Hartong and Niner, both of whom are directors of the Company. Brynwood II is a limited partnership, of which the general partner also is an entity controlled by Messrs. Hartong and Niner. Brynwood I has advised the Company that it does not intend to exercise its Rights. As more fully described under "The Rights Offering--Standby Commitments," Brynwood II has agreed to purchase from the Company and the Company has agreed to sell to Brynwood II, at the Subscription Price, all of the 278,001 shares that otherwise would have been available for purchase by Brynwood I pursuant to the exercise of its Basic Subscription Privilege. If all of the 807,295 remaining shares offered hereby are purchased by the Company's shareholders pursuant to the exercise of their Rights (including the Oversubscription Privilege), the percentage of the outstanding shares controlled by Messrs. Hartong and Niner will remain unchanged. However, as Standby Purchasers, Brynwood II and Messrs. Hartong and Niner also have agreed to purchase from the Company, at the Subscription Price, an aggregate of up to 326,751 additional shares to the extent such shares are not purchased by existing shareholders pursuant to the exercise of their Rights (including the Oversubscription Privilege). If all of those additional shares are purchased by the Standby Purchasers, the percentage of the outstanding Common Stock controlled by Messrs. Hartong and Niner will increase, but in no event will exceed 33.8%.

CERTAIN ANTITAKEOVER PROVISIONS

The Company's Articles of Incorporation permit the Board of Directors, without specific shareholder approval, to issue shares of Preferred Stock in one or more series and to determine the designation of, and the voting and

other rights, preferences, privileges and restrictions applicable to, such shares. In addition, the Articles of Incorporation and certain provisions of Indiana law impose higher shareholder approval requirements for certain business combination transactions. These provisions, as well as provisions of Indiana law that limit the ability of holders of "control shares" to vote them in certain instances, may have the effect of inhibiting or discouraging a merger, tender offer, proxy contest or other transaction involving a change in control of the Company, even if such actions may be beneficial to the Company's shareholders generally. See "Description of Capital Stock--Preferred Stock" and "Description of Capital Stock--Certain Provisions of the Articles of Incorporation and Indiana Law."

ABSENCE OF DIVIDENDS ON COMMON STOCK

The Company does not currently pay and, for the foreseeable future, does not expect to pay cash dividends on its Common Stock. In addition, the payment of cash dividends is restricted by the Company's agreements with its principal lenders.

MANAGEMENT DISCRETION WITH REGARD TO UNALLOCATED PROCEEDS

Management has allocated \$3,100,000 of the net proceeds of the Rights Offering to prepay installments of the Company's outstanding indebtedness to its senior lenders. Assuming the sale of all of the 1,085,296 shares offered hereby, the net proceeds to the Company from the Rights Offering will be approximately \$4,825,000. In such event, the balance of the net proceeds, \$1,725,000 (representing 35.8% of the maximum net proceeds), will be used for general corporate purposes at the discretion of management. See "Use of Proceeds."

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THE COMPANY

The Company designs and produces CNC systems and software and CNC-guided machine tools for sale through its own distribution systems to the worldwide machine tool industry. Its principal products consist of CNC systems and related software for metal cutting machine tools and metal forming press brakes, as well as complete CNC-guided milling machines and machining centers into which the Company's own systems have been fully integrated. The Company's proprietary CNC systems and related software products are either integrated with machine tools marketed by the Company, sold to machine tool end users or sold to other machine tool manufacturers who integrate them with their own products. The Company also produces and distributes control upgrades, accessories and replacements parts and provides operator training and support services to its customers.

The Company pioneered the application of microprocessor technology and conversational programming software to machine tool controls and, since its founding in 1968, has been a leader in the introduction of CNC systems that automate manufacturing processes and improve productivity in certain segments of the metalworking industry. The Company has concentrated on designing "user friendly" CNC systems that can be operated by both skilled and unskilled machine tool operators and yet are capable of instructing a machine tool to perform complex tasks. The combination of microprocessor technology and patented interactive, conversational software in the Company's CNC systems enables operators on the production floor to quickly and easily create a part program for machining and forming a particular part from a blueprint or electronic design and immediately begin production of that part.

The Company's products are sold through over 200 independent agents and distributors in 37 countries throughout North America, Europe and Asia. The Company also has its own direct sales forces in the United States, England, France, Germany and Singapore. Approximately 80% of the worldwide demand for CNC-guided machine tools and CNC systems comes from outside the U.S. and, accordingly, the Company considers its international presence to be critical to its operations.

During fiscal 1992, the Company initiated a complete restructuring of its operations. This restructuring program, which was completed in fiscal 1995, included the discontinuance of certain lower margin product lines and models, the redesign of the Company's machine tool lines, the outsourcing of its manufacturing operations to independent contractors and the rationalization of its marketing, distribution and customer service activities. Charges

associated with this restructuring program contributed to losses in fiscal years 1992 and 1993. In fiscal 1995, the Company returned to profitability, reporting net income of \$204,000, as compared to net losses of \$5,791,000, \$21,144,000 and \$5,789,000 in fiscal 1994, fiscal 1993 and fiscal 1992, respectively.

USE OF PROCEEDS

The net proceeds to the Company from the Rights Offering, after payment of related expenses, will range from a minimum of approximately \$2,600,000 (assuming that none of the Company's current shareholders exercises Rights and that the Standby Purchasers purchase all of the 604,752 shares that are the subject of their commitments) to a maximum of approximately \$4,825,000 (assuming the sale of all of the 1,085,296 shares offered hereby). Such proceeds, together with the Company's existing cash (if and to the extent such proceeds are less than \$3,100,000), will be used to prepay an aggregate of \$3,100,000 of installments of the Company's outstanding indebtedness to its senior lenders that would otherwise be due on July 31, 1996. Of the amount to be so prepaid, \$1,400,000 consists of bank debt bearing interest at a variable rate (8.75% per annum at January 31, 1996) and \$1,700,000 is due to the holders of the Company's 11.12% Senior Notes. The balance of the net proceeds, if any (up to a total of \$1,725,000, assuming the maximum proceeds are realized from the Rights Offering), will be used for general corporate purposes and, pending such utilization, will be applied to reduce outstanding revolving credit borrowings.

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PRICE RANGE OF COMMON STOCK AND DIVIDENDS

The Company's Common Stock is traded in the NASDAQ National Market, under the symbol "HURC". The following table sets forth the high and low sales prices of the Company's Common Stock as reported by the NASDAQ National Market for the periods indicated.

FISCAL YEAR -----	HIGH -----	LOW -----
1994		
First Quarter.....	\$3 3/8	\$2
Second Quarter.....	3 3/4	2 5/8
Third Quarter.....	2 7/8	2 1/4
Fourth Quarter.....	4 3/4	2 1/4
1995		
First Quarter.....	4 1/2	3 3/4
Second Quarter.....	4 3/8	2 3/4
Third Quarter.....	4 1/4	3 3/8
Fourth Quarter.....	7 1/8	3 1/2
1996		
First Quarter.....	7 1/4	4 1/2
Second Quarter.....	4 3/4	3 1/4
Third Quarter (through June 5, 1996).....	7	4 1/8

On June 5, 1996, the last trading day prior to the public announcement of the Rights Offering, the closing price of the Common Stock on the NASDAQ National Market was \$6 5/8 per share.

The Company did not pay cash dividends during any of the periods indicated in the foregoing table. It does not expect to pay cash dividends in the foreseeable future and intends to retain earnings for working capital, capital expenditures and debt reduction. In addition, the payment of cash dividends is restricted by the Company's agreements with its principal lenders.

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CAPITALIZATION

The following table sets forth the short-term debt and capitalization of the Company at January 31, 1996 and as adjusted to give effect to the sale of the minimum and maximum number of shares of Common Stock pursuant to the Rights

Offering, as set forth on the cover page of this Prospectus, and the application of a portion of the estimated net proceeds therefrom to reduce outstanding indebtedness:

	JANUARY 31, 1996		
	AS ADJUSTED		
	ACTUAL	MINIMUM	MAXIMUM
	(UNAUDITED)		
	(DOLLARS IN THOUSANDS)		
Short-term debt:			
Current portion of long-term debt.....	\$ 6,278	\$ 3,178	\$ 3,178
Long-term debt:			
Bank revolving credit facilities.....	\$ 18,316	\$ 18,816	\$ 16,591
Bank term loan.....	3,967	2,567	2,567
11.12% Senior Notes due 1998.....	10,605	8,905	8,905
Economic Development Revenue Bonds, Series 1990.....	1,000	1,000	1,000
Other.....	81	81	81
	33,969	31,369	29,144
Less current maturities.....	(6,278)	(3,178)	(3,178)
Total long-term debt.....	27,691	28,191	25,966
Shareholders' equity:			
Preferred stock \$100 par value (40,000) shares authorized, none issued).....	--	--	--
Common stock, no par value, \$.10 stated value (7,500,000 shares authorized, 5,426,482 shares, 6,031,234 shares and 6,511,778 shares issued and outstanding).....	543	603	651
Additional paid-in capital.....	45,573	48,113	50,290
Accumulated deficit.....	(33,901)	(33,901)	(33,901)
Foreign currency translation adjustment.....	(4,628)	(4,628)	(4,628)
Total shareholders' equity.....	7,587	10,187	12,412
Total capitalization.....	\$ 35,278	\$ 38,378	\$ 38,378
Total short-term debt and capitalization...	\$ 41,556	\$ 41,556	\$ 41,556

THE RIGHTS OFFERING

THE RIGHTS

The Company is distributing to holders of record of its outstanding Common Stock as of the close of business on the Record Date (5:00 p.m., New York City time, on June 5, 1996), at no cost to such holders, Rights to subscribe for additional shares of Common Stock at a Subscription Price of \$4.63 per share. Each holder will receive .20 of a Right for each share of Common Stock held by such holder on the Record Date. The Rights are evidenced by non-transferable Subscription Certificates, which record holders are receiving with copies of this Prospectus.

The Rights entitle the holders thereof to purchase shares of Common Stock from the Company at a Subscription Price of \$4.63 per share, which represents a discount of 10% from the average closing price of the Common Stock on the NASDAQ National Market for the thirty (30) trading days ending June 3, 1996. There can be no assurance that the Common Stock will trade at prices above the Subscription Price. See "Determination of Subscription Price" below.

The Rights will expire at the Expiration Time (5:00 p.m., New York City time, on July 3, 1996), unless extended for up to thirty (30) days by the

Company at the request of the Standby Purchasers.

No fractional Rights or cash in lieu thereof will be issued or paid. The number of Rights distributed to each holder will be rounded up to the nearest whole number. No Subscription Certificate may be divided in such a way as to permit the holder to receive a greater number of Rights than the number to which such Subscription Certificate entitles its holder, except that a depository, bank, trust company, and securities broker or dealer holding shares of Common Stock on the Record Date for more than one beneficial owner may, by providing written representations of The Depository Trust Company (the "DTC"), exchange its Subscription Certificate to obtain separate Subscription Certificates for the number of Rights to which each such beneficial owner would have been entitled had it been a holder of record on the Record Date. The Company reserves the right to refuse to issue any such Subscription Certificate if such issuance would be inconsistent with the principle that the number of Rights to which each beneficial owner is entitled will be rounded up to the nearest whole Right.

Because the number of Rights distributed to each holder will be rounded up to the nearest whole number, beneficial owners of Common Stock who are also the record holders of such shares will receive more Rights under certain circumstances than beneficial owners of Common Stock who are not the record holder of their shares and who do not obtain (or cause the record holder to obtain) a separate Subscription Certificate with respect to the shares beneficially owned by them, including shares held in an investment advisory or similar account. To the extent that record holders of Common Stock or beneficial owners of Common Stock who obtain a separate Subscription Certificate receive more Rights, they will be able to subscribe for more Common Stock pursuant to the Basic Subscription Privilege and, in the event shares of Common Stock subscribed for pursuant to the Oversubscription Privilege are prorated, they will be able to subscribe for more shares pursuant to the Oversubscription Privilege.

EXPIRATION TIME

The Rights will expire at 5:00 p.m., New York City time, on July 3, 1996, unless extended for up to thirty (30) days by the Company at the request of the Standby Purchasers pursuant to the standby purchase agreement (the "Expiration Time"), after which all unexercised Rights will be null and void. The Company will not be obligated to honor any purported exercise of Rights received by the Subscription Agent after the Expiration Time, regardless of when the documents relating to such exercise were transmitted, except when timely transmitted pursuant to the Guaranteed Delivery Procedures described below. The Company may not extend the Expiration Time unless requested to do so by, or with the consent of, the Standby Purchasers.

Reference is made to the "Instructions for Completing Subscription Certificates" accompanying the Subscription Certificate for a description of how to exercise the Rights.

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SUBSCRIPTION PRIVILEGES

Basic Subscription Privilege. The Basic Subscription Privilege will entitle the holder of each whole Right to purchase one share of Common Stock at the Subscription Price. Each Rights holder is entitled to subscribe for all or any portion of the shares of Common Stock that may be acquired through the exercise of its Basic Subscription Privilege.

Oversubscription Privilege. Subject to proration as described below, the Oversubscription Privilege will entitle the holder of a Right to subscribe at the Subscription Price for shares of Common Stock in addition to those subscribed by such holder through exercise of the Basic Subscription Privilege. The number of shares that may be so subscribed for by a holder pursuant to exercise of the Oversubscription Privilege may not exceed 1,085,296 shares (the total number of shares offered pursuant to this Prospectus). Only those holders that exercise the Basic Subscription Privilege in full will be entitled to exercise the Oversubscription Privilege.

If the number of Excess Shares available for purchase pursuant to the Oversubscription Privilege after (i) the sale to Brynwood II of the shares that otherwise could have been purchased by Brynwood I pursuant to its Basic Subscription Privilege and (ii) the satisfaction of all subscriptions pursuant

to the exercise of the Basic Subscription Privilege by shareholders other than Brynwood I is not sufficient to satisfy all subscriptions pursuant to exercise of the Oversubscription Privilege, the Excess Shares will be allocated pro rata (subject to the elimination of fractional shares) among those holders who have exercised the Oversubscription Privilege, in the same ratio that the number of shares subscribed for by each such holder pursuant to exercise of the Oversubscription Privilege bears to the total number of shares subscribed for by all such holders pursuant to exercise of the Oversubscription Privilege.

If a proration of the Excess Shares results in a Rights holder receiving fewer shares of Common Stock than the Rights holder subscribed for pursuant to the Oversubscription Privilege, then the excess funds paid by that Rights holder as the Subscription Price for shares not issued will be returned by mail to subscribers as soon as practicable after the Expiration Time, without interest or deduction.

In order to exercise the Oversubscription Privilege, banks, brokers and other nominee Rights holders that exercise the Oversubscription Privilege on behalf of beneficial owners of Rights will be required to certify (a "Nominee Holder Certification") to the Subscription Agent and the Company the number of shares held on the Record Date on behalf of each such beneficial owner of Rights, the number of Rights as to which the Basic Subscription Privilege has been exercised on behalf of each such beneficial owner, that each such beneficial owner's Basic Subscription Privilege held in the same capacity has been exercised in full and the number of shares of Common Stock subscribed for pursuant to the Oversubscription Privilege by each such beneficial owner, and to record certain other information received from each such beneficial owner.

DELIVERY OF SHARES

Certificates representing shares of Common Stock purchased pursuant to exercise of the Basic Subscription Privilege will be delivered to subscribers as soon as practicable after the related Rights have been validly exercised. Certificates representing shares of Common Stock purchased pursuant to exercise of the Oversubscription Privilege will be delivered to subscribers as soon as practicable after the Expiration Time and after all prorations have been effected.

EXERCISE OF RIGHTS AND SUBSCRIPTION AGENT

Rights holders may exercise the Basic Subscription Privilege and the Oversubscription Privilege by properly completing and signing the subscription form on the Subscription Certificate, including, if required, a signature guarantee from an Eligible Institution (as defined in "Instructions for Completing Subscription Certificates" accompanying the Subscription Certificate), and mailing or delivering the Subscription Certificate to State Street Bank & Trust Company (the "Subscription Agent"), together with payment of the aggregate Subscription Price in full (in United States dollars). A Rights holder may exercise the Oversubscription Privilege to subscribe for

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(a) a specified number of shares (subject to the maximum oversubscription permitted hereby) or (b) the maximum number of shares to which it may be entitled to oversubscribe.

A Rights holder may exercise Rights in whole or in part, but no Rights may be exercised for fractional shares. If an exercising Rights holder does not indicate the number of Rights being exercised, or does not forward full payment of the aggregate Subscription Price for the number of Rights that the Rights holder indicates are being exercised, then the Rights holder will be deemed to have exercised the Basic Subscription Privilege with respect to the maximum number of Rights that may be exercised for the aggregate Subscription Price payment delivered by the Rights holder, and to the extent that the aggregate Subscription Price payment delivered by the Rights holder exceeds the product of the Subscription Price multiplied by the number of Rights evidenced by the Subscription Certificate delivered by the Rights holder (such excess being the "Subscription Excess"), the Rights holder will be deemed to have exercised the Oversubscription Privilege to purchase, to the extent available and subject to proration as described under "Subscription Privileges--Oversubscription Privilege," that number of whole Excess Shares equal to the quotient obtained by dividing the Subscription Excess by the Subscription Price. Any amount remaining after application of the foregoing

procedures shall be returned to the Rights holder as soon as practicable by mail, without interest or deduction.

Completed Subscription Certificates and payment of the Subscription Price should be mailed or delivered by hand or overnight courier by such Rights holders to:

If by Mail:

State Street Bank & Trust Company
Corporate Reorganization
P.O. Box 9061
Boston, MA 02205-8686

If by Overnight Courier:

State Street Bank & Trust Company
Corporate Reorganization
2 Heritage Drive
North Quincy, MA 02171

If by Hand, either:

Bank of Boston
c/o Boston Equiserve
Corporate Reorganization
55 Broadway--3rd Floor
New York, NY 10006

State Street Bank & Trust Company
c/o Boston Equiserve
Corporate Reorganization
225 Franklin Street--Concourse Level
Boston, MA 02101

The Subscription Agent's telephone number is (800) 426-5523.

Payment of the Subscription Price may be made by wire transfer, check, bank draft or money order payable to the order of State Street Bank & Trust Company, as Subscription Agent, for all subscribed for shares of Common Stock. Wire transfers should be sent to: ABA No.: 0110-0002-8, DDA No.: 7608-355-9, Attention: BFDS CST REOG/HRCCM. Rights holders are urged to call the Subscription Agent to confirm receipt of wire transfers.

The Subscription Price will be considered to have been paid only upon clearance of the wire transfer, check, bank draft or money order tendered therefor. All funds received by the Subscription Agent from the exercise of the Rights will be deposited upon receipt.

Pending issuance of certificates representing shares of Common Stock, funds received for the exercise of Rights and, if applicable, the Oversubscription Privilege, will be held in a segregated escrow account. If a Rights holder exercising the Oversubscription Privilege is allocated less than all of the shares of Common Stock for which that Rights holder subscribed pursuant to the Oversubscription Privilege, then the excess funds held in escrow paid by such Rights holder will be returned by mail, without interest or deduction, as soon as practicable after the Expiration Time and after all prorations and adjustments contemplated by the Rights Offering have been effected.

If a Rights holder wishes to exercise Rights, but time will not permit such holder to cause the Subscription Certificate or Subscription Certificates evidencing such Rights to reach the Subscription Agent on or prior to the

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Expiration Time, such Rights may nevertheless be exercised if all of the following conditions (the "Guaranteed Delivery Procedures") are met:

(i) such holder has caused payment in full of the Subscription Price for each share of Common Stock being subscribed for pursuant to the Basic Subscription Privilege and the Oversubscription Privilege to be received (in the manner set forth above) by the Subscription Agent on or prior to the Expiration Time;

(ii) the Subscription Agent receives, on or prior to the Expiration Time, a guarantee notice (a "Notice of Guaranteed Delivery"), substantially in the form provided with the Instructions for Completing Subscription Certificates distributed with the Subscription Certificates, from a member firm of a registered national securities exchange or a member of the National Association of Securities Dealers, Inc., or from a commercial bank or trust company having an office or correspondent in the United States (each, an "Eligible Institution"), stating the name of the exercising Rights holder, the number of Rights represented by the Subscription Certificate or Subscription Certificates held by such exercising Rights

holder, the number of shares of Common Stock being subscribed for pursuant to the Basic Subscription Privilege and the number of shares of Common Stock, if any, being subscribed for pursuant to the Oversubscription Privilege, and guaranteeing the delivery to the Subscription Agent of any Subscription Certificate evidencing such Rights within five business days following the date of the Notice of Guaranteed Delivery; and

(iii) the properly completed Subscription Certificate evidencing the Rights being exercised, with any required signatures guaranteed, is received by the Subscription Agent within five business days following the date of the Notice of Guaranteed Delivery relating thereto. The Notice of Guaranteed Delivery may be delivered to the Subscription Agent in the same manner as Subscription Certificates at the addresses set forth above, or may be transmitted to the Subscription Agent by telegram or facsimile transmission (telecopy no. (617) 774-4519). Additional copies of the form of Notice of Guaranteed Delivery are available upon request from the Information Agent, whose address and telephone number are set forth under "Information Agent," below.

ONCE A RIGHTS HOLDER HAS EXERCISED THE BASIC SUBSCRIPTION PRIVILEGE OR THE OVERSUBSCRIPTION PRIVILEGE, THE EXERCISE MAY NOT BE REVOKED.

THE INSTRUCTIONS ACCOMPANYING THE SUBSCRIPTION CERTIFICATE SHOULD BE READ CAREFULLY AND FOLLOWED IN DETAIL. SUBSCRIPTION CERTIFICATES SHOULD BE SENT WITH PAYMENT TO THE SUBSCRIPTION AGENT. DO NOT SEND SUBSCRIPTION CERTIFICATES TO THE COMPANY.

Any questions or requests for assistance concerning the method of exercising Rights or requests for additional copies of this Prospectus, Instructions for Completing Subscription Certificates, the Notice of Guaranteed Delivery or other documents in connection with the Rights Offering should be directed to the Information Agent, Georgeson & Company Inc. at its address set forth under "Information Agent" (telephone number (800) 223-2064).

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INFORMATION AGENT

The Company has appointed Georgeson & Company Inc. as Information Agent for the Rights Offering. Any questions or requests for assistance concerning the method of exercising Rights or additional copies of this Prospectus, Instructions for Completing Subscription Certificates, the Notice of Guaranteed Delivery or other documents in connection with the Rights Offering may be directed to the Information Agent at the telephone number and address below. The Information Agent will neither supply Subscription Certificates nor will it be able to accept completed Subscription Certificates on behalf of the Company. RIGHTS HOLDERS SHOULD NOT FORWARD THEIR COMPLETED SUBSCRIPTION CERTIFICATES TO THE INFORMATION AGENT. EXERCISE OF THE RIGHTS MAY BE MADE ONLY BY DELIVERY OF THE SUBSCRIPTION CERTIFICATES TO THE SUBSCRIPTION AGENT IN THE MANNER SET FORTH ABOVE.

Georgeson & Company Inc.
Wall Street Plaza
New York, New York 10005
Call Toll Free: (800) 223-2064

The Company will pay the fees and expenses of the Information Agent and has also agreed to indemnify the Information Agent from certain liabilities which it may incur in connection with the Rights Offering.

RISK OF DELIVERY AND PAYMENT; DELIVERY BY MAIL

The risk of method of delivery of all documents and payment is on subscribers, not on the Company. If the mail is used, it is recommended that insured, registered mail be used and that a sufficient number of days be allowed to ensure delivery to the Subscription Agent before the Expiration Time. Because uncertified personal checks may take at least five business days to clear, Rights holders are strongly urged to pay, or arrange for payment, by means of certified or cashier's check, bank draft, money order or wire transfer of funds.

TRANSFER OF RIGHTS

Rights may be not be transferred.

NOMINEE HOLDERS

On the Record Date, holders of Common Stock who hold shares of Common Stock for the account of others, such as brokers, trustees or depositories for securities (a "Nominee Record Date Holder"), should contact the respective beneficial owners of such shares as soon as possible to ascertain those beneficial owners' intentions and to obtain instructions and certain beneficial owner certifications with respect to their Rights, all as included in the Instructions distributed by Nominee Record Date Holders to beneficial owners. If a beneficial owner so instructs, the Nominee Record Date Holder should complete the appropriate subscription form on the Subscription Certificate and, in the case of an exercise of the Oversubscription Privilege, the related Nominee Holder Certification and submit them to the Subscription Agent with the proper payment. In addition, beneficial owners of Common Stock or Rights held through such Nominee Record Date Holder should contact the Nominee Record Date Holder and request the Nominee Record Date Holder to effect transactions in accordance with the beneficial owner's instructions.

PROCEDURES FOR DTC PARTICIPANTS

Exercise of the Basic Subscription Privilege and the Oversubscription Privilege may be effected through the facilities of the DTC. Rights exercised as part of the Basic Subscription Privilege through DTC are referred to as "DTC Exercised Rights." A holder of DTC Exercised Rights may also exercise the Oversubscription Privilege in respect thereof by properly executing and delivering to the Subscription Agent, on or prior to the Expiration Time, a DTC Participant Oversubscription Exercise Form and a Nominee Holder Certification, together with payment of the appropriate Subscription Price for the number of shares of Common Stock for which the Oversubscription Privilege is to be exercised. Copies of the DTC Participant Oversubscription Exercise Form and the Nominee Holder Certification may be obtained from the Information Agent.

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INTERPRETATION

All questions as to the validity, form, eligibility (including time of receipt) and acceptance of any subscription or request for division will be determined by the Company, in its sole discretion, which determination shall be final and binding. The Company reserves the absolute right to reject any subscription or request for division if it is not in proper form or if the acceptance thereof or the issuance of Common Stock or Rights pursuant thereto could be deemed unlawful. The Company also reserves the right to waive any defect with regard to any particular subscription or request for division. The Company shall not be under any duty to give notification of any defects or irregularities in subscriptions or requests for division, nor shall it incur any liability for failure to give such notification. Subscriptions will not be deemed to have been made nor requests for division received until any such defects or irregularities have been cured or waived within such time period as the Company shall determine. Subscriptions or requests for division with defects or irregularities that have not been cured or waived will be returned by the Company to the appropriate Rights holder as soon as practicable.

DETERMINATION OF SUBSCRIPTION PRICE

The Subscription Price was determined by the Company following negotiations with the Standby Purchasers. The Subscription Price represents a discount of 10% from the average closing price of the Common Stock on the NASDAQ National Market for the thirty (30) trading days ending June 3, 1996. The discount is intended to provide an inducement to shareholders to exercise their rights as well as an inducement to the Standby Purchasers to enter into the standby purchase agreement with the Company. In approving the Subscription Price, the Company's Board of Directors also considered the historical trading prices of the Common Stock as quoted on the NASDAQ National Market and, among other things, such factors as the history of and prospects for the Company, its past operating losses, its prospects for future earnings and the present state of the Company's development.

There can be no assurance that the market price for the Common Stock during the Rights Offering will be equal to or above the Subscription Price, or that, following the issuance of the Rights and of the shares of Common Stock subscribed by holders of Rights or purchased by the Standby Purchasers, a

subscribing Rights holder will be able to sell shares purchased in the Rights Offering at a price equal to or greater than the Subscription Price.

STATE AND FOREIGN SECURITIES LAWS

The Rights may not be exercised by any person, and neither this Prospectus nor any Subscription Certificate shall constitute an offer to sell or a solicitation of an offer to purchase any shares of Common Stock, in any jurisdiction in which such transactions would be unlawful. The Company believes that any action required of the Company has been taken in all jurisdictions of the United States to permit exercises of the Rights and purchases of the Common Stock by the Rights holders. No action has been taken in any jurisdiction outside the United States to permit offers and sales of the Rights or the Common Stock. Consequently, the Company may reject subscriptions pursuant to the exercise of Rights by any Rights holder outside the United States, and the Company may also reject subscriptions from Rights holders in jurisdictions within the United States if it should later determine that it may not lawfully issue shares to such Rights holders, even if it could do so by qualifying the shares for sale or by taking other actions in such jurisdictions.

ANTITAKEOVER EFFECT OF RIGHTS OFFERING

The Rights Offering has no antitakeover purpose and the Company does not believe that the Rights Offering has any antitakeover effect.

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STANDBY COMMITMENTS

The Company has entered into a standby purchase agreement with Brynwood II, Hendrik J. Hartong and Richard T. Niner (the "Standby Purchasers") pursuant to which (a) Brynwood II has agreed to purchase from the Company, and the Company has agreed to sell to Brynwood II, at the Subscription Price, all of the 278,001 shares of Common Stock that otherwise would have been available for purchase by Brynwood I pursuant to its Basic Subscription Privilege and (ii) the Standby Purchasers have agreed to purchase from the Company, and the Company has agreed to sell to the Standby Purchasers, at the Subscription Price, an aggregate of up to 326,751 shares of Common Stock to the extent such shares are not purchased by shareholders pursuant to the exercise of Rights, including the Oversubscription Privilege. None of the Standby Purchasers has received a fee or commission from the Company for entering into the standby purchase agreement, nor will they receive a fee or commission upon the purchase of shares pursuant to such agreement. The sale of shares to the Standby Purchasers will be consummated promptly following the Expiration Time.

Pursuant to the standby purchase agreement, the Company has agreed that if, in connection with a proposed offer for sale, sale or other disposition by the Standby Purchasers of shares of Common Stock purchased by them pursuant to the standby purchase agreement, delivery of a prospectus would be required under the Securities Act, then, upon the written request of such Standby Purchasers on not more than two occasions, the Company will take such action, including, if necessary, the filing of a registration statement under the Securities Act, as may be necessary and appropriate to make available a prospectus that will permit such Standby Purchasers to effectuate the disposition of such shares. In addition, the Company has granted to the Standby Purchasers certain "piggy-back" registration rights to include such Common Stock, subject to certain limitations, in any other registration statement filed by the Company for its own account or the account of any of its security holders (including any of the Standby Purchasers). The costs associated with the Company's obligations in connection with the provision of a prospectus to the Standby Purchasers, including, if necessary, the inclusion of their shares in a registration statement under the Securities Act, will be borne by the Company. Any underwriting commissions relating to the sale of such shares by the Standby Purchasers will be borne by the Standby Purchasers.

Messrs. Hartong and Niner, both of whom are directors of the Company, are the general partners of partnerships that serve, respectively, as managing general partner of Brynwood I and Brynwood II.

DESCRIPTION OF CAPITAL STOCK

The authorized capital stock of the Company consists of 7,500,000 shares of Common Stock, of which 5,426,482 shares were outstanding as of June 5, 1996,

and 40,000 shares of Preferred Stock, par value \$100 per share (the "Preferred Stock"), of which none were outstanding as of such date. All outstanding shares of Common Stock are duly authorized, validly issued, fully paid and non-assessable. The following summary description of the capital stock of the Company is qualified in its entirety by reference to the Amended and Restated Articles of Incorporation of the Company, a copy of which is filed as an exhibit to the Registration Statement.

COMMON STOCK

The holders of shares of Common Stock are entitled to one vote per share on all matters to be voted on by shareholders. The holders of shares of Common Stock are not entitled to cumulate their votes in the election of directors, which means that holders of a majority of the outstanding shares of Common Stock can elect all the directors of the Company. The holders of shares of Common Stock are entitled to receive such dividends as may be declared from time to time by the Board of Directors, in its discretion, from any assets legally available therefor.

The holders of Common Stock are not entitled to preemptive, subscription or conversion rights, and there are no redemption or sinking fund provisions applicable to Common Stock. The holders of Common Stock are not subject to further calls or assessments by the Company. Upon liquidation of the Company, after payment or

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provision for payment of all of the Company's obligations and any liquidation preference of any outstanding Preferred Stock, the holders of the Company's Common Stock are entitled to share ratably in the remaining assets of the Company.

PREFERRED STOCK

The Company currently has no shares of Preferred Stock outstanding. The Company's Board of Directors, without further approval of the shareholders, is vested with broad authority with respect to the Preferred Stock to establish and designate series, fix the number of shares to be included in each series, provide for a sinking fund for the purchase or redemption of shares or a purchase fund for the purchase of shares of such series, and to determine the relative rights, preferences and limitations of each series, including but not limited to the dividend and voting rights of such Preferred Stock and any preferential amounts payable to the holders of Preferred Stock on liquidation. The Board of Directors will also determine whether such Preferred Stock will be convertible into other securities of the Company, including Common Stock. Accordingly, the issuance of Preferred Stock, while promoting flexibility in connection with possible acquisitions and other corporate purposes, could adversely affect the voting rights of the holders of, or the market price of, Common Stock and, under certain circumstances, make it more difficult for a third party to gain control of the Company. The holders of Preferred Stock also have the right to vote separately as a class on any proposal involving fundamental changes in the rights of holders of Preferred Stock pursuant to the Indiana Business Corporation Law (the "IBCL").

CERTAIN PROVISIONS OF THE ARTICLES OF INCORPORATION AND INDIANA LAW

Under the IBCL, directors are required to discharge their duties (i) in good faith; (ii) with the care an ordinarily prudent person in a like position would exercise under similar circumstances; and (iii) in a manner the directors reasonably believe to be in the best interests of the Company. However, the IBCL exonerates directors from liability for breach of these standards of conduct unless the breach constitutes willful misconduct or recklessness. This exoneration from liability may not affect the availability of equitable relief, including injunctions. Furthermore, the exoneration from liability under Indiana law does not affect the liability of directors for violations of the federal securities laws.

Section 4 of Article VIII of the Company's Amended and Restated Articles of Incorporation ("Section 4") provides for higher shareholder approval requirements for certain transactions (such as business combinations) with or otherwise involving another corporation or entity that beneficially owns, directly or indirectly, more than 5% of the Common Stock (a "Related Corporation"). Instead of a majority vote requirement (or the absence of any required shareholder vote), transactions subject to Section 4 require the

affirmative vote of the holders of not less than three-fourths (3/4) of the outstanding shares of Common Stock. Transactions subject to Section 4 include mergers with a Related Corporation, the sale or exchange of substantially all of the assets of the Company to a Related Corporation and the issuance of Company securities in exchange or payment for properties or assets of a Related Corporation. However, a transaction that is approved by two-thirds of the directors of the Company or by a majority of the directors of the Company prior to the acquisition of more than 5% of the Common Stock of the Company is not subject to Section 4 and the requirements of Indiana law otherwise applicable would govern shareholder approval. Section 4 may not be altered, amended or repealed except by the affirmative vote of the holders of three-fourths (3/4) of the outstanding Common Stock.

Under Sections 23-1-42-1 to 23-1-42-11 of the IBCL (the "Control Share Provisions"), any person or group of persons that acquires the power to vote one-fifth or more of the shares of an "issuing public corporation" shall not have the right to vote such shares unless granted voting rights by the holders of a majority of the outstanding shares of the corporation and by the holders of a majority of the outstanding shares excluding "interested shares." Interested shares are those shares held by the acquiring person, officers of the corporation and employees of the corporation who are also directors of the corporation. If the approval of voting power for the shares is obtained, additional shareholder approvals are required when a shareholder acquires the power to vote one-third or more and a majority or more of the voting power of the corporation's shares. In the absence of such approval, the additional shares acquired by the shareholder may not be voted. If the shareholders grant

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voting rights to the shares after a shareholder has acquired a majority or more of the voting power, all shareholders of the corporation are entitled to exercise statutory dissenters' rights and to demand the value of the shares in cash from the corporation. If voting rights are not accorded to the shares, the corporation may have the right to redeem them. The Control Share Provisions do not apply to acquisitions of voting power pursuant to a merger or share exchange agreement to which the corporation is a party. An "issuing public corporation" means an Indiana corporation which has 100 or more shareholders, its principal place of business, its principal office or substantial assets within Indiana and either (i) more than 10% of its shareholders are Indiana residents, (ii) more than 10% of its shares are owned by Indiana residents or (iii) 10,000 of its shareholders reside in Indiana. A corporation can elect to not be subject to the Control Share Provisions by adopting a By-law provision to that effect. Such By-law provision may be amended by the Board of Directors without a shareholder vote.

Sections 23-1-43-1 to 23-1-43-23 of the IBCL (the "Business Combination Provisions") prohibit a person who acquires beneficial ownership of 10% or more of the shares of an Indiana corporation that has 100 or more shareholders (an "interested shareholder"), or any affiliate or associate of an interested shareholder, from effecting a merger or other business combination with the corporation for a period of five years from the date on which the person became an interested shareholder, unless the transaction in which the person became an interested shareholder was approved in advance by the corporation's Board of Directors. Following the five-year period, a merger or other business combination may be effected with an interested shareholder only if (i) the business combination is approved by the corporation's shareholders excluding the interested shareholder and any of its affiliates or associates, or (ii) the consideration to be received by shareholders in the business combination is at least equal to the highest price paid by the interested shareholder in acquiring its interest in the corporation, with certain adjustments, and certain other requirements are met. The Business Combination Provisions broadly define the term "business combination" to include mergers, sales or leases of assets, transfers of shares of the corporation, proposals for liquidation and the receipt by an interested shareholder of any financial assistance or tax advantage from the corporation, except proportionately as a shareholder of the corporation.

The overall effect of the above provisions may be to render more difficult or to discourage a merger, a tender offer, a proxy contest, or the assumption of control of the Company by a holder of a large block of the Company's stock or other person, or the removal of incumbent management, even if such actions may be beneficial to the Company's shareholders generally.

LISTING

The Common Stock is traded in the NASDAQ National Market under the symbol "HURC."

TRANSFER AGENT AND REGISTRAR

The Transfer Agent and Registrar for the Common Stock is State Street Bank & Trust Company. Its address for such purposes is P.O. Box 8200, Boston, Massachusetts 02266.

FEDERAL INCOME TAX CONSEQUENCES

Set forth below is a summary of the material federal income tax consequences to holders of Common Stock in respect of the receipt of Rights under the Rights Offering, the exercise or expiration of such Rights and the sale of Common Stock acquired through the exercise of such Rights and represents the opinion of Weil, Gotshal & Manges LLP, New York, New York, special counsel to the Company. The summary deals only with Rights, and shares of Common Stock received through the exercise thereof, which are held as capital assets within the meaning of section 1221 of the Internal Revenue Code of 1986, as amended (the "Code").

The summary is based on the Code, Treasury regulations, administrative pronouncements and judicial decisions now in effect, all of which are subject to change (possibly on a retroactive basis). The summary does not consider any foreign, state or local tax consequences, nor does it address estate or gift tax considerations. Furthermore, the summary does not address all aspects of federal income taxation that may be relevant to

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investors in light of their particular circumstances or to certain types of investors subject to special treatment under the federal income tax laws (such as foreign shareholders, dealers in securities or currencies, tax-exempt organizations, regulated investment companies, life insurance companies, banks, other financial institutions, pass-through entities and persons holding Rights or Common Stock as part of a "straddle," "hedge" or "conversion transaction").

ISSUANCE OF RIGHTS

A holder of Common Stock will not recognize taxable income as a result of the Company's distribution of Rights to such holder.

BASIS OF RIGHTS

Except as provided in the following sentence, the basis of Rights received as a distribution with respect to a holder's Common Stock will be zero. If either (i) the fair market value of the Rights on their date of issuance is 15% or more of the fair market value on such date of the Common Stock with respect to which they are received or (ii) the holder of Common Stock elects, in his or her federal income tax return for the taxable year in which Rights are received, to allocate part of the basis of such Common Stock to the Rights, then, upon the exercise of those Rights, the holder's basis in such Common Stock will be allocated between the Common Stock and the Rights in proportion to the fair market values of each on the date of issuance of the Rights.

EXPIRATION OF RIGHTS

A holder of Rights who fails to exercise such rights prior to the Expiration Time in accordance with the terms of the Rights Offering will not recognize any gain or loss as a result thereof and no adjustment will be made to the tax basis of the Common Stock, if any, then owned by such holder.

EXERCISE OF RIGHTS

A holder of Rights will not recognize any gain or loss upon the exercise of such Rights. Under current law, the holder's tax basis in the Common Stock acquired through the exercise of Rights will be equal to the sum of the Subscription Price therefor and the tax basis of the Rights exercised (as determined above), if any. The holding period of the Common Stock acquired through the exercise of Rights will begin on the date such Rights are exercised.

SALE OF COMMON STOCK

Upon a sale of Common Stock acquired through the exercise of Rights, the selling shareholder will recognize gain or loss equal to the difference between the amount realized by the shareholder on the sale and the shareholder's tax basis in such Common Stock. Any such gain or loss will be capital gain or loss, and will be long term capital gain or loss if the Common Stock has been held for more than one year.

PROPOSED LEGISLATION

The Clinton Administration recently proposed the mandatory use of the average-cost method in determining the basis of substantially identical securities. If enacted, a selling shareholder would be required both to average the tax basis of all of his or her shares of Common Stock, with the result that each share of Common Stock sold, whether or not acquired through the exercise of Rights, would have an identical tax basis with each of the shares retained, and to determine his or her holding period for the shares of Common Stock sold on a first-in, first-out basis. There can be no way of predicting whether or not such proposal will be enacted.

THE FEDERAL INCOME TAX DISCUSSION SET FORTH ABOVE IS INCLUDED FOR GENERAL INFORMATION PURPOSES ONLY. SHAREHOLDERS SHOULD CONSULT THEIR OWN TAX ADVISORS TO DETERMINE THE FEDERAL, STATE, LOCAL AND FOREIGN TAX CONSEQUENCES OF THE RIGHTS OFFERING IN VIEW OF THEIR OWN PARTICULAR CIRCUMSTANCES.

LEGAL MATTERS

The validity of the shares of Common Stock offered hereby will be passed upon for the Company by Baker & Daniels, Indianapolis, Indiana. Certain tax matters will be passed upon for the Company by Weil, Gotshal & Manges LLP, New York, New York.

EXPERTS

The consolidated financial statements and schedule of the Company and its subsidiaries at October 31, 1995 and 1994, and for the years then ended, incorporated by reference in this Prospectus and elsewhere in the Registration Statement, have been audited by Arthur Andersen LLP, independent public accountants, as indicated in their report with respect thereto, and are incorporated by reference herein in reliance upon the authority of said firm as experts in giving said report. The consolidated financial statements and schedule of the Company and its subsidiaries for the year ended October 31, 1993, incorporated by reference in this Prospectus and elsewhere in the Registration Statement, have been audited by Coopers & Lybrand L.L.P., independent public accountants, as indicated in their report with respect thereto, and are incorporated by reference herein in reliance upon such report, given upon the authority of such firm as experts in accounting and auditing.

NO DEALER, SALESMAN OR ANY OTHER PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION NOT CONTAINED IN THIS PROSPECTUS AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATION MUST NOT BE RELIED ON AS HAVING BEEN AUTHORIZED BY THE COMPANY. THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER OR A SOLICITATION OF AN OFFER TO BUY ANY SECURITIES OTHER THAN THE RIGHTS OR THE COMMON STOCK TO WHICH IT RELATES, OR AN OFFER IN ANY JURISDICTION TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH AN OFFER IN SUCH JURISDICTION. NEITHER THE DELIVERY OF THIS PROSPECTUS NOR ANY SALE MADE HEREUNDER SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THE INFORMATION CONTAINED HEREIN IS CORRECT AS OF ANY TIME SUBSEQUENT TO THE DATE HEREOF OR THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE COMPANY SINCE SUCH DATE.

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proceeding, by reason of the fact that he is or was a director, officer, employee or agent of the Company, against certain liabilities incurred by him or her in connection with such proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Company, and, with respect to any criminal proceeding, had no reasonable cause to believe his conduct was unlawful. The Company has entered into employment agreements with certain executive officers, which also provide indemnification against certain liabilities.

Sections 23-1-37-1 to 23-1-37-15 of the Indiana Business Corporation Law authorize a corporation to indemnify its directors and officers in terms sufficiently broad to permit such indemnification (including reimbursement of expenses incurred) under certain circumstances for liabilities arising under the Securities Act.

ITEM 16. EXHIBITS

EXHIBIT NUMBER -----	DESCRIPTION -----
1	Standby Purchase Agreement dated as of June 6, 1996, by and among the Company and the Standby Purchasers.
4.1	Amended and Restated Articles of Incorporation of the Company (incorporated by reference to Exhibit 3.1 to the Company's Annual Report on Form 10-K for the year ended October 31, 1989).
4.2	Amended and Restated By-Laws of the Company (incorporated by reference to Exhibit 3.3 to the Company's Quarterly Report on Form 10-Q for the quarter ended January 31, 1996).
5	Opinion of Baker & Daniels with respect to legality of the securities.
8	Opinion of Weil, Gotshal & Manges LLP with respect to certain federal income tax matters.
23.1	Consent of Baker & Daniels (included in Exhibit 5).
23.2	Consent of Weil, Gotshal & Manges LLP (included in Exhibit 8).
23.3	Consent of Arthur Andersen LLP.
23.4	Consent of Coopers & Lybrand L.L.P.
24	Power of Attorney (included on signature page).

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EXHIBIT NUMBER -----	DESCRIPTION -----
99.1	Form of Subscription Certificate.
99.2	Instructions for Completing Subscription Certificates.
99.3	Notice of Guaranteed Delivery.
99.4	Subscription Agency Agreement dated as of June 6, 1996, between the Company and the Subscription Agent.
99.5	Letter to Holders of Common Stock.
99.6	Letter to Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees.
99.7	Letter to Clients from Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees.
99.8	DTC Participant Oversubscription Exercise Form.
99.9	Nominee Holder Certification.
99.10	Special Notice to Holders of Common Stock Whose Addresses are Outside the United States.

ITEM 17. UNDERTAKINGS

(a) The undersigned registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this Registration Statement:

(i) to include any prospectus required by Section 10(a)(3) of the Securities Act of 1933, as amended (the "Securities Act");

(ii) to reflect in the Prospectus any facts or events arising after the effective date of this Registration Statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in this Registration Statement;

(iii) to include any material information with respect to the plan of distribution not previously disclosed in this Registration Statement or any material change to such information in this Registration Statement;

provided, however, that paragraphs (a)(1)(i) and (a)(1)(ii) above do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed by the Registrant pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934 (the "Exchange Act") that are incorporated by reference in this Registration Statement.

(2) That, for the purpose of determining any liability under the Securities Act, each such post-effective amendment shall be deemed to be a new registration statement relating to the Securities offered therein, and the offering of such Securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the Securities being registered hereby which remain unsold at the termination of the offering.

(b) The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act, each filing of the registrant's annual report pursuant to Section 13(a) or 15(d) of the Exchange Act (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Exchange Act) that is incorporated by reference in the Registration Statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

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(c) The undersigned registrant hereby undertakes to supplement the Prospectus, after the Expiration Time, to set forth the results of the Rights Offering and the amount of unsubscribed securities purchased by the Standby Purchasers.

(d) The undersigned registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act, the information omitted from the form of Prospectus filed as part of this Registration Statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this Registration Statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(e) Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the Company pursuant to the foregoing provisions, or otherwise, the Company has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Company of expenses incurred or paid by a director, officer or controlling person of the Company in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Company will, unless in

the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question of whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Indianapolis, Indiana, on the 6th day of June, 1996.

Hurco Companies, Inc.

/s/ Roger J. Wolf

By: _____
ROGER J. WOLF SENIOR VICE-
PRESIDENT, SECRETARY, TREASURER
AND CHIEF FINANCIAL OFFICER
(PRINCIPAL FINANCIAL AND
ACCOUNTING OFFICER)

POWER OF ATTORNEY

Each of the undersigned hereby appoints Brian D. McLaughlin and Roger J. Wolf and each of them (with full power to act alone), as attorneys and agents for the undersigned, with full power of substitution, for and in the name, place and stead of the undersigned, to sign and file with the Securities and Exchange Commission under the Securities Act of 1933, as amended, any and all amendments and exhibits to this Registration Statement and any and all applications, instruments and other documents in connection therewith pertaining to the registration of the securities registered hereby, with full power and authority to do and perform any and all acts and things whatsoever requisite or desirable.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

SIGNATURE	TITLE	DATE
/s/ Brian D. McLaughlin ----- BRIAN D. MCLAUGHLIN	President and Chief Executive Officer of Hurco Companies, Inc. (Principal Executive Officer)	June 6, 1996
/s/ Roger J. Wolf ----- ROGER J. WOLF	Senior Vice- President, Secretary, Treasurer and Chief Financial Officer (Principal Financial and Accounting Officer)	June 6, 1996
/s/ Hendrik J. Hartong, Jr. ----- HENDRIK J. HARTONG, JR.	Director	June 6, 1996

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SIGNATURE	TITLE	DATE
/s/ Andrew L. Lewis IV ----- ANDREW L. LEWIS IV	Director	June 6, 1996

/s/ E. Keith Moore	Director	June 6, 1996

E. KEITH MOORE		
/s/ Richard T. Niner	Director	June 6, 1996

RICHARD T. NINER		
/s/ O. Curtis Noel	Director	June 6, 1996

O. CURTIS NOEL		
/s/ Charles E.M. Rentschler	Director	June 6, 1996

CHARLES E.M. RENTSCHLER		

STANDBY PURCHASE AGREEMENT

STANDBY PURCHASE AGREEMENT (this "Agreement") dated as of June 6, 1996, by and among HURCO COMPANIES, INC., an Indiana corporation (the "Company"), BRYNWOOD PARTNERS II L.P., a Delaware limited partnership ("Brynwood II"), Hendrik J. Hartong, Jr. ("Hartong") and Richard T. Niner ("Niner," and together with Brynwood II and Hartong, the "Standby Purchasers").

W I T N E S S E T H:

WHEREAS, the Company proposes, as soon as practicable after the Rights Offering Registration Statement, as defined herein, becomes effective, to distribute to holders of its common stock (the "Common Stock") of record as of the close of business on June 5, 1996 (the "Record Date"), non-transferable rights (the "Rights") to subscribe for and purchase up to an aggregate of 1,085,296 additional shares of Common Stock (the "New Shares") at a subscription price (the "Subscription Price") of \$4.63 per share (the "Rights Offering"); and

WHEREAS, pursuant to the Rights Offering, stockholders of record will receive .20 of a Right for each share of Common Stock held by them as of the Record Date, and each whole Right will entitle the holder to purchase one New Share of Common Stock at the Subscription Price (the "Basic Subscription Privilege"); and

WHEREAS, each Right will also carry the right (the "Oversubscription Privilege") to subscribe at the Subscription Price for additional New Shares that are not otherwise purchased by stockholders through the exercise of the Basic Subscription Privilege; and

WHEREAS, the Company desires to assure the sale of at least 604,752 of the New Shares in order to realize proceeds of not less than \$2,800,000 as a result of the Rights Offering (the "Minimum Proceeds"); and

WHEREAS, Brynwood Partners Limited Partnership ("Brynwood I"), the owner of 1,390,001 shares (or approximately 25.6% of the outstanding shares) of the Common Stock, has advised the Company that, due to liquidity limitations, it will not be able to exercise any of its Rights; and

WHEREAS, in lieu thereof, and to assist the Company in its efforts to assure realization of the Minimum Proceeds, Brynwood II, an affiliate of Brynwood I, has offered to purchase from the Company and the Company is willing to sell to Brynwood II, at the Subscription Price, all of the 278,001 New Shares that otherwise would have been available for purchase by Brynwood I pursuant to its Basic Subscription Privilege; and

WHEREAS, in order to further assure that the Company will realize the Minimum Proceeds from the Rights Offering, the Company has requested the Standby Purchasers to agree to purchase from the Company upon expiration of the Rights Offering, and the Standby Purchasers are willing to so purchase, up to 326,751 New Shares, at the Subscription Price, to the extent such New Shares are not purchased by stockholders pursuant to the exercise of Rights, including the Oversubscription Privilege; and

WHEREAS, in order to induce the Standby Purchasers to enter into this Agreement, the Company has agreed to grant the Standby Purchasers registration rights with respect to the New Shares purchased by them pursuant to this Agreement;

NOW THEREFORE, in consideration of the foregoing and the mutual covenants herein contained, the parties hereto hereby agree as follows:

Section 1. Certain Other Definitions. The following terms used

herein shall have the meanings set forth below:

"Business Day" shall mean any day that is not a Saturday, a Sunday or a day on which banks are required or permitted to be closed in the State of New York or the State of Indiana.

"Closing" shall mean the closing of the purchases described in Section 2 hereof, which shall be held at 10 a.m. on the Closing Date at the offices of Baker & Daniels, or such other time and place as may be agreed to by the parties hereto.

"Closing Date" shall mean the date that is three business days after the Rights Offering Expiration Date, or such other date as may be agreed to by the parties hereto.

"Commission" shall mean the United States Securities and Exchange Commission, or any successor agency thereto.

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"Exchange Act" shall mean the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated by the Commission thereunder.

"NASD" shall mean the National Association of Securities Dealers, Inc., or any successor corporation thereto.

"Person" shall mean an individual, corporation, partnership, association, joint stock company, limited liability company, joint venture, trust, governmental entity, unincorporated organization or other legal entity.

"Prospectus" shall mean a prospectus, as defined in Section 2(10) of the Securities Act, that meets the requirements of Section 10 of the Securities Act and is current with respect to the securities covered thereby.

"Rights Offering Expiration Date" shall mean the date on which the subscription period (as the same may be extended for up to thirty (30) days by the Company at the request or with the consent of the Standby Purchasers) under the Rights Offering expires.

"Rights Offering Prospectus" shall mean the final Prospectus included in the Rights Offering Registration Statement for use in connection with the issuance of the Rights.

"Rights Offering Registration Statement" shall mean the Company's Registration Statement on Form S-3 under the Securities Act or such other appropriate form under the Securities Act, pursuant to which the Rights and underlying shares of Common Stock will be registered pursuant to the Securities Act.

"Securities" shall mean those of the New Shares that are purchased by the Standby Purchasers pursuant to Section 2 hereof.

"Securities Act" shall mean the Securities Act of 1933, as amended, and the rules and regulations promulgated by the Commission thereunder.

Section 2. Standby Purchase Commitment.

(a) Brynwood II hereby agrees to purchase from the Company, and the Company hereby agrees to sell to Brynwood II, at the Subscription Price, all of the 278,001 New Shares that

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otherwise would have been available for purchase by Brynwood I pursuant to its Basic Subscription Privilege.

(b) The Standby Purchasers hereby agree to purchase from the Company, and the Company hereby agrees to sell to the Standby Purchasers, at the Subscription Price, up to 326,751 New Shares if and to the extent such shares are not purchased by stockholders pursuant to the exercise of

Rights, including the Oversubscription Privilege. It is understood and agreed that, if and to the extent that the Standby Purchasers are required to purchase New Shares pursuant to this subsection (b), such New Shares shall be so purchased by each of the Standby Purchasers, severally and not jointly, as nearly as may be practicable in equal proportionate amounts.

(c) Payment of the Subscription Price for the Securities shall be made, on the Closing Date, against delivery of certificates evidencing the Securities, in United States dollars by means of certified or cashier's checks, bank drafts, money orders or wire transfers.

Section 3. Representations and Warranties.

(a) The Company represents and warrants to the Standby Purchasers as follows, which representations and warranties are, as of the date hereof, and will be, as of the Closing Date, true and correct:

(i) At the time the Rights Offering Registration Statement becomes effective, the Rights Offering Registration Statement will comply in all material respects with the requirements of the Securities Act and will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading. The Prospectus, at the time the Rights Offering Registration Statement becomes effective and at the Closing Date, will not include an untrue statement or a material fact or omit to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading; provided, however, that the representations and warranties

in this subsection shall not apply to statements in or omissions from the Rights Offering Registration Statement or the Prospectus made in reliance upon and in conformity with the information furnished to the Company in writing by the Standby Purchasers for use in the Rights Offering Registration Statement or in the Prospectus.

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(ii) The documents incorporated by reference into the Prospectus pursuant to Item 12 of Form S-3 under the Securities Act, when they became effective or at the time they were filed with the Commission, as the case may be, complied in all material respects with the applicable provisions of the Exchange Act.

(iii) This Agreement has been duly and validly authorized, executed and delivered by the Company and constitutes a binding obligation of the Company enforceable against it in accordance with its terms, subject to applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and similar laws affecting creditors' rights and remedies generally, and subject, as to enforceability, to general principles of equity, including principles of commercial reasonableness, good faith and fair dealing (regardless of whether enforcement is sought in a proceeding at law or in equity).

(b) Each Standby Purchaser, severally and not jointly, represents and warrants to the Company, as to itself only, as follows, which representations and warranties are, as of the date hereof, and will be, as of the Closing Date, true and correct:

(i) In the case of Brynwood II, this Agreement has been duly and validly authorized, executed and delivered by Brynwood II and constitutes a binding obligation of Brynwood II enforceable against it in accordance with its terms, subject to applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and similar laws affecting creditors' rights and remedies generally, and subject, as to enforceability, to general principles of equity, including principles of commercial reasonableness, good faith and fair dealing (regardless of whether enforcement is sought in a proceeding at law or in equity).

(ii) In the case of each of the other Standby Purchasers, such Standby Purchaser has the legal capacity to enter into, execute and deliver this Agreement and this Agreement constitutes a binding obligation of such Standby Purchaser enforceable against him in

accordance with its terms, subject to applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and similar laws affecting creditors' rights and remedies generally, and subject, as to enforceability, to general

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principles of equity, including principles of commercial reasonableness, good faith and fair dealing (regardless of whether enforcement is sought in a proceeding at law or in equity).

(iii) Such Standby Purchaser will not sell or otherwise transfer any of the Securities (or any interest thereon) except in compliance with the registration requirements and Prospectus delivery provisions of the Securities Act or an applicable exemption therefrom.

Section 4. Deliveries at Closing.

(a) (i) At the Closing, the Company shall deliver to each of the Standby Purchasers the following:

(A) A certificate or certificates representing the number of shares of Common Stock issued to each of the Standby Purchasers pursuant to Section 2 hereof; and

(B) A certificate of an officer of the Company to the effect that the representations and warranties of the Company contained in this Agreement are true and correct in all material respects on and as of the Closing Date with the same effect as if made on the Closing Date.

(b) (i) At the Closing, each of the Standby Purchasers shall deliver to the Company the following:

(A) Payment of the Subscription Price of the Securities purchased by such Standby Purchaser, as set forth in Section 2(c) hereof; and

(B) A certificate of such Standby Purchaser to the effect that the representations and warranties of such Standby Purchaser contained in this Agreement are true and correct in all material respects on and as of the Closing Date with the same effect as if made on the Closing Date.

Section 5. Registration Rights.

(a) Demand Rights. If, in connection with a proposed offer for sale, sale or other disposition of Securities by a Standby Purchaser, delivery of a Prospectus would be required under the Securities Act, then, upon the written request of such Standby Purchaser, the Company will take such action, including, if necessary, the filing of a

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registration statement under the Securities Act or a Post-Effective Amendment to the Rights Offering Registration Statement and the use of its best efforts to cause the same to become effective under the Securities Act, as may be necessary and appropriate to make available, and shall furnish to such Standby Purchaser such number of copies as such Standby Purchaser reasonably may request of, a Prospectus that will permit such Standby Purchaser to effectuate the offer for sale and sale, or other disposition, of the Securities that are the subject matter of such request in accordance with, and for the duration of the period of time contemplated by, the intended method of distribution specified in such request; provided, however, that the

Company shall be obligated to take such actions in respect such requests on no more than two (2) occasions.

(b) "Piggy-back" Rights. (i) If the Company at any time

proposes to file on its behalf and/or on behalf of any of its security holders, including any of the Standby Purchasers, a registration statement under the Securities Act on any form (other than a registration statement on Form S-8 or any successor form thereto) for the general registration of shares of its Common Stock for offering and sale for cash, it will give to the Standby Purchasers written notice thereof at least 20 days before the initial filing of such registration statement, which notice shall set forth an offer to each of the Standby Purchasers to include within the coverage of such registration statement such amount of the Securities then owned by such Standby Purchaser as such Standby Purchaser may request.

(ii) Each Standby Purchaser desiring to have Securities included within the coverage of a registration statement pursuant to this Section 5(b) shall so advise the Company in writing within ten days after the receipt of the notice specified in clause (i) of this Section 5(b), setting forth the amount of such Securities for which inclusion is requested. The Company shall thereupon include in such filing the amount of Securities for which inclusion is so requested and shall use its best efforts to effect registration under the Securities Act of such Securities. Notwithstanding the foregoing, if the registration statement that is the subject of the Company's notice pursuant to clause (i) of this Section 5(b) relates to a proposed underwritten offering of Common Stock for the account of the Company and the managing underwriter of such offering shall advise the Company in writing that, in its opinion, the distribution of the Securities requested to be included in the registration

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statement by the Standby Purchasers would materially adversely affect the offering and sale of Common Stock by the underwriters for the account of the Company, then the Standby Purchasers shall reduce, pro rata, the amount of

Securities requested to be included by them within the coverage of such registration statement or, if so requested by the Company, based upon the recommendation of the managing underwriter, shall defer the offering and sale of such Securities for a period of up to 90 days following the consummation of the offering and sale of shares by the Company.

(c) Required Information. It shall be a condition precedent to the

obligation of the Company to take any action pursuant to this Section 5 in respect of the securities which are to be registered at the request of any holder of Securities that such holder shall furnish to the Company such information regarding the securities held by such holder and the intended method of disposition thereof as the Company shall reasonably request and as shall be required in connection with the action taken by the Company.

(d) Updating of Disclosure. Whenever Securities owned by a Standby

Purchaser are included within the coverage of a Prospectus pursuant to the provisions of either paragraph (a) or paragraph (b) of this Section 5, the Company shall take such action as reasonably may be required to cause the information contained in such Prospectus to remain current for so long as may be necessary to enable such Standby Purchaser to complete the sale of such Securities in accordance with the plan of distribution set forth in such Prospectus; provided, however, that if for any reason the Company is

ineligible to use Form S-3 for registration of such Securities at the date of such Prospectus, the Company shall not be obligated to keep such Prospectus current for more than a maximum period of ninety (90) days.

(e) Expenses. All expenses incurred by the Company in complying

with this Section 5, including, without limitation, all registration and filing fees (including all expenses incident to filing with the NASD), printing expenses, fees and disbursements of counsel for the Company and expenses of complying with applicable securities or blue sky laws of the several states in which the Securities may be offered for sale or sold, as well as the fees and disbursements of counsel for the Standby Purchasers, shall be borne by the Company. Any underwriting discounts or commissions relating to the sale of Securities by the Standby Purchasers shall be borne by the Standby Purchasers.

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Section 6. Indemnification and Contribution.

(a) In the event of any registration of any Securities under the Securities Act pursuant to this Agreement, the Company shall indemnify and hold harmless such Standby Purchasers and each other Person (including each underwriter) who participated in the offering of such Securities and each other Person, if any, who controls such Standby Purchaser or such participating Person within the meaning of the Securities Act (all such Persons being hereinafter referred to, collectively, as the "Standby Indemnified Persons"), against any losses, claims, damages or liabilities, joint or several, to which any of the Standby Indemnified Persons may become subject under the Securities Act or any other statute or at common law, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon (i) any alleged untrue statement of any material fact contained, on the effective date thereof, in any registration statement under which such securities were registered under the Securities Act, any preliminary prospectus or final prospectus contained therein, or any amendment or supplement thereto, or (ii) any alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and shall reimburse each such Standby Indemnified Person for any legal or any other expenses reasonably incurred by such Standby Indemnified Person in connection with investigating or defending any such loss, claim, damage, liability or action; provided,

however, that the Company shall not be liable in any such case to any Standby

Independent Person to the extent that any such loss, claim, damage or liability arises out of or is based upon any alleged untrue statement or alleged omission made in such registration statement, preliminary prospectus, prospectus or amendment or supplement in reliance upon and in conformity with written information furnished to the Company by such Standby Indemnified Person specifically for use therein or (in the case of any registration pursuant to Section 5(a) hereof so furnished for such purposes by any underwriter. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of such Standby Indemnified Person, and shall survive the transfer of such Securities by such Standby Indemnified Person.

(b) Each Standby Purchaser by acceptance thereof, agrees to indemnify and hold harmless the Company, its directors and officers and each other Person, if any, who controls the Company within the meaning of the Securities Act (all such Persons being hereinafter referred to, collectively,

as the "Company Indemnified Persons," and together with the Standby Indemnified Persons, the "Indemnified Persons") against any losses, claims, damages or liabilities, joint or several, to which any of the Company Indemnified Persons may become subject under the Securities Act or any other statute or at common law, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon information in writing provided to the Company by such Standby Purchaser specifically for use in any registration statement under which Securities were registered under the Securities Act at the request of such Standby Purchaser, any preliminary prospectus or final prospectus contained therein, or any amendment or supplement thereto.

(c) (i) If the indemnification provided for in this Section 6 is unavailable to an Indemnified Person hereunder in respect of any losses, claims, damages, liabilities or expenses referred to therein, then the indemnifying party, in lieu of indemnifying such Indemnified Person, shall contribute to the amount paid or payable by such Indemnified Person as a result of such losses, claims, damages, liabilities or expenses in such proportion as is appropriate to reflect the relative fault of the indemnifying party and Indemnified Person in connection with the actions which resulted in such losses, claims, damages, liabilities or expenses, as well as any other relevant equitable considerations. The relative fault of such indemnifying party and Indemnified Persons shall be determined by reference to, among other things, whether any action in question, including any untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact, has been made by, or relates to information supplied by, the indemnifying party or the Indemnified Persons,

and their relative intent, knowledge, access to information and opportunity to correct or prevent such action. The amount paid or payable by a party as a result of the losses, claims, damages, liabilities and expenses referred to above shall be deemed to include any legal or other fees or expenses reasonably incurred by such party in connection with any investigation or proceeding.

(ii) The parties hereto agree that it would not be just and equitable if contribution pursuant to this Section 6(c) were determined by pro rata allocation or by any other method of allocation which does not take account of the equitable considerations referred to in the immediately preceding paragraph. No Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act)

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shall be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation.

Section 7. Selection of Managing Underwriters. The managing

underwriter or underwriters for any underwritten offering of Securities on behalf of the Standby Purchasers pursuant to Section 5 hereof shall be selected by the Standby Purchasers, subject to the reasonable approval of the Company.

Section 8. Notices. All notices, communications and deliveries

required or permitted by this Agreement shall be made in writing signed by the party making the same, shall specify the Section of this Agreement pursuant to which it is given or being made and shall be deemed given or made (i) on the date delivered if delivered by telecopy or in person, (ii) on the third (3rd) Business Day after it is mailed if mailed by registered or certified mail (return receipt requested) (with postage and other fees prepaid) or (iii) on the day after it is delivered, prepaid, to an overnight express delivery service that confirms to the sender delivery on such day, as follows:

(a) if to any of the Standby Purchasers, at:

c/o Brynwood Partners II L.P.
Two Soundview Drive
Greenwich, Connecticut 06836
Attention: Mr. Richard T. Niner
Telecopy No.: (203) 622-0559

(b) if to the Company, at:

Hurco Companies, Inc.
One Technology Way
Indianapolis, Indiana 46268
Attention: Mr. Roger Wolf
Telecopy No.: (317) 328-2811

with copies, in the case of (a) or (b) to:

Weil, Gotshal & Manges LLP
767 Fifth Avenue
New York, New York 10153
Attention: Stephen H. Cooper, Esq.
Telecopy No.: (212) 310-8007

or to such other representative or at such other address of a party as such party hereto may furnish to the other parties in

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writing. If notice is given pursuant to this Section 8 of any assignment to a permitted successor or assign of a party hereto, the notice shall be given as set forth above to such successor or assign of such party.

Section 9. Secretary to Retain Copy. A copy of this Agreement

shall be filed with the Secretary of the Company, and the Secretary shall make it available to any holder requesting it at all reasonable times during normal business hours.

Section 10. Assignment. This Agreement will be binding upon, and

will inure to the benefit of and be enforceable by, the parties hereto and their respective successors and assigns, including any person to whom Securities are transferred in accordance herewith.

Section 11. Entire Agreement. This Agreement embodies the entire

agreement and understanding between the parties hereto in respect of the subject matter contained herein. There are no restrictions, promises, warranties, or undertakings, other than those set forth or referred to herein, with respect to the standby purchase commitments or the registration rights granted by the Company with respect to the Securities. This Agreement supersedes all prior agreements and understandings between the parties with respect to the subject matter of this Agreement.

Section 12. Governing Law. This Agreement shall be governed by

and construed in accordance with the internal laws of the State of Indiana (other than its rules of conflicts of laws to the extent the application of the laws of another jurisdiction would be required thereby).

Section 13. Severability. If any provision of this Agreement or

the application thereof to any person or circumstances is determined by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions hereof, or the application of such provision to persons or circumstances other than those as to which it has been held invalid or unenforceable, shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby, so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner adverse to any party. Upon such determination, the parties shall negotiate in good faith in an effort to agree upon a suitable and equitable substitute provision to effect the original intent of the parties.

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Section 14. Extension or Modification of Rights Offering. Without

the prior written consent of the Standby Purchasers, the Company will not permit the Rights Offering Expiration Date to be extended or any of the other terms or conditions of the Rights, the New Shares, the Subscription Agency Agreement, dated as of the date hereof, between the Company and State Street Bank and Trust Company, as subscription agent, or the offering of the New Shares for subscription as described in the Rights Offering Prospectus to be amended, modified or terminated in any material respect, except that, without such consent, the Company may (i) waive irregularities in the manner of exercise of the Rights, and (ii) waive conditions relating to the method (but not the timing) of the exercise of the Rights to the extent that such waiver does not materially adversely affect the interests of the Standby Purchasers. At the request of the Standby Purchasers, the Company will extend the Rights Offering Expiration Date, but in no event shall any such extension (i) be made other than with the consent or at the request of the Standby Purchasers or (ii) postpone the Rights Offering Expiration Date to a date more than thirty (30) days later than the date set forth in the Rights Offering Prospectus.

Section 15. Miscellaneous.

(a) The Company shall not after the date of this Agreement enter into any agreement with respect to its securities which is inconsistent with or violates the rights granted to holders of Securities in this Agreement; provided, however, that the Company shall be permitted to enter into registration rights agreements after the date of this Agreement.

(b) The headings in this Agreement are for purposes of reference only and shall not limit or otherwise affect the meaning of this Agreement.

(c) This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all of which, when taken together, shall constitute one and the same instrument.

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IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed and delivered as of the date first above written.

HURCO COMPANIES, INC.

By: /s/ Roger Wolf

Name: Roger Wolf
Title: Senior Vice President
and Treasurer

BRYNWOOD PARTNERS II L.P.

By: Brynwood Management II
(its general partner)

By: /s/ Richard T. Niner

Name: Richard T. Niner
Title: General Partner

/s/ Hendrik J. Hartong, Jr.

Hendrik J. Hartong, Jr.

/s/ Richard T. Niner

Richard T. Niner

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Baker & Daniels
300 North Meridian Street, Suite 2700
Indianapolis, Indiana 46204-1782
(317) 237-0300

June 6, 1996

Hurco Companies, Inc.
One Technology Way
Indianapolis, IN 46268

Ladies and Gentlemen:

We have examined the corporate records and proceedings of Hurco Companies, Inc., an Indiana corporation (the "Company"), with respect to:

(a) the organization of the Company; and

(b) the legal sufficiency of all corporate proceedings of the Company taken in connection with the authorization, issuance, form, validity and nonassessability of up to 1,085,296 shares of Common Stock, no par value (the "Shares"), to be offered under the Registration Statement on Form S-3, as amended (the "Registration Statement"), in connection with which this opinion letter is given.

The law covered by this opinion letter is limited to the laws of the State of Indiana.

Based on the foregoing, we are of the opinion that:

1. The Company is a validly existing corporation under the laws of the State of Indiana.

2. The Shares being offered pursuant to the Registration Statement are duly authorized and, when issued in the manner described in the Registration Statement, will be validly issued, fully paid and nonassessable.

We consent to the filing of this opinion letter as Exhibit 5 to the Registration Statement and to the reference to our name in the Prospectus constituting a part of such

Registration Statement under the heading "Legal Matters." In giving such consent, we do not hereby admit that we come within the category of persons whose consent is required under Section 7 of the Securities Act or the rules and regulations of the Securities and Exchange Commission thereunder.

Yours very truly,

/s/ Baker & Daniels

Weil, Gotshal & Manges LLP
767 Fifth Avenue
New York, New York 10153
(212) 310-8000

June 6, 1996

Hurco Companies, Inc.
One Technology Way
Indianapolis, Indiana 46268

Ladies and Gentlemen:

You have requested our opinion regarding certain federal income tax consequences of the distribution by Hurco Companies, Inc. (the "Company") to holders of record of its common stock, no par value (the "Common Stock"), of non-transferable rights (the "Rights") to subscribe for and purchase additional shares of common stock of the Company (the "Rights Offering").

In formulating our opinion as to the matters certified, we have examined such documents as we deemed appropriate, including the Registration Statement on Form S-3, dated June 6, 1996, filed with the Securities and Exchange Commission pursuant to the Securities Act of 1933, as amended to the date hereof (with all amendments thereto, the "Registration Statement"). In addition, we have obtained such additional information as we have deemed relevant and necessary through consultation with various officers and representatives of the Company.

Our opinion set forth below assumes (i) the accuracy of the statements and facts concerning the Rights Offering set forth in the Registration Statement and of the representations made to us by the Company, which are set forth in the Certificate from the Company, dated the date hereof, (ii) that the Rights Offering is consummated in the manner contemplated by, and in accordance with the terms set forth in, the Registration Statement, and (iii) that no person, in his, her or its capacity as a shareholder of the Company, receives (either directly or indirectly) a distribution of cash or property from the Company, including, without limitation, a distribution of cash or property in

Hurco Companies, Inc.
June 6, 1996
Page 2

redemption of stock of the Company, within the three-year period following the date of distribution of the Rights.

The terms of the Rights Offering, which are set forth in the Registration Statement, are incorporated herein by reference.

Based upon the facts and statements with respect to the Rights Offering, as set forth in the documents referred to above, and subject to the assumptions set forth above, we hereby confirm that the legal conclusions set forth in the discussion under the heading "FEDERAL INCOME TAX CONSEQUENCES" in the Registration Statement accurately reflects our opinion as to the material federal income tax consequences to holders of Common Stock in respect of the receipt of Rights, the exercise or expiration of such Rights and the sale of Common Stock acquired through the exercise of such Rights.

The foregoing opinion is based on current provisions of the Internal Revenue Code of 1986, as amended, the Treasury Regulations promulgated thereunder, published pronouncements of the Internal Revenue Service and case law, any of which may be changed at any time with retroactive effect. No opinion is expressed concerning any matters other than those specifically referred to herein.

We hereby consent to the filing of this opinion as an exhibit to the Registration Statement and the reference to our firm therein.

Very truly yours,

/s/ Weil, Gotshal & Manges LLP

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

Hurco Companies, Inc.
Indianapolis, Indiana

As independent public accountants, we hereby consent to the incorporation by reference in this registration statement of our report dated December 1, 1995, except with respect to the matters discussed in Notes 4 and 12 as to which the date is January 26, 1996, included in the Company's Form 10-K, for the year ended October 31, 1995, and to all references to our Firm included in this registration statement.

/s/ Arthur Andersen LLP
ARTHUR ANDERSEN LLP

Indianapolis, Indiana
June 3, 1996

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

Hurco Companies, Inc.
Indianapolis, Indiana

We consent to the incorporation by reference in the Registration Statement of Hurco Companies, Inc. on Form S-3 of our report dated December 10, 1993 on our audit of the consolidated financial statements and financial statement schedule of Hurco Companies, Inc., for the year ended October 31, 1993, which report is included in the Annual Report on Form 10-K. We also consent to the reference to our firm under the caption "experts".

/s/ Coopers & Lybrand L.L.P.
COOPERS & LYBRAND L.L.P.

Indianapolis, Indiana
June 3, 1996

[FORM OF SUBSCRIPTION CERTIFICATE]

SUBSCRIPTION CERTIFICATE NUMBER:
NUMBER OF RIGHTS:
EXPIRATION DATE: JULY 3, 1996, unless extended

HURCO COMPANIES, INC.

SUBSCRIPTION RIGHT FOR SHARES OF COMMON STOCK

SUBSCRIPTION PRICE: \$4.63 PER SHARE

THE TERMS AND CONDITIONS OF THE RIGHTS OFFERING ARE SET FORTH IN THE COMPANY'S PROSPECTUS DATED JUNE 6, 1996 (THE "PROSPECTUS") AND ARE INCORPORATED HEREIN BY REFERENCE. COPIES OF THE PROSPECTUS ARE AVAILABLE UPON REQUEST FROM GEORGESON & COMPANY INC. (THE "INFORMATION AGENT") AT WALL STREET PLAZA, NEW YORK, NEW YORK 10005 (TOLL-FREE (800) 223-2064). CAPITALIZED TERMS USED HEREIN AND NOT OTHERWISE DEFINED HEREIN SHALL HAVE THE MEANINGS ASCRIBED TO SUCH TERMS IN THE PROSPECTUS.

THIS SUBSCRIPTION CERTIFICATE (THE "SUBSCRIPTION CERTIFICATE") OR A NOTICE OF GUARANTEED DELIVERY MUST BE RECEIVED BY STATE STREET BANK & TRUST COMPANY ("THE SUBSCRIPTION AGENT") WITH PAYMENT IN FULL BY 5:00 P.M., NEW YORK CITY TIME, ON JULY 3, 1996, UNLESS EXTENDED FOR UP TO THIRTY (30) DAYS BY THE COMPANY AT THE REQUEST OF THE STANDBY PURCHASERS (THE "EXPIRATION TIME").

THE RIGHTS REPRESENTED BY THIS SUBSCRIPTION CERTIFICATE, IN WHOLE OR IN PART, MAY BE EXERCISED BY DULY COMPLETING AND SIGNING THE EXERCISE FORM. RIGHTS HOLDERS ARE URGED TO READ CAREFULLY AND IN THEIR ENTIRETY THE PROSPECTUS AND INSTRUCTIONS FOR COMPLETING SUBSCRIPTION CERTIFICATES, ADDITIONAL COPIES OF WHICH ARE AVAILABLE FROM THE SUBSCRIPTION AGENT. AN EXERCISE OF RIGHTS EVIDENCED HEREBY IS IRREVOCABLE.

This nontransferable Subscription Certificate represents the number of Rights set forth above. The registered holder whose name is inscribed hereon (the "Holder") is entitled to subscribe for and purchase from Hurco Companies, Inc. (the "Company"), at the Subscription Price, one (1) share of common stock, no par value (the "Common Stock"), of Hurco Companies, Inc. (the "Company") for each whole Right evidenced hereby upon the terms and subject to the conditions set forth in the Prospectus and the Instructions for Completing Subscription Certificates. Common Stock subscribed for pursuant to exercise of the Basic Subscription Privilege shall be delivered as soon as practicable after the subscriptions have been accepted by the Subscription Agent. This Subscription Certificate also evidences the right of the Holder to subscribe for additional shares of Common Stock, subject to proration and to the conditions set forth herein and in the Prospectus. Common Stock subscribed for pursuant to the Oversubscription Privilege shall be delivered as soon as practicable after the Expiration Time and after all prorations have been effected.

Dated: June 6, 1996

/s/ Roger J. Wolf
Secretary

/s/ Brian D. McLaughlin
President

IMPORTANT: PLEASE READ ALL INSTRUCTIONS CERTIFICATE CAREFULLY.
EXERCISE FORM

The undersigned hereby irrevocably exercises one or more Rights to subscribe for share of Common Stock as indicated below, on the terms and subject to the conditions specified in the Prospectus, receipt of which is hereby acknowledged.

- (a) Number of shares subscribed for pursuant to the Basic Subscription Privilege: (a) _____
- (b) Number of shares subscribed for pursuant to the Oversubscription Privilege: /1/ (b) _____

(c) Total shares (sum of lines (a) and (b)): (c) _____

(d) Total Subscription Price (total number of shares subscribed for pursuant to both the Basic Subscription Privilege and the Oversubscription Privilege multiplied by the Subscription Price of \$ _____ :/2/ (d) _____

(e) Method of Payment (check and complete appropriate box(es)):

Uncertified, certified or cashier's check, bank draft or money order in the amount of \$ _____ payable to State Street Bank & Trust Company, subscription agent.

Wire transfer in the amount of \$ _____ directed to State Street Bank & Trust Company, subscription agent, ABA No. 0110-0002-8, Hurco Companies, Inc. Rights Offering DDA No.: 7608-355-9, Attention: BFDS CST REORG/HRCCM. Indicate name of institution wire transferring funds and name of registered holder: _____

(f) Notice of Guaranteed Delivery. Check the box below if Rights are being exercised pursuant to a Notice of Guaranteed Delivery delivered to the Subscription Agent prior to the date hereof and complete the following:

Name(s) of Registered holder _____

Window Ticket Number (if any) _____

Date of Execution of Notice of Guaranteed Delivery _____, 1996

Name of Eligible Institution which Guaranteed Delivery _____

Telephone Number _____

IMPORTANT: RIGHTS HOLDERS SIGN BELOW.

THE EXERCISE OF YOUR RIGHTS WILL NOT BE VALID UNLESS YOU SIGN BELOW.

(Signature(s) of Registered holder(s))

Dated: _____, 1996

Must be signed by the registered holder(s) as name(s) appear(s) on this Subscription Certificate. If signature is by trustee(s), executor(s), administrator(s), guardian(s), attorney(s)-in-fact, agent(s), officer(s) of a corporation or another acting in a fiduciary or representative capacity, please provide the following information. See Instructions for Completing Subscription Certificates. Please print.

Name: _____

Capacity (full title): _____

Address (including zip code): _____

Home Telephone Number (including area code): _____

Business Telephone Number (including area code): _____

Tax Identification or Social Security Number: _____

1. To exercise the Oversubscription Privilege, the undersigned must fully exercise the Basic Subscription Privilege. The maximum number of shares that may be subscribed for pursuant to the Oversubscription Privilege is 1,085,296.
2. If the aggregate Subscription Price paid by an exercising Rights holder is insufficient to purchase the number of shares of Common Stock that such holder indicates are being subscribed for, or if any exercising Rights holder does not specify the number of shares of Common Stock to be purchased, then such Rights holder will be deemed to have exercised first the Basic Subscription Privilege in full and second the Oversubscription

Privilege to purchase shares of Common Stock to the full extent of the payment rendered (subject to the limitation on the maximum number of shares permitted and to proration under certain circumstances as described in the Prospectus). If the aggregate Subscription Price paid by an exercising Rights holder exceeds the amount necessary to purchase the number of shares of Common Stock for which the Rights holder has indicated an intention to subscribe, then the Rights holder will be deemed to have exercised first the Basic Subscription Privilege (if not already fully exercised) and second the Oversubscription Privilege to the full extent of the excess payment tendered (subject to the restrictions described above). Any excess funds received in payment of the Subscription Price for shares that are subscribed for by a Rights holder but not allocated to such Rights holder pursuant to the Oversubscription Privilege will be mailed by the Subscription Agent as soon as practicable after the Expiration Time and after all prorations and adjustments as described in the Prospectus have been effected.

INSTRUCTIONS FOR COMPLETING HURCO COMPANIES, INC.

SUBSCRIPTION CERTIFICATES

CONSULT THE INFORMATION AGENT OR YOUR BANK OR
BROKER AS TO ANY QUESTIONS

The following instructions relate to a rights offering (the "Rights Offering") by Hurco Companies, Inc., an Indiana corporation (the "Company"), to the holders of its common stock, no par value (the "Common Stock"), as described in the Company's Prospectus dated June 6, 1996 (the "Prospectus"). Holders of record of Common Stock at the close of business on June 5, 1996 (the "Record Date") are receiving .20 of a nontransferable subscription right (each, a "Right") for each share of Common Stock held of record on the Record Date. The Rights are evidenced by nontransferable subscription certificates ("Subscription Certificates"), which record holders are receiving with copies of the Company's Prospectus. Each whole Right entitles the holder thereof to purchase from the Company one share of Common Stock (the "Basic Subscription Privilege") at the subscription price of \$4.63 (the "Subscription Price"). No fractional Rights or cash in lieu thereof have been distributed or paid by the Company. The number of Rights distributed to each holder of Common Stock have been rounded up to the nearest whole number. An aggregate of 1,085,296 Rights exercisable to purchase an aggregate of 1,085,296 shares of Common Stock are being distributed in connection with the Rights Offering.

Each holder of Rights who elects to exercise the Basic Subscription Privilege in full will also be entitled to subscribe, subject to proration, for up to a maximum of 1,085,296 additional shares of Common Stock at the Subscription Price (the "Oversubscription Privilege"). Brynwood Partners Limited Partnership ("Brynwood I"), the holder of 1,390,001 shares of Common Stock, has advised the Company that it does not intend to exercise any of its Rights. In lieu thereof, Brynwood Partners II L.P. ("Brynwood II"), an affiliate of Brynwood I, has agreed to purchase from the Company and the Company has agreed to sell to Brynwood II, at the Subscription Price, all of the 278,001 shares that otherwise would have been available for purchase by Brynwood I pursuant to exercise of its Basic Subscription Privilege. If the number of shares of Common Stock available (the "Excess Shares") after (i) the sale to Brynwood II of the shares that otherwise could have been purchased by Brynwood I and (ii) the satisfaction of all subscriptions pursuant to exercise of the Basic Subscription Privilege by stockholders other than Brynwood I is insufficient to satisfy in full all elections to exercise the Oversubscription Privilege, the Excess Shares will be allocated among holders who have exercised their Oversubscription Privilege, pro rata, in the same ratio that the number of shares subscribed for by each such holder pursuant to exercise of the Oversubscription Privilege bears to the total number of shares subscribed for by all such holders pursuant to exercise of the Oversubscription Privilege. No fractional shares will be issued. The Oversubscription Privilege is not transferable. See "The Rights Offering--Subscription Privileges--Oversubscription Privilege; and--Standby Commitments" in the Prospectus.

The Rights will expire at 5:00 p.m, New York City time, on July 3, 1996, unless extended for up to thirty (30) days (the "Expiration Time").

The number of Rights to which you are entitled is printed on the face of your Subscription Certificate. You should indicate your wishes with regard to the exercise of your Rights by completing the appropriate form or forms on the back of your Subscription Certificate and returning the Subscription Certificate to the Subscription Agent in the envelope provided.

YOUR SUBSCRIPTION CERTIFICATE MUST BE RECEIVED BY THE SUBSCRIPTION AGENT, OR GUARANTEED DELIVERY PROCEDURES WITH RESPECT TO YOUR RIGHT MUST BE COMPLIED WITH, AND PAYMENT OF THE SUBSCRIPTION PRICE, INCLUDING FINAL CLEARANCE OF ANY

CHECKS, MUST BE RECEIVED BY THE SUBSCRIPTION AGENT, AT OR BEFORE 5:00 P.M, NEW YORK CITY TIME, ON JULY 3, 1996, OR ON SUCH LATER DATE AS THE EXPIRATION TIME IS EXTENDED. YOU MAY NOT REVOKE ANY PROPER EXERCISE OF A RIGHT.

1. SUBSCRIPTION.

To exercise Rights, complete and sign the Exercise Form on the reverse side of your Subscription Certificate and send it (or Notice of Guaranteed Delivery), together with payment in full of the Subscription Price for each share of Common Stock subscribed for pursuant to the Basic Subscription Privilege and the Oversubscription Privilege to State Street Bank & Trust Company, as Subscription Agent (the "Subscription Agent"). Payment of the Subscription Price must be made for the full number of shares of Common Stock being subscribed for (a) in U.S. dollars by check or postal, telegraphic or express money order payable to State Street Bank & Trust Company, as Subscription Agent or (b) by wire transfer of funds in U.S. dollars to the account maintained by the Subscription Agent for such purpose at State Street Bank & Trust, ABA No. 0110-0002-8; DDA No.: 7608-355-9; Attention: BFDS CST REORG/HRCCM. THE SUBSCRIPTION PRICE WILL BE DEEMED TO HAVE BEEN RECEIVED BY THE SUBSCRIPTION AGENT ONLY UPON (I) CLEARANCE OF ANY UNCERTIFIED CHECK, (II) RECEIPT BY THE SUBSCRIPTION AGENT OF ANY CERTIFIED OR CASHIER'S CHECK OR OF ANY POSTAL, TELEGRAPHIC OR EXPRESS MONEY ORDER, OR (III) RECEIPT OF COLLECTED FUNDS IN THE SUBSCRIPTION AGENT'S ACCOUNT DESIGNATED ABOVE. IF PAYING BY UNCERTIFIED PERSONAL CHECK, PLEASE NOTE THAT THE FUNDS PAID THEREBY MAY TAKE AT LEAST FIVE BUSINESS DAYS TO CLEAR. ACCORDINGLY, REGISTERED RIGHTS HOLDERS WHO WISH TO PAY THE SUBSCRIPTION PRICE BY MEANS OF AN UNCERTIFIED PERSONAL CHECK ARE URGED TO MAKE PAYMENT SUFFICIENTLY IN ADVANCE OF THE EXPIRATION TIME TO ENSURE THAT SUCH PAYMENT IS RECEIVED AND CLEARS BY SUCH TIME AND ARE URGED TO CONSIDER, IN THE ALTERNATIVE, PAYMENT BY MEANS OF CERTIFIED OR CASHIER'S CHECK, MONEY ORDER OR WIRE TRANSFER OF FUNDS.

Alternatively, you may cause a written guarantee substantially in the form of Exhibit A to these instructions (the "Notice of Guaranteed Delivery") from a member firm of a registered national securities exchange or a member of the National Association of Securities Dealers, Inc., or from a commercial bank or trust company having an office or correspondent in the United States (each, an "Eligible Institution"), to be received by the Subscription Agent prior to the Expiration Time; payment in full of the applicable Subscription Price may be made separately as long as said payment is also received by the Subscription Agent prior to the Expiration Time. Such Notice of Guaranteed Delivery must state your name, the number of Rights represented by your Subscription Certificate and the number of underlying shares of Common Stock being subscribed for pursuant to the Basic Subscription Privilege and, if any, pursuant to the Oversubscription Privilege, and must guarantee the delivery to the Subscription Agent of your properly completed and executed Subscription Certificate by 5:00 p.m., New York City time on July 9, 1996. Additional copies of the Notice of Guaranteed Delivery may be obtained upon request from the Information Agent at the address, or by calling the telephone number, indicated below.

Banks, brokers and other nominee Rights holders who exercise the Basic Subscription Privilege and the Oversubscription Privilege on behalf of beneficial owners of Rights will be required to certify to the Subscription Agent and the Company (by delivery to the Subscription Agent of a Nominee Holder Certification substantially in the form available from the Information Agent), as to the aggregate number of Rights which have been exercised and the number of shares of Common Stock thereby subscribed for pursuant to the Basic Subscription Privilege and the Oversubscription Privilege by each beneficial owner of Rights (which may include such nominee) on whose behalf such nominee is acting. If more Excess Shares are subscribed for pursuant to the Oversubscription Privilege than are available for sale, Excess Shares will be allocated pro rata, as described above.

ONCE A HOLDER HAS EXERCISED THE BASIC SUBSCRIPTION PRIVILEGE OR THE OVERSUBSCRIPTION PRIVILEGE, THE EXERCISE MAY NOT BE REVOKED.

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The addresses and telephone numbers of the Subscription Agent are as follows:

GENERAL INFORMATION:
(800) 426-5523

BY MAIL:
State Street Bank & Trust Company
Corporate Reorganization

P.O. Box 9061
Boston, MA 02205-8686

FACSIMILE TRANSMISSION COPY NUMBER:
(617) 774-4519

CONFIRM FACSIMILE BY TELEPHONE:
(617) 774-4511

BY OVERNIGHT COURIER:
State Street Bank & Trust Company
Corporate Reorganization
2 Heritage Drive
North Quincy, MA 02171

BY HAND, EITHER:

Bank of Boston
c/o Boston Equiserve
Corporate Reorganization
55 Broadway--3rd Floor
New York, NY 10006

State Street Bank and
Trust Company
c/o Boston Equiserve
Corporate Reorganization
Concourse Level
Boston, MA 02101

The address and telephone number of the Information Agent are as follows:

Georgeson & Company Inc.
Wall Street Plaza
New York, NY 10005
Call Toll Free (800) 223-2064

If the aggregate Subscription Price that you have paid is insufficient to purchase the number of shares of Common Stock that you have indicated are being subscribed for, or if you do not specify the number of shares of Common Stock you intend to purchase, then you will be deemed to have exercised first, the Basic Subscription Privilege, and second, the Oversubscription Privilege to purchase shares of Common Stock to the full extent of the payment tendered (subject to the restrictions described above). If the aggregate Subscription Price that you have paid exceeds the amount necessary to purchase the number of shares of Common Stock for which you have indicated an intention to subscribe, then you will be deemed to have exercised first, the Basic Subscription Privilege (if not already fully exercised) and second, the Oversubscription Privilege to the full extent of the excess payments tendered (subject to the restrictions described above).

2. ISSUANCE AND DELIVERY OF STOCK CERTIFICATES, ETC.

The following issuances, deliveries and payments will be made to you at the address shown on the face of your Subscription Certificate.

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(a) Delivery of Certificates. Certificates for shares of Common Stock issuable upon exercise of the Basic Subscription Privilege will be mailed as soon as practicable after the subscriptions have been accepted by the Subscription Agent. Certificates for shares of Common Stock issuable upon exercise of the Oversubscription Privilege will be mailed as soon as practicable after the Expiration Time and after all prorations have been effected.

(b) Cash Payments. As soon as practicable after the Expiration Time and after all prorations and adjustments contemplated by the terms of the Rights Offering have been effected, the Subscription Agent will return by mail, without interest or deduction, to each registered Rights holder exercising the Oversubscription Privilege any excess funds received in payment of the Subscription Price for Excess Shares that are subscribed for by such Rights holder but not allocated to such Rights holder pursuant to the Oversubscription Privilege.

3. SIGNATURES.

(a) Signatures by Registered Holder. The signature on the Subscription Certificate must correspond with the name of the registered holder exactly as it appears on the face of the Subscription Certificate, without any alteration

or change whatsoever. Joint owners should each sign. Persons who sign the Subscription Certificate in a representative or other fiduciary capacity, such as an executor, trustee or corporate officer, must indicate such capacity when signing and, unless waived by the Subscription Agent in its sole and absolute discretion, must present to the Subscription Agent satisfactory evidence of their authority to so act.

(b) Execution by Person Other than Registered Holder. If the Subscription Certificate is signed by a person other than the holder named on the face of the Subscription Certificate, proper evidence of authority of the person signing the Subscription Certificate must accompany the same unless, for good cause, the Subscription Agent dispenses with proof of authority.

4. METHOD OF DELIVERY.

The method of delivery of Subscription Certificate and payment of the Subscription Price to the Subscription Agent will be at the election and risk of the registered holder of the Rights but, if sent by mail, it is recommended that they be sent by registered mail, properly insured, with return receipt requested, and that a sufficient number of days be allowed to ensure delivery to the Subscription Agent and the clearance of any uncertified personal checks sent in payment of the Subscription Price prior to 5:00 p.m., New York City time, on July 3, 1996.

5. SPECIAL PROVISIONS RELATING TO THE DELIVERY OF RIGHTS THROUGH THE DEPOSITORY TRUST COMPANY.

Exercise of the Basic Subscription Privilege and the Oversubscription Privilege may be effected through the facilities of The Depository Trust Company ("DTC"). Rights exercised as part of the Basic Subscription Privilege through DTC are referred to as "DTC Exercised Rights." The holder of DTC Exercised Rights may also exercise the Oversubscription Privilege in respect of such DTC Exercised Rights by properly executing and delivering to the Subscription Agent at or prior to 5:00 p.m. New York City time, on July 3, 1996, a DTC Participant Oversubscription Exercise Form, in the form available from the Information Agent, together with payment of the appropriate Subscription Price for the number of shares of Common Stock for which the Oversubscription Privilege is to be exercised.

If a Notice of Guaranteed Delivery relates to Rights with respect to which exercise of the Basic Subscription Privilege will be made through DTC and such Notice of Guaranteed Delivery also relates to the exercise of the Oversubscription Privilege, a DTC Participant Oversubscription Exercise Form must also be received by the Subscription Agent in respect of such exercise of the Oversubscription Privilege at or prior to the Expiration Time.

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6. TRANSFER TAXES.

The Company will pay transfer taxes, if any, applicable to the issuance and sale of Common Stock to a registered Rights holder upon the exercise of Rights by such holder. If, however, a transfer tax is imposed for any reason other than the issuance and sale of the Company's Common Stock to a registered Rights holder upon exercise of Rights by such holder, the amount of any such transfer taxes (whether imposed on the registered holder or on any other person) will be payable by the registered holder or such other person. In any such event, the Subscription Agent will be entitled to refuse to take the action requested until it has received satisfactory evidence of the payment of such taxes or exemption therefrom.

7. IRREGULARITIES.

All questions concerning the timeliness, validity, form and eligibility of any exercise of Rights will be determined by the Company, whose determinations will be final and binding. The Company, in its sole discretion, may waive any defect or irregularity, or permit a defect or irregularity to be corrected within such time as it may determine, or reject the purported exercise of any Rights Certificates will not be deemed to have been received or accepted until all irregularities have been waived or cured within such time as the Company determines, in its sole discretion. Neither the Company nor the Subscription Agent will be under any duty to give notification of any defect or irregularity in connection with the submission of Subscription Certificates or incur any liability for failure to give such notification.

8. LOST, STOLEN, MUTILATED OR DESTROYED SUBSCRIPTION CERTIFICATES.

Upon receipt by the Company and the Subscription Agent of evidence reasonably satisfactory to them of the loss, theft, mutilation, or destruction of a Subscription Certificate, and in the case of loss, theft or destruction, of indemnity and/or security satisfactory to them, in their sole discretion, and reimbursement to the Company and the Subscription Agent of all reasonable expenses incidental thereto, and upon surrender and cancellation of the Subscription Certificate, if mutilated, the Subscription Agent will make and deliver a new Subscription Certificate of like tenor to the registered Rights holder in lieu of the Subscription Certificate so lost, stolen, mutilated or destroyed. If required by the Company or the Subscription Agent, an indemnity bond must be sufficient in the judgement of each party to protect the Company, the Subscription Agent or any agent thereof from any loss which any of them may suffer in a lost, stolen, mutilated or destroyed Subscription Certificate is replaced.

EXHIBIT A
TO INSTRUCTIONS

NOTICE OF GUARANTEED DELIVERY
FOR
SUBSCRIPTION CERTIFICATES
ISSUED BY
HURCO COMPANIES, INC.

This form, or one substantially equivalent thereto, must be used to exercise Rights pursuant to the Rights Offering described in the Prospectus of Hurco Companies, Inc., dated June 6, 1996 if a registered Rights holder cannot deliver the Subscription Certificate to the Subscription Agent listed below at or prior to 5:00 p.m., New York City time, on July 3, 1996, the Expiration Time, or at such later time to which the Rights Offering may have been extended. Such form must be delivered by hand or sent by facsimile transmission or mail to the Subscription Agent, and must be received by the Subscription Agent at or prior to the Expiration Time. See "The Rights Offering--Exercise of Rights and Subscription Agent" in the Prospectus. Payment of the Subscription Price of \$4.63 per share for each share of the Company's Common Stock subscribed for upon exercise of such Right must be received by the Subscription Agent in the manner specified in the Instructions at or prior to 5:00 p.m., New York City time, on July 3, 1996, even if the Subscription Certificate evidencing such Right is being delivered pursuant to the procedure for guaranteed delivery thereof.

THE SUBSCRIPTION AGENT IS:
State Street Bank & Trust Company

The addresses and telephone numbers of the Subscription Agent are:

GENERAL INFORMATION:
(800) 426-5523

BY MAIL:
State Street Bank & Trust Company
Corporate Reorganization
P.O. Box 9061
Boston, MA 02205-8686

FACSIMILE TRANSMISSION COPY NUMBER:
(617) 774-4519

CONFIRM FACSIMILE BY TELEPHONE:
(617) 774-4511

BY OVERNIGHT COURIER:
State Street Bank & Trust Company
Corporate Reorganization
2 Heritage Drive
North Quincy, MA 02171

BY HAND, EITHER:

Bank of Boston	State Street Bank and
c/o Boston Equiserve	Trust Company
Corporate Reorganization	c/o Boston Equiserve
55 Broadway--3rd Floor	Corporate Reorganization
New York, NY 10006	Concourse Level
	Boston, MA 02101

DELIVERY OF THIS INSTRUMENT TO AN ADDRESS OTHER THAN AS SET FORTH ABOVE OR TRANSMISSION OF INSTRUCTIONS VIA FACSIMILE OTHER THAN AS SET FORTH ABOVE DOES NOT CONSTITUTE A VALID DELIVERY.

LADIES AND GENTLEMEN:

The undersigned hereby represents that he or she is the registered holder of Subscription Certificate(s) representing Rights and that such Subscription Certificate(s) cannot be delivered to the Subscription Agent at or before 5:00 p.m. New York City time, on July 3, 1996. Upon the terms and subject to the conditions set forth in the Prospectus, receipt of which is

hereby acknowledged, the undersigned hereby elects to exercise (i) the Basic Subscription Privilege to subscribe for one share of Common Stock per whole Right with respect to each of Rights represented by such Subscription Certificate and (ii) the Oversubscription Privilege relating to each such Right to subscribe to the extent that Excess Shares (as defined in the Prospectus) are available therefor, for an aggregate of Excess Shares (but not more than 1,085,296 shares). The undersigned understands that payment of the Subscription Price of \$4.63 per share for each share of Common Stock subscribed for pursuant to the Basic Subscription Privilege and the Oversubscription Privilege must be received by the Subscription Agent at or before 5:00 p.m. New York City time, on July 3, 1996, and represents that such payment in the aggregate amount of \$ either (check appropriate box):

is being delivered to the Subscription Agent; has been delivered separately to the Subscription Agent; and is being delivered in the manner set forth below (check appropriate box and complete information relating thereto):

wire transfer of funds

--name of transferor institution _____
--date of transfer _____
--confirmation number, if available _____

uncertified check (Payment by uncertified check will not be deemed to have been received by the Subscription Agent until such check has cleared. Rights holders paying by such method to make payment sufficiently in advance of the Expiration Time to ensure that such payments are made by such date.)

certified or cashier's check

money order

--name of maker _____
--date and number of check or money order _____
--bank on which check is drawn or issuer of money order _____

Signature _____

Name(s) _____

(PLEASE TYPE OR PRINT)

(If signature is by a trustee(s), executor(s), administrator(s), guardian(s), attorney(s)-in-fact, agent(s), officer(s) of a corporation or another acting in a fiduciary or representative capacity, such capacity must be clearly indicated below.)

Address:

(INCLUDING ZIP CODE)

Area Code and Tel. No(s). _____

Subscription Certificate No(s). (if available) _____

The undersigned, a member firm of a registered national securities exchange or of the National Association of Securities Dealers, Inc. or a commercial bank or trust company having an office or correspondent in the United States guarantees that the undersigned will deliver to the Subscription Agent the Subscription Certificate(s) representing the Rights being exercised hereby, and any other required documents, by 5:00 p.m., New York City time on July 9, 1996.

_____ Dated: _____, 1996

Name (s) _____

_____ (Address)

_____ (Name of Firm)

_____ (Area Code and Telephone Number) _____ (Authorized Signature)

The institution which completes this form must communicate the guarantee to the Subscription Agent and must deliver the Subscription Certificate(s) to the Subscription Agent within the time period shown herein. Failure to do so could result in a financial loss to such institution.

SUBSCRIPTION AGENCY AGREEMENT

SUBSCRIPTION AGENCY AGREEMENT (this "Agreement") dated as of June 6, 1996, between HURCO COMPANIES, INC., an Indiana corporation (the "Company"), and STATE STREET BANK AND TRUST COMPANY, a Massachusetts Trust Company (the "Agent"), as subscription agent.

W I T N E S S E T H:

WHEREAS, the Company proposes to distribute to the holders of its common stock, no par value (the "Common Stock"), of record as of the close of business on June 5, 1996 (the "Record Date"), certificates ("Subscription Certificates") evidencing non-transferable rights (the "Rights") to subscribe for and purchase additional shares of Common Stock at a subscription price (the "Subscription Price") of \$4.63 per share (the "Rights Offering"); and

WHEREAS, Brynwood Partners Limited Partnership I ("Brynwood I"), the owner of 1,390,001 shares (or approximately 25.6% of the outstanding shares) of Common Stock, has advised the Company that it does not intend to exercise any of its Rights; and

WHEREAS, the Company has entered into a standby purchase agreement with Brynwood Partners II L.P., an affiliate of Brynwood I ("Brynwood II"), and Hendrik J. Hartong, Jr. and Richard T. Niner, both of whom are directors of the Company (collectively, the "Standby Purchasers"), pursuant to which (i) Brynwood II has agreed to purchase from the Company and the Company has agreed to sell to Brynwood II, at the Subscription Price, all of the 278,001 shares of Common Stock that otherwise would have been available for purchase by Brynwood I pursuant to the exercise of its Basic Subscription Privilege (as defined in Section 4 hereof), and (ii) the Standby Purchasers have agreed to purchase from the Company, at the Subscription Price, an aggregate of up to 326,751 shares of Common Stock to the extent such shares are not purchased by stockholders pursuant to the exercise of Rights, including the Oversubscription Privilege (as defined in Section 4 hereof).

WHEREAS, the Company intends to file with Securities and Exchange Commission (the "Commission") under the Securities Act of 1933, as amended, and the rules and regulations of the Commission thereunder (the "Securities Act"), a Registration Statement on Form S-3 (in the form in which it first

becomes effective under the Securities Act, and as it may thereafter be amended, the "Registration Statement") for the registration of the Rights and the Common Stock underlying such Rights, which Registration Statement will include a prospectus (in the form in which the Registration Statement first becomes effective under the Securities Act, and as it may thereafter be amended, the "Prospectus") containing the terms of the Rights Offering; and

WHEREAS, the Company desires the Agent to perform certain acts on behalf of the Company and the Agent desires to so act, in connection with the distribution of the Subscription Certificates and the issuance and exercise of the Rights to subscribe therein set forth, all upon the terms and conditions set forth herein;

NOW THEREFORE, in consideration of the foregoing and the mutual covenants herein contained, the parties hereto hereby agree as follows:

Section 1. Appointment of Agent. The Company hereby appoints and

authorizes the Agent to act on its behalf in accordance with the provisions hereof, and the Agent hereby accepts such appointment and agrees to so act. The Company may from time to time appoint such co-agents as it may deem necessary or desirable.

Section 2. Subscription Certificates.

- (a) Each Subscription Certificate shall evidence the Rights of the

holder therein named to purchase Common Stock upon the terms and conditions therein and herein set forth.

(b) The Agent shall, from a list of the Company's stockholders as of the Record Date (which list shall be prepared by the Agent in its capacity as transfer agent for the Common Stock), prepare and record Subscription Certificates in the names of the stockholders of the Company as of the Record Date, setting forth the number of Rights to subscribe to Common Stock calculated on the basis of .20 of a Right for each share recorded on the Company's books in the name of each such stockholder as of the Record Date; provided,

however, the number of Rights distributed to each holder will be rounded up to
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the nearest whole number and no fractional Rights or cash in lieu thereof will be distributed or paid. All questions as to the validity and eligibility of any rounding of fractional Rights shall be determined by the Company in its sole discretion, and

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its determination shall be final and binding. Each Subscription Certificate shall be dated as of the Record Date.

(c) The Subscription Certificates shall be executed on behalf of the Company by its Chairman or President and by its Secretary or Assistant Secretary by facsimile signature. Upon written notice from the Company executed by its Chairman, President, any Vice President, Secretary or Assistant Secretary as to the effective date of the Registration Statement, the Agent shall as promptly as practicable deliver the Subscription Certificates, together with a copy of the Prospectus, Instructions for Completing Subscription Certificates and all other ancillary documents relating to the Rights Offering, to all stockholders as of the Record Date. The form of Subscription Certificate and Instructions for Completing Subscription Certificates are attached hereto as Exhibits A and B, respectively. If an officer whose signature has been placed upon a Subscription Certificate shall cease to hold such office at any time thereafter, such event shall have no effect on the validity of such Subscription Certificate.

(d) The Agent shall keep or cause to be kept, at its principle offices in the Commonwealth of Massachusetts, books for registration of the Rights hereunder. Such books shall show the names and addresses of the respective holders of the Rights and the number of Rights evidenced by each outstanding Subscription Certificate.

Section 3. Division of Subscription Certificates; Lost, Stolen,

Mutilated or Destroyed Subscription Certificates.
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(a) A bank, trust company, securities dealer or broker holding Common Stock on the Record Date for more than one beneficial owner may, by submitting a written request by 5:00 p.m., New York City time on June 26, 1996, and upon proper showing to The Depository Trust Company (the "DTC"), exchange its Subscription Certificate to obtain Subscription Certificates for the number of Rights which each such beneficial owner would have been entitled to receive had each been the holder of record of such shares on the Record Date;

provided, however, each such beneficial owner's Rights will be rounded up to the
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nearest whole number and no fractional Rights or cash in lieu thereof will be distributed or paid.

(b) Upon receipt by the Company and the Agent of evidence reasonably satisfactory to them of the loss, theft, mutilation, or destruction or a Subscription Certificate, and in the case of loss, theft or destruction, of indemnity and/or

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security satisfactory to them, in their sole discretion, and reimbursement to the Company and the Agent of all reasonable expenses incidental thereto, and upon surrender and cancellation of the Subscription Certificate, if mutilated, the Agent will make and deliver a new Subscription Certificate of like tenor to the registered Rights holder in lieu of the Subscription Certificate so lost,

stolen, mutilated or destroyed. If required by the Company or the Subscription Agent, an indemnity bond must be sufficient in the judgement of each party to protect the Company, the Agent or any agent thereof from any loss which any of them may suffer in a lost, stolen, mutilated or destroyed Subscription Certificate is replaced.

Section 4. Subscription Privileges. Each Subscription Certificate

shall be irrevocable and non-transferable. The Agent shall maintain a register of Subscription Certificates and the holders of record thereof. Each Subscription Certificate shall, subject to the provisions thereof, entitle the holder in whose name it is recorded to the following:

(a) each whole Right will entitle the holder thereof to purchase, at the Subscription Price, one share of Common Stock (the "Basic Subscription Privilege"); and

(b) each holder of Rights who elects to exercise the Basic Subscription Privilege in full will be entitled to subscribe, subject to proration, for up to 1,085,296 additional shares of Common Stock at the Subscription Price (the "Oversubscription Privilege"). If the number of shares of Common Stock available (the "Excess Shares") after (i) the sale to Brynwood II of the shares that otherwise could have been purchased by Brynwood I and (ii) the satisfaction of all subscriptions pursuant to the exercise of the Basic Subscription Privilege by stockholders other than Brynwood I is not sufficient to satisfy all subscriptions pursuant to the exercise of the Oversubscription Privilege, the Excess Shares will be allocated pro rata (subject to the elimination of fractional shares) among those holders who have exercised the Oversubscription Privilege, in the same ratio that the number of shares so subscribed for by each such holder pursuant to exercise of the Oversubscription Privilege bears to the total number of shares so subscribed for by all such holders pursuant to exercise of the Oversubscription Privilege.

Section 5. Exercise of Rights.

(a) Rights holders may exercise the Basic Subscription Privilege and the Oversubscription Privilege by properly

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completing and signing the subscription form on the Subscription Certificate, including, if required, a signature guarantee from an Eligible Institution (as defined in "Instructions for Completing Subscription Certificates" accompanying the Subscription Certificate), and mailing or delivering the Subscription Certificate to Agent at its corporate office specified in the Prospectus, together with payment of the aggregate Subscription Price in full, as set forth in Section 6 hereof. A Right will not be deemed exercised until the Agent receives both payment of the Subscription Price and a duly executed Subscription Certificate (or until the Guaranteed Delivery Procedures set forth in Section 5(b), or the procedures with respect to exercises through the DTC set forth in subsection (b) below, have been complied with). Once a Rights holder has exercised a Right, such exercise may not be revoked.

(b) Exercise of the Basic Subscription Privilege and the Oversubscription Privilege may be effected through the facilities of the DTC. Exercises of the Oversubscription Privilege may also be effected by properly executing and delivering to the Agent a DTC Participant Oversubscription Exercise Form and a Nominee Holder Certification, together with payment of the appropriate Subscription Price for the number of shares of Common Stock for which the Oversubscription Privilege is to be exercised.

(c) A Rights holder may exercise Rights in whole or in part, but no Rights may be exercised for fractional shares. If an exercising Rights holder does not indicate the number of Rights being exercised, or does not forward full payment of the aggregate Subscription Price for the number of Rights that the Rights holder indicates are being exercised, then the Rights holder will be deemed to have exercised the Basic Subscription Privilege with respect to the maximum number of Rights that may be exercised for the aggregate Subscription Price payment delivered by the Rights holder, and to the extent that the aggregate Subscription Price payment delivered by the Rights holder exceeds the product of the Subscription Price multiplied by the number of Rights evidenced by the Subscription Certificate delivered by the Rights holder (such excess being the "Subscription Excess"), the Rights holder will be deemed to have

exercised the Oversubscription Privilege to purchase, to the extent available and subject to the restrictions described in

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Section 4(b) hereof, that number of whole Excess Shares equal to the quotient obtained by dividing the Subscription Excess by the Subscription Price. Any amount remaining after application of the foregoing procedures shall be returned to the Rights holder by mail, without interest or deduction, as soon as practicable after the Expiration Time (as hereinafter defined) and after all prorations and adjustments have been effected.

(d) A Rights holder may exercise the Oversubscription Privilege to subscribe for (i) a specified number of shares (subject to the maximum oversubscription permitted hereby) or (ii) the maximum number of shares to which it may be entitled to oversubscribe. The Agent shall allot the Excess Shares to persons properly exercising the Oversubscription Privilege, in the amounts of the oversubscriptions. If a proration of the Excess Shares (as described in Section 4(b) hereof) results in a Rights holder receiving fewer shares of Common Stock than the Rights holder subscribed for pursuant to the Oversubscription Privilege (or was deemed to have subscribed for pursuant to subsection (c) above), then the excess funds paid by that Rights holder as the Subscription Price for shares not issued will be returned by mail as soon as practicable after the Expiration Time and after all prorations have been effected, without interest or deduction. The Agent shall notify the Company immediately upon the completion of the allocation set forth above as to the total number of shares subscribed and distributable (the "Confirmation Date").

(e) In order to exercise the Oversubscription Privilege, banks, brokers and other nominee Rights holders that exercise the Oversubscription Privilege on behalf of beneficial owners of Rights will be required to certify (a "Nominee Holder Certification") to the Agent and the Company the number of shares held on the Record Date on behalf of each such beneficial owner of Rights, the number of Rights as to which the Basic Subscription Privilege has been exercised on behalf of each such beneficial owner, that each such beneficial owner's Basic Subscription Privilege held in the same capacity has been exercised in full and the number of shares of Common Stock subscribed for pursuant to the Oversubscription Privilege by each such beneficial owner, and to record certain other information received from each such beneficial owner.

Section 6. Expiration Time; Guaranteed Delivery.

(a) Rights may be exercised at any time after the date of issuance of the Subscription Certificates with respect thereto but no later than 5:00 p.m., New York City time on such date as

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the Company shall designate to the Agent in writing (which date may be extended for up to thirty (30) days upon written notice to the Agent by the Company and the Standby Purchasers) (the "Expiration Time"), after which all unexercised Rights will be null and void. The Agent shall not honor any purported exercise of Rights received by the Agent after the Expiration Time, regardless of when the documents relating to such exercise were transmitted, except when timely transmitted pursuant to the Guaranteed Delivery Procedures set forth in subsection (b) below.

(b) Notwithstanding the provisions of this Agreement regarding delivery of an executed Subscription Certificate to the Agent prior to the Expiration Time, if a Rights holder wishes to exercise Rights, but time will not permit such holder to cause the Subscription Certificate or Subscription Certificates evidencing such Rights to reach the Agent on or prior to the Expiration Time, such Rights may nevertheless be exercised if all of the following conditions (the "Guaranteed Delivery Procedures") are met:

(i) such holder has caused payment in full of the Subscription Price for each share of Common Stock being subscribed for pursuant to the Basic Subscription Privilege and the Oversubscription Privilege to be received (in the manner set forth in Section 7(a) hereof) by the Agent on or prior to the Expiration Time;

(ii) the Agent receives, on or prior to the Expiration Time, a

guarantee notice (a "Notice of Guaranteed Delivery"), substantially in the form provided with the Instructions for Completing Subscription Certificates distributed with the Subscription Certificates, from a member firm of a registered national securities exchange or a member of the National Association of Securities Dealers, Inc., or from a commercial bank or trust company having an office or correspondent in the United States (each, an "Eligible Institution"), stating the name of the exercising Rights holder, the number of Rights represented by the Subscription Certificate or Subscription Certificates held by such exercising Rights holder, the number of shares of Common Stock being subscribed for pursuant to the Basic Subscription Privilege and the number of shares of Common Stock, if any, being subscribed for pursuant to the Oversubscription Privilege, and guaranteeing the delivery to the Agent of any Subscription Certificate evidencing such Rights within five business days following the date of the Notice of Guaranteed Delivery; and

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(iii) the properly completed Subscription Certificate evidencing the Rights being exercised, with any required signatures guaranteed, is received by the Agent within five (5) business days following the date of the Notice of Guaranteed Delivery relating thereto. The Notice of Guaranteed Delivery shall be delivered to the Agent in the same manner as Subscription Certificates at the addresses set forth in or as otherwise permitted by the Prospectus.

Section 7. Payment; Escrow Account.

(a) Payment of the Subscription Price for all subscribed for shares of Common Stock shall be payable in United States dollars (i) by check, certified check or bank draft drawn upon a United States bank or postal, telegraphic or express money order payable to the order of State Street Bank & Trust Company, as Agent, or (ii) by wire transfer of funds to the account of the Agent, as agent for the Company maintained for such purpose as set forth in the Prospectus. The Subscription Price will be considered to have been paid only upon (x) clearance of any uncertified check, (y) receipt by the Agent of any certified check or bank draft drawn upon a United States bank or any postal, telegraphic or express money order or (z) receipt of collected funds in the Agent's account designated above, in payment of the Subscription Price.

(b) All funds received by the Agent from the exercise of the Rights will be held by the Agent, on behalf of the Company, in a segregated, non-interest bearing account pending disbursement in the manner described in subsection (c) below.

(c) The Agent shall deliver to the Company (i) all proceeds received in respect of the exercise of Basic Subscription Rights as promptly as practicable following the receipt of such proceeds and (ii) all proceeds received in respect of the exercise of Oversubscription Privileges as promptly as practicable, but in no event later than three (3) business days after the Confirmation Date. Proceeds to be returned to Rights holders pursuant to Sections 5(c) and (d) shall be so returned as set forth in such Sections.

Section 8. No Rights of Stockholders. No Subscription Certificate

shall entitled a Rights holder to vote or receive dividends or be deemed the holder of shares of Common Stock for any purpose, nor shall anything contained in any Subscription Certificate be construed to confer upon any Rights holder any of the rights of a stockholder of the Company or any right to vote, give or withhold consent to any action by the Company (whether

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upon any recapitalization, issue of stock, reclassification of stock, consolidation, merger, conveyance or otherwise), receive notice of meetings of other action affecting stockholders, or receive dividends or otherwise, until the Rights evidenced thereby shall have been exercised and the shares of Common Stock purchasable upon the exercise thereof shall have become deliverable as provided in this Agreement and in the Prospectus.

Section 9. Delivery of Certificates. The Agent, in its capacity as

transfer agent for the Common Stock, shall issue and deliver certificates representing shares of Common Stock purchased pursuant to exercise of (a) the Basic Subscription Privilege to subscribers as soon as practicable after the subscriptions have been accepted by the Subscription Agent and (b) the Oversubscription Privilege, if any, to subscribers as soon as practicable after the Expiration Time and after all prorations have been effected. The Agent shall promptly notify the Company as to the date of delivery of such certificates. Such certificates for Common Stock purchased pursuant to the exercise of Rights shall be registered in the names of, and delivered to, the Rights holders exercising such Rights.

Section 10. Foreign and Certain Other Stockholders. Rights may not

be exercised by any person, and neither the Prospectus nor any Subscription Certificate shall constitute an offer to sell or a solicitation of an offer to purchase any shares of Common Stock, in any jurisdiction in which such transactions would be unlawful. The Agent shall reject any subscription pursuant to the exercise of Rights by Rights holders outside the United States, if in the opinion of the Company, the Company may not lawfully issue shares to such Rights holders. The Agent shall not deliver Subscription Certificates, Prospectuses or any ancillary documents to holders of Common Stock whose addresses are outside the United States. The Agent shall hold such Subscription Certificates for the account of such holders and upon notice from such holders shall exercise the Rights on their behalf. To so exercise such Rights, such stockholders must notify the Agent and deliver the Subscription Price to the Agent not later than the Expiration Time. If no instructions and payment have been received by the Agent prior to the Expiration Time, the Rights will expire unexercised and be null and void.

Section 11. Reports. The Agent shall notify both the Company and its

designated representatives by telephone on a daily basis during the period commencing with the mailing of Subscription Certificates and ending at the Expiration Time (and in the case of deliveries pursuant to the Guaranteed Delivery

Procedures, the period ending five (5) business days after the Expiration Time), which notice shall thereafter be confirmed in writing, of (a) the number of Rights exercised on each day, (b) the number of shares of Common Stock subscribed for pursuant to the Basic Subscription Privilege and the Oversubscription Privilege, if any, and the number of such Rights for which payment has been received, (c) the number of Rights exercised pursuant to the Guaranteed Delivery Procedures on such day, (d) the number of Rights for which defective exercises have been received on such day and (e) cumulative totals derived from the information set forth in clauses (a) through (d) above. At or before 5:00 p.m. on the third business day following the Expiration Time, the Agent shall certify in writing to the Company the cumulative totals through the Expiration Time derived from the information set forth in clauses (a) through (d) above. The Agent shall also maintain and update a listing of holders who have fully or partially exercised their Rights and holders who have not exercised their Rights. The Agent shall provide the Company or its designated representatives with the information compiled pursuant to this Section 11 as any of them shall request. The Agent hereby represents and warrants that the information contained in each notification referred to in this Section 11 shall be accurate in all material respects.

Section 12. Future Instructions and Interpretation.

(a) All questions as to the timeliness, validity, form and eligibility of any exercise of Rights will be determined by the Company whose determinations shall be final and binding. The Company, in its sole discretion, may waive any defect or irregularity, permit a defect or irregularity to be corrected within such time as it may determine or reject the purported exercise of any Right. Subscriptions will not be deemed to have been received or accepted until all irregularities have been waived or cured within such time as the Company determines in its sole discretion. Neither the Company nor the Agent shall be under any duty to give notification of any defect or irregularity in connection with the submission of Subscription Certificates or incur any liability for failure to give such notification.

(b) The Agent is hereby authorized and directed to accept

instructions with respect to the performance of its duties hereunder from any authorized officer of the Company, and to apply to any such officer for advice or instructions in connection with its duties, and shall be indemnified and not be liable for any action taken or suffered by it in good faith in accordance with instructions of any such officer.

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Section 13. Payment of Taxes. The Company covenants and agrees that

it will pay when due and payable all documentary, stamp and other taxes, if any, which may be payable in respect of the issuance or delivery of any Subscription Certificate or of the shares of Common Stock upon exercise of Rights; provided, -----
however, that the Company shall not be liable for any tax liability arising out - -----
of any transaction which results in, or is deemed to be, an exchange of Rights or shares or a constructive dividend with respect to the Rights or shares.

Section 14. Cancellation and Destruction of Subscription

Certificates. All Subscription Certificates surrendered for any reason shall be canceled by the Agent, and no Subscription Certificate shall be issued in lieu thereof except as expressly permitted by the provisions of this Agreement. The Agent shall deliver all canceled Subscription Certificates to the Company, or shall, at the request of the Company, destroy such canceled Subscription Certificates, and in such case shall deliver a certificate of destruction thereof to the Company.

Section 15. Compensation of Agent. The Company shall pay to the

Agent compensation in accordance with the schedule of fees attached hereto as Exhibit C for all services rendered by it hereunder and, from time to time, on demand of the Agent, its reasonable expenses and other disbursements incurred in the administration and execution of this Agreement and the exercise and performance of its duties hereunder.

Section 16. Indemnification.

(a) The Company agrees to indemnify and hold the Agent harmless against any losses, claims, damages, liabilities, costs or expenses (including reasonable fees and disbursements of legal counsel) which the Agent may incur or become subject to arising from or out of any claim or liability resulting from actions taken as Agent pursuant to this Agreement; provided, however, that such -----
indemnity does not extend to, and the Agent shall not be indemnified or held harmless with respect to, such losses, claims, damages, liabilities, costs or expenses incurred or suffered by the Agent as a result, or arising out, of the Agent's gross negligence, willful misconduct, bad faith or breach of this Agreement. In connection therewith, (i) in no case shall the Company be liable with respect to any claim against the Agent unless the Agent shall have notified the Company in writing of the assertion of a claim against it or of any action commenced against it, promptly after the Agent shall have notice of a claim or shall have been served with the summons or other legal process giving information as to the nature and basis of the claim, but

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failure to so notify the Company shall not relieve the Company from any liability it may otherwise have pursuant to this paragraph unless the failure to so notify the Company shall cause the Company to be prejudiced thereby, (ii) the Company shall be entitled to participate at its own expense in the defense of any suit brought to enforce any such claim and, if the Company so elects, to assume the defense of any such suit, in which event the Company shall not be liable for the fees and expenses of any additional counsel that the Agent may retain, provided that the Company has acknowledged in writing its obligation to indemnify the Agent with respect to such suit; and further provided that the Company shall retain counsel satisfactory to the Agent, in the exercise of the Agent's reasonable judgment, to defend such suit, and (iii) the Agent agrees not to settle any litigation in connection with any claim or liability with respect to which it may seek indemnification from the Company without the prior written consent of the Company.

(b) The Agent shall be indemnified and shall incur no liability for or in respect of any action taken, suffered or omitted by it without negligence and in good faith in connection with its administration of this Agreement in reliance upon any Subscription Certificate, instrument of assignment or transfer, power of attorney, endorsement, affidavit, letter, notice, direction, consent, certificate, statement or other paper or document that it reasonably believes to be genuine and to be signed, executed and, where necessary, verified or acknowledged, by the proper person or persons.

Section 17. Covenants of the Company.

(a) The Company covenants that all shares of Common Stock issued upon exercise of Rights set forth in the Subscription Certificates will be validly issued, fully paid, nonassessable and free of preemptive rights.

(b) The Company shall furnish to the Agent, upon request, an opinion of counsel satisfactory to the Agent to the effect that a registration statement under the Securities Act is then in effect with respect to its shares of Common Stock issuable upon exercise of the Rights set forth in the Subscription Certificates. Upon written notice to the Agent that the Commission shall have issued or threatened to issue any order preventing or suspending the use of the Prospectus, or if for any reason it shall be necessary to amend or supplement the Prospectus in order to comply with the Securities Act, the Agent shall cease acting hereunder until receipt of written instructions from the Company and such assurances as it may

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reasonably request that it may comply with such instruction without violations of the Securities Act.

Section 18. Successor Agent.

(a) Any corporation into which the Agent may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Agent shall be a party, or any corporation succeeding to the corporate trust business of the Agent, shall be the successor to the Agent hereunder without the execution or filing of any of the parties hereto, provided that such corporation would be eligible for appointment as a successor Agent. In the event that, at the time such successor to the Agent shall proceed to the agency created by this Agreement, any of the Subscription Certificates shall have been countersigned but not delivered, any such successor to the Agent may adopt the countersignature of the original Agent and deliver such Subscription Certificates so countersigned. In the event at such time any of the Subscription Certificates shall not have been countersigned, any successor to the Agent may countersign such Subscription Certificates either in the name of the predecessor Agent or in the name of the successor Agent, and in all such events such Subscription Certificates shall have the full force provided in the Subscription Certificates and in this Agreement.

(b) In the event at any time the name of the Agent shall be changed and at such time any of the Subscription Certificates shall have been countersigned but not delivered, the Agent may adopt the countersignature under its prior name and deliver Subscription Certificates so countersigned. In the event at such time any of the Subscription Certificates shall not have been countersigned, the Agent may countersign such Subscription Certificates either in its prior name or in its changed name, and in all such events such Subscription Certificates shall have the full force provided in the Subscription Certificates and in this Agreement.

Section 19. Conditions to Agent's Obligations. The Agent undertakes

the duties and obligations imposed by this Agreement upon the following terms and conditions:

(a) The Agent may consult with legal counsel (who may be, but is not required to be, legal counsel for the Company), and the opinion of such counsel shall be full and complete authorization and protection to the Agent as to any action taken or omitted by it in good faith and in accordance with such opinion.

(b) Whenever in the performance of its duties under this Agreement the Agent shall deem it necessary or desirable that any fact or matter be proved or established by the Company, prior to taking or suffering any action hereunder, such fact or matter (unless other evidence in respect thereof is herein specifically prescribed) may be deemed to be conclusively proved and established by a certificate signed by the Chairman of the Board, President or a Vice President and by the Secretary or Assistant Secretary or Treasurer or Assistant Treasurer of the Company and delivered to the Agent, and such certificate shall be full authorization to the Agent for any action taken or suffered in good faith by it under the provisions of this Agreement in reliance upon such certificate.

(c) The Agent shall be liable hereunder only for its own gross negligence or willful misconduct.

(d) Nothing herein shall preclude the Agent from acting in any other capacity for the Company or for any other legal entity.

(e) The Agent shall not be liable for or by reason of any of the statements of fact or recitals contained in this Agreement or in the Subscription Certificates or be required to verify the same, but all such statements and recitals are and shall be deemed to have been made by the Company only.

(f) The Agent shall not be under any responsibility in respect of the validity of this Agreement or the execution and delivery hereof (except the due execution hereof by the Agent) or in respect of the validity or execution of any Subscription Certificate; nor shall it be responsible for any breach by the Company of any covenant or condition contained in this Agreement or in any Subscription Certificate; nor shall it by any act hereunder be deemed to make any representation or warranty as to the authorization or reservation of any Common Stock or other securities to be issued pursuant to this Agreement or any Subscription Certificate or as to whether any shares of Common Stock, or any shares or similar units of other securities, will, when issued, be validly authorized and issued, fully paid, and nonassessable.

(g) The Company agrees that it will perform, execute, acknowledge and deliver, or cause to be performed, executed, acknowledged and delivered, all such further and other acts, instruments and assurances as may reasonably be required by the Agent for the carrying out or performing by the Agent of the provisions of this Agreement.

(h) No provision of this Agreement shall require the Agent to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder or in the exercise of its rights if there shall be reasonable grounds for believing that repayment of such funds or adequate indemnification against such risk or liability is not reasonably assured to it.

(i) The Agent may resign and be discharged from its duties under this Agreement upon 30 days' notice in writing mailed to the Company by registered or certified mail.

Section 20. Supplements and Amendments. The Agent may, without the

consent or concurrence of the stockholders in whose names Subscription Certificates are registered, by supplemental agreement or otherwise, concur with the Company in making any changes or corrections in this Agreement or in a Subscription Certificate that is appropriate to cure any ambiguity or to correct any defective or inconsistent provision or clerical omission or mistake or manifest error therein or herein contained, and which shall not be inconsistent with the provisions of the Subscription Certificate except insofar as any such change may confer additional rights upon the Rights holders.

Section 21. Tax Matters.

(a) The Agent shall comply with the information reporting and backup withholding requirements of the Internal Revenue Code of 1986, as amended, (the

"Code"), including, without limitation, where appropriate, on a timely basis, filing with the Internal Revenue Service and furnishing to Rights holders duly completed Forms 1099B and 1099DIV. The Agent shall also collect and duly preserve Forms W-8 and W-9 and other forms or information necessary to comply with the backup withholding requirements of the Code.

(b) The Agent shall withhold from payments made to Rights holders amounts sufficient to comply with the backup withholding requirements of the Code.

Section 22. Notices. All notices and other communications provided

for or permitted hereunder shall be made by hand delivery, prepaid first class mail or telecopier:

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(a) If to the Company, to:

Hurco Companies, Inc.
One Technology Way
Indianapolis, Indiana 46268
Attention: Mr. Roger Wolf
Telecopier: (317) 328-2811

(b) If to the Agent, to:

State Street Bank and Trust Company
c/o Boston Equiserve
150 Royall Street
Canton, Massachusetts 02021
Attention: Michael Manahan
Telecopier: (617) 575-2213

(c) If to a Rights holder, to the address shown on the registry books of the Company.

All such notices and communications shall be deemed to have been duly given when delivered by hand, if personally delivered; two business days after being deposited in the mail, postage prepaid, if mailed as aforesaid; when receipt is acknowledged, if telecopied.

Section 23. Assignment.

(a) Except as provided in subsection (c) below, neither this Agreement nor any rights or obligations hereunder may be assigned by either party without the written consent of the other party.

(b) This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective permitted successors and assigns.

(c) The Agent may, without further consent on the part of the Company, subcontract for the performance hereof with (i) Boston Equiserve Limited Partnership, a Delaware limited partnership, which is duly registered as a transfer agent pursuant to Section 17(c)(2) of the Securities Exchange Act of 1934, or (ii) the current third party vendor utilized by Boston Equiserve Limited Partnership; provided, however, that the Agent shall be as fully

responsible to the Company for the acts and omissions of any subcontractor as it is for its own acts and omissions.

Section 24. Benefits of This Agreement. Nothing in this Agreement

shall be construed to give any person or

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corporation other than the Company, the Agent and the holders of the Subscription Certificates any legal or equitable right, remedy or claim under this Agreement; but this Agreement shall be for the sole and exclusive benefit of the Company, the Agent and the holders of the Subscription Certificates.

Section 25. Governing Law. This Agreement shall be governed by and

construed in accordance with the internal laws of the Commonwealth of
Massachusetts.

Section 26. General.

(a) The headings in this Agreement are for purposes of reference
only and shall not limit or otherwise affect the meaning of this Agreement.

(b) This Agreement may be executed in any number of counterparts,
each of which shall be deemed to be an original, but all of which, when taken
together, shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly
executed and delivered as of the date first above written.

HURCO COMPANIES, INC.

By: /s/ Roger Wolf

Name: Roger Wolf
Title: Senior Vice President
and Treasurer

STATE STREET BANK AND TRUST COMPANY, as Agent

By: /s/ Ronald Logue

Name: Ronald Logue
Title: Executive Vice President

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EXHIBIT A

[FORM OF SUBSCRIPTION CERTIFICATE]

SUBSCRIPTION CERTIFICATE NUMBER:
NUMBER OF RIGHTS:
EXPIRATION DATE: JULY 3, 1996, unless extended

HURCO COMPANIES, INC.

SUBSCRIPTION RIGHT FOR SHARES OF COMMON STOCK

SUBSCRIPTION PRICE: \$4.63 PER SHARE

THE TERMS AND CONDITIONS OF THE RIGHTS OFFERING ARE SET FORTH IN THE
COMPANY'S PROSPECTUS DATED JUNE 6, 1996 (THE "PROSPECTUS") AND ARE
INCORPORATED HEREIN BY REFERENCE. COPIES OF THE PROSPECTUS ARE AVAILABLE UPON
REQUEST FROM GEORGESON & COMPANY INC. (THE "INFORMATION AGENT") AT WALL STREET
PLAZA, NEW YORK, NEW YORK 10005 (TOLL-FREE (800) 223-2064). CAPITALIZED TERMS
USED HEREIN AND NOT OTHERWISE DEFINED HEREIN SHALL HAVE THE MEANINGS ASCRIBED
TO SUCH TERMS IN THE PROSPECTUS.

THIS SUBSCRIPTION CERTIFICATE (THE "SUBSCRIPTION CERTIFICATE") OR A NOTICE
OF GUARANTEED DELIVERY MUST BE RECEIVED BY STATE STREET BANK & TRUST COMPANY
("THE SUBSCRIPTION AGENT") WITH PAYMENT IN FULL BY 5:00 P.M., NEW YORK CITY
TIME, ON JULY 3, 1996, UNLESS EXTENDED FOR UP TO THIRTY (30) DAYS BY THE
COMPANY AT THE REQUEST OF THE STANDBY PURCHASERS (THE "EXPIRATION TIME").

THE RIGHTS REPRESENTED BY THIS SUBSCRIPTION CERTIFICATE, IN WHOLE OR IN
PART, MAY BE EXERCISED BY DULY COMPLETING AND SIGNING THE EXERCISE FORM.
RIGHTS HOLDERS ARE URGED TO READ CAREFULLY AND IN THEIR ENTIRETY THE
PROSPECTUS AND INSTRUCTIONS FOR COMPLETING SUBSCRIPTION CERTIFICATES,
ADDITIONAL COPIES OF WHICH ARE AVAILABLE FROM THE SUBSCRIPTION AGENT. AN

EXERCISE OF RIGHTS EVIDENCED HEREBY IS IRREVOCABLE.

This nontransferable Subscription Certificate represents the number of Rights set forth above. The registered holder whose name is inscribed hereon (the "Holder") is entitled to subscribe for and purchase from Hurco Companies, Inc. (the "Company"), at the Subscription Price, one (1) share of common stock, no par value (the "Common Stock"), of Hurco Companies, Inc. (the "Company") for each whole Right evidenced hereby upon the terms and subject to the conditions set forth in the Prospectus and the Instructions for Completing Subscription Certificates. Common Stock subscribed for pursuant to exercise of the Basic Subscription Privilege shall be delivered as soon as practicable after the subscriptions have been accepted by the Subscription Agent. This Subscription Certificate also evidences the right of the Holder to subscribe for additional shares of Common Stock, subject to proration and to the conditions set forth herein and in the Prospectus. Common Stock subscribed for pursuant to the Oversubscription Privilege shall be delivered as soon as practicable after the Expiration Time and after all prorations have been effected.

Dated: June 6, 1996

/s/ Roger J. Wolf
Secretary

/s/ Brian D. McLaughlin
President

EXHIBIT B

Form of Instructions for Completing Subscription Certificates

IMPORTANT: PLEASE READ ALL INSTRUCTIONS CERTIFICATE CAREFULLY.
EXERCISE FORM

The undersigned hereby irrevocably exercises one or more Rights to subscribe for share of Common Stock as indicated below, on the terms and subject to the conditions specified in the Prospectus, receipt of which is hereby acknowledged.

- (a) Number of shares subscribed for pursuant to the Basic Subscription Privilege: (a) _____
- (b) Number of shares subscribed for pursuant to the Oversubscription Privilege: /1/ (b) _____
- (c) Total shares (sum of lines (a) and (b)): (c) _____
- (d) Total Subscription Price (total number of shares subscribed for pursuant to both the Basic Subscription Privilege and the Oversubscription Privilege multiplied by the Subscription Price of \$ _____: /2/ (d) _____
- (e) Method of Payment (check and complete appropriate box(es)):
- Uncertified, certified or cashier's check, bank draft or money order in the amount of \$ _____ payable to State Street Bank & Trust Company, subscription agent.
- Wire transfer in the amount of \$ _____ directed to State Street Bank & Trust Company, subscription agent, ABA No. 0110-0002-8, Hurco Companies, Inc. Rights Offering DDA No.: 7608-355-9, Attention: BFDS CST REORG/HRCCM. Indicate name of institution wire transferring funds and name of registered holder: _____
- (f) Notice of Guaranteed Delivery. Check the box below if Rights are being exercised pursuant to a Notice of Guaranteed Delivery delivered to the Subscription Agent prior to the date hereof and complete the following:

Name(s) of Registered holder _____

Window Ticket Number (if any) _____

Date of Execution of Notice of Guaranteed
Delivery _____, 1996

Name of Eligible Institution which Guaranteed
Delivery _____

Telephone Number _____

IMPORTANT: RIGHTS HOLDERS SIGN BELOW.
THE EXERCISE OF YOUR RIGHTS WILL NOT BE VALID UNLESS YOU SIGN BELOW.

(Signature(s) of Registered
holder(s))

Dated: _____, 1996

Must be signed by the registered holder(s) as name(s) appear(s) on this Subscription Certificate. If signature is by trustee(s), executor(s), administrator(s), guardian(s), attorney(s)-in-fact, agent(s), officer(s) of a corporation or another acting in a fiduciary or representative capacity, please provide the following information. See Instructions for Completing Subscription Certificates. Please print.

Name: _____

Capacity (full title): _____

Address (including zip code): _____

Home Telephone Number (including area code): _____

Business Telephone Number (including area code): _____

Tax Identification or Social Security Number: _____

-
1. To exercise the Oversubscription Privilege, the undersigned must fully exercise the Basic Subscription Privilege. The maximum number of shares that may be subscribed for pursuant to the Oversubscription Privilege is 1,085,296.
 2. If the aggregate Subscription Price paid by an exercising Rights holder is insufficient to purchase the number of shares of Common Stock that such holder indicates are being subscribed for, or if any exercising Rights holder does not specify the number of shares of Common Stock to be purchased, then such Rights holder will be deemed to have exercised first the Basic Subscription Privilege in full and second the Oversubscription Privilege to purchase shares of Common Stock to the full extent of the payment rendered (subject to the limitation on the maximum number of shares permitted and to proration under certain circumstances as described in the Prospectus). If the aggregate Subscription Price paid by an exercising Rights holder exceeds the amount necessary to purchase the number of shares of Common Stock for which the Rights holder has indicated an intention to subscribe, then the Rights holder will be deemed to have exercised first the Basic Subscription Privilege (if not already fully exercised) and second the Oversubscription Privilege to the full extent of the excess payment tendered (subject to the restrictions described above). Any excess funds received in payment of the Subscription Price for shares that are subscribed for by a Rights holder but not allocated to such Rights holder pursuant to the Oversubscription Privilege will be mailed by the Subscription Agent as soon as practicable after the Expiration Time and after all prorations and adjustments as described in the Prospectus have been effected.

Assumptions:

Record Date Registered Holders	676	Broker Splits	150
Participation Level	300	Guaranties	30
DRP Participation Level	0	Soliciting Brokers	0
Certificated Participation	150		

	Cost Per Unit -----	Estimated Cost -----
Administration Fee	\$5,000	\$5,000
Subscription Form Generation	\$1.50	\$1,014.00
Subscription Form Processing	\$9.00	\$2,700.00
Sale of Rights	\$0.00	\$0.00
Broker Split Processing	\$9.00	\$1,350.00
Guaranty of Delivery	\$6.00	\$180.00
Subsequent Cash	\$3.00	\$0.00
Calculation of Broker Commission	\$4.00	\$0.00
Total		\$10,244.00
Minimum Offering Total	\$10,000.00	

Out of Pocket Estimates:

Envelope/Form Type	Number Needed -----	Cost per Item -----	Total -----
9 x 12 Envelope	676	\$0.2919	\$197.30
Return Envelope	676	\$0.0775	\$52.36
Confirmation Envelope	300	\$0.0287	\$8.61
Certificate Envelopes	150	\$0.3300	\$49.50
DRP confirmation Env.	0	\$0.0314	\$0.00
Postage Outgoing	676	\$1.0000	\$676.00
Return Envelope	150	\$0.3100	\$46.50
Refund Check Postage	0	\$0.3200	\$0.00
Certificate Postage	150	\$0.3200	\$48.00
DRP confirm. postage	0	\$0.3200	\$0.00
Refund Check Form	0	\$0.0450	\$0.00
DRO Confirm Form	0	\$0.300	\$0.00
Total			\$1,078.28

HURCO COMPANIES, INC.
ONE TECHNOLOGY WAY
INDIANA, INDIANAPOLIS 46268
(317) 293-5309

June 6, 1996

To Our Shareholders:

Hurco Companies, Inc. is distributing to the holders of its outstanding Common Stock, at no cost, non-transferable Rights to purchase additional shares of Common Stock in a Rights Offering. Shareholders will receive .20 of a Right for each share of Common Stock held by them as of the close of business on June 5, 1996. Holders of Rights will be entitled, upon payment of \$4.63 in cash, to purchase one share of Common Stock for each whole Right held. The number of Rights distributed to each holder of Common Stock will be rounded up to the nearest whole number and no fractional Rights or cash in lieu thereof will be issued or paid.

Enclosed herewith are copies of the following documents:

1. The Prospectus, which contains important details of the Rights Offering and important information concerning the Company and the Common Stock being offered--please read the Prospectus carefully;
2. A Subscription Certificate evidencing your Rights;
3. The Instructions for Completing Subscription Certificates;
4. Notice of Guaranteed Delivery; and
5. A return envelope addressed to State Street Bank & Trust Company, Subscription Agent.

YOUR PROMPT ACTION IS REQUESTED. THE RIGHTS WILL EXPIRE AT 5:00 P.M., NEW YORK CITY TIME, ON JULY 3, 1996, UNLESS EXTENDED FOR UP TO THIRTY (30) DAYS BY THE COMPANY.

To exercise the Rights, properly completed and executed Subscription Certificates (unless the guaranteed delivery procedures are complied with) and payment in full for all Rights exercised must be delivered to the Subscription Agent as indicated in the Prospectus prior to 5:00 p.m., New York City time, on July 3, 1996.

Additional copies of the enclosed materials may be obtained from Georgeson & Company Inc., the Information Agent. The Information Agent's toll-free telephone number is (800) 223-2064.

Very truly yours,

HURCO COMPANIES, INC.

1,085,296 SHARES OF COMMON STOCK
OFFERED PURSUANT TO RIGHTS
DISTRIBUTED TO SHAREHOLDERS OF
HURCO COMPANIES, INC.

June 6, 1996

To Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees:

We are enclosing the materials listed below in connection with the offering by Hurco Companies, Inc. (the "Company") of 1,085,296 shares of common stock, no par value (the "Common Stock"), of the Company, at a subscription price of \$4.63 per share, pursuant to nontransferable subscription rights (the "Rights") distributed to holders of record of Common Stock as of the close of business on June 5, 1996 (the "Record Date"). The Rights are described in the Prospectus and evidenced by a Subscription Certificate registered in your name or the name of your nominee.

Each beneficial owner of Common Stock registered in your name or the name of your nominee is entitled to .20 of a Right for each share of Common Stock owned by such beneficial owner. No fractional Rights or cash in lieu thereof will be issued or paid.

We are asking you to contact your clients for whom you hold Common Stock registered in your name or in the name of your nominee to obtain instructions with respect to the Rights.

Enclosed are copies of the following documents:

1. The Prospectus;
2. Subscription Certificate(s) evidencing Rights;
3. The Instructions for Completing Subscription Certificates;
4. A form of letter which may be sent to your clients for whose accounts you hold Common Stock registered in your name or in the name of your nominee, with space provided for obtaining such clients' instructions with regards to the Rights;
5. Notice of Guaranteed Delivery;
6. A return envelope addressed to State Street Bank & Trust Company, Subscription Agent;
7. A DTC Participant Oversubscription Form; and
8. Nominee Holder Certification.

YOUR PROMPT ACTION IS REQUESTED. THE RIGHTS WILL EXPIRE AT 5:00 P.M., NEW YORK CITY TIME, ON JULY 3, 1996, UNLESS EXTENDED FOR UP TO THIRTY (30) DAYS BY THE COMPANY.

To exercise the Rights, properly completed and executed Subscription Certificates (unless the guaranteed delivery procedures are complied with) and payment in full for all Rights exercised must be delivered to the Subscription Agent as indicated in the Prospectus prior to 5:00 p.m., New York City time, on July 3, 1996.

Additional copies of the enclosed materials, as well as the certification needed to round up fractional shares, may be obtained from Georgeson & Company Inc., the Information Agent. The Information Agent's toll-free telephone number is (800) 223-2064.

Very truly yours,

HURCO COMPANIES, INC.

NOTHING CONTAINED HEREIN OR IN THE ENCLOSED DOCUMENTS SHALL CONSTITUTE YOU OR ANY OTHER PERSON AS AN AGENT OF HURCO COMPANIES, INC., THE DEPOSITORY TRUST COMPANY, THE INFORMATION AGENT OR THE SUBSCRIPTION AGENT, OR ANY OTHER PERSON

MAKING OR DEEMED MAKING OFFERS OF THE COMMON STOCK ISSUABLE UPON VALID EXERCISE OF THE RIGHTS, OR AUTHORIZE YOU OR ANY OTHER PERSON TO MAKE ANY STATEMENTS ON BEHALF OF ANY OF THEM WITH RESPECT TO THE OFFERING EXCEPT FOR STATEMENTS MADE IN THE PROSPECTUS.

1,085,296 SHARES OF COMMON STOCK
OFFERED PURSUANT TO RIGHTS
DISTRIBUTED TO SHAREHOLDERS OF
HURCO COMPANIES, INC.

June 6, 1996

To Our Clients:

Enclosed for your consideration is a Prospectus, dated June 6, 1996, and the Instructions for Completing Subscription Certificates relating to the offer by Hurco Companies, Inc. (the "Company") of 1,085,296 shares of common stock, no par value (the "Common Stock"), of the Company, at a subscription price of \$4.63 per share, pursuant to nontransferable subscription rights (the "Rights") distributed to holders of record of Common Stock as of the close of business on June 5, 1996 (the "Record Date").

As described in the accompanying Prospectus, you will receive .20 of a nontransferable Right for each share of Common Stock carried by us in your account as of the Record Date. Each whole Right will entitle you to subscribe for one share of Common Stock (the "Basic Subscription Privilege") at a subscription price of \$4.63 per share (the "Subscription Price"). In addition, if you elect to exercise the Basic Subscription Privilege in full, you will also be entitled to subscribe, subject to proration, for up to 1,085,296 additional shares of Common Stock at the Subscription Price (the "Oversubscription Privilege"). Brynwood Partners Limited Partnership ("Brynwood I"), the holder of 1,390,001 shares of Common Stock, has advised the Company that it does not intend to exercise any of its Rights. In lieu thereof, Brynwood Partners II L.P. ("Brynwood II"), an affiliate of Brynwood I, has agreed to purchase from the Company and the Company has agreed to sell to Brynwood II, at the Subscription Price, all of the 278,001 shares that otherwise would have been available for purchase by Brynwood I pursuant to exercise of its Basic Subscription Privilege. If the number of shares of Common Stock available (the "Excess Shares") after (i) the sale to Brynwood II of the shares that otherwise could have been purchased by Brynwood I and (ii) the satisfaction of all subscriptions pursuant to exercise of the Basic Subscription Privilege by stockholders other than Brynwood I is insufficient to satisfy in full all elections to exercise the Oversubscription Privilege, the Excess Shares will be allocated among holders who have exercised their Oversubscription Privilege, pro rata, in the same ratio that the number of shares subscribed for by each such holder pursuant to exercise of the Oversubscription Privilege bears to the total number of shares subscribed for by all such holders pursuant to exercise of the Oversubscription Privilege. No fractional shares will be issued.

THE MATERIALS ENCLOSED ARE BEING FORWARDED TO YOU AS THE BENEFICIAL OWNER OF COMMON STOCK CARRIED BY US IN YOUR ACCOUNT BUT NOT REGISTERED IN YOUR NAME. EXERCISE OF RIGHTS MAY BE MADE BY ONLY US AS THE RECORD OWNER AND PURSUANT TO YOUR INSTRUCTIONS. Accordingly, we request instructions as to whether you wish us to elect to subscribe for any shares of Common Stock to which you are entitled pursuant to the terms and subject to the conditions set forth in the enclosed Prospectus and the related Instructions for Completing Subscription Certificates. However, we urge you to read these documents carefully before instructing us to exercise Rights.

YOUR INSTRUCTIONS SHOULD BE FORWARDED AS PROMPTLY AS POSSIBLE IN ORDER TO PERMIT US TO EXERCISE RIGHTS ON YOUR BEHALF IN ACCORDANCE WITH THE PROVISIONS OF THE RIGHTS OFFERING. THE RIGHTS OFFERING WILL EXPIRE AT 5:00 P.M., NEW YORK CITY TIME, ON JULY 3, 1996, UNLESS EXTENDED FOR UP TO THIRTY (30) DAYS BY THE COMPANY. ONCE YOU HAVE EXERCISED A RIGHT, SUCH EXERCISE MAY NOT BE REVOKED.

If you wish to have us, on your behalf, exercise the Rights for any shares of Common Stock, please so instruct us by completing, executing and returning to us the instructions form on the reverse side of this letter.

ANY QUESTIONS OR REQUESTS FOR ASSISTANCE CONCERNING THE OFFERING SHOULD BE DIRECTED TO GEORGESON & COMPANY INC., THE INFORMATION AGENT, AT THE FOLLOWING TOLL-FREE TELEPHONE NUMBER: (800) 223-2064.

INSTRUCTIONS

The undersigned acknowledge(s) receipt of your letter and the enclosed materials referred to therein relating to the offering of shares of common stock, no par value (the "Common Stock"), of Hurco Companies, Inc. (the "Company").

This will instruct you whether to exercise Rights to purchase shares of Common Stock distributed with respect to the Company's Common Stock held by you for the account of the undersigned, pursuant to the terms and subject to the conditions set forth in the Prospectus and the related Instructions for Completing Subscription Certificates.

Box 1. Please DO NOT EXERCISE RIGHTS for shares of Common Stock.

Box 2. Please EXERCISE RIGHTS for shares of Common Stock as set forth below.

(a) Number of shares subscribed for pursuant to the Basic Subscription Privilege: (a) _____

(b) Number of shares subscribed for pursuant to the Oversubscription Privilege: 1/ (b) _____

(c) Total shares (sum of lines (a) and (b)): (c) _____

(d) Total Subscription Price (total number of shares subscribed for pursuant to both the Basic Subscription Privilege and the Oversubscription Privilege multiplied by the Subscription Price of \$: ___: /2/ (d) _____

1. To exercise the Oversubscription Privilege, the undersigned must fully exercise the Basic Subscription Privilege. The maximum number of shares that may be subscribed for pursuant to the Oversubscription Privilege is 1,085,296.

2. If the aggregate Subscription Price paid by an exercising Rights holder is insufficient to purchase the number of shares of Common Stock that such holder indicates are being subscribed for, or if any exercising Rights holder does not specify the number of shares of Common Stock to be purchased, then such Rights holder will be deemed to have exercised first the Basic Subscription Privilege in full and second the Oversubscription Privilege to purchase shares of Common Stock to the full extent of the payment rendered (subject to the limitation on the maximum number of shares permitted and to proration under certain circumstances as described in the Prospectus). If the aggregate Subscription Price paid by an exercising Rights holder exceeds the amount necessary to purchase the number of shares of Common Stock for which the Rights holder has indicated an intention to subscribe, then the Rights holder will be deemed to have exercised first the Basic Subscription Privilege (if not already fully exercised) and second the Oversubscription Privilege to the full extent of the excess payment tendered (subject to the restrictions described above). Any excess funds received in payment of the Subscription Price for shares that are subscribed for by a Rights holder but not allocated to such Rights holder pursuant to the Oversubscription Privilege will be mailed by the Subscription Agent as soon as practicable after the Expiration Time and after all prorations and adjustments as described in the Prospectus have been effected.

(e) Method of Payment (check and complete appropriate box(es)):

Enclosing uncertified, certified or cashier's check, bank draft or money order in the amount of \$ _____ payable to State Street Bank & Trust Company, subscription agent.

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Wire transfer in the amount of \$ _____ directed to State Street Bank & Trust Company, subscription agent, ABA No. 0110-0002-8, Hurco Companies, Inc. Rights Offering DDA No.: 7608-355-9, Attention: BFDS CST REORG/HRCCM. Indicate name of institution wire transferring funds and name of registered holder: _____

Please deduct payment from the following account maintained by you as follows:

Type of Account:

Account No.:

Amount to be deducted: \$

Date: , 1996

Signature(s)

Please print or type name

HURCO COMPANIES, INC.
RIGHTS OFFERING

DTC PARTICIPANT OVERSUBSCRIPTION EXERCISE FORM

THIS FORM IS TO BE USED ONLY BY DEPOSITORY TRUST COMPANY PARTICIPANTS TO EXERCISE THE OVERSUBSCRIPTION PRIVILEGE IN RESPECT OF RIGHTS WITH RESPECT TO WHICH THE BASIC SUBSCRIPTION PRIVILEGE WAS EXERCISED AND DELIVERED THROUGH THE FACILITIES OF THE DEPOSITORY TRUST COMPANY. ALL OTHER EXERCISES OF OVERSUBSCRIPTION PRIVILEGES MUST BE EFFECTED BY THE DELIVERY OF SUBSCRIPTION CERTIFICATES.

THE TERMS AND CONDITIONS OF THE RIGHTS OFFERING ARE SET FORTH IN THE COMPANY'S PROSPECTUS DATED JUNE 6, 1996 (THE "PROSPECTUS") AND ARE INCORPORATED HEREIN BY REFERENCE. COPIES OF THE PROSPECTUS ARE AVAILABLE UPON REQUEST FROM THE INFORMATION AGENT, GEORGESON & COMPANY INC., BY CALLING (TOLL-FREE) (800) 223-2064.

VOID UNLESS RECEIVED BY THE SUBSCRIPTION AGENT WITH PAYMENT IN FULL BY 5:00 P.M., NEW YORK CITY TIME, ON JULY 3, 1996, UNLESS EXTENDED FOR UP TO THIRTY (30) DAYS BY THE COMPANY.

1. The undersigned hereby certifies to the Company and the Subscription Agent that it is a participant in The Depository Trust Company ("DTC") and that it has either (i) exercised in full the Basic Subscription Privilege in respect of Rights and delivered such exercised Rights to the Subscription Agent by means of transfer to the DTC account of the Subscription Agent or (ii) delivered to the Subscription Agent a Notice of Guaranteed Delivery in respect of the exercise in full of the Basic Subscription Privilege and will deliver Rights called for in such Notice of Guaranteed Delivery to the Subscription Agent by means of transfer to such DTC account of the Subscription Agent.

2. The undersigned hereby exercises the Oversubscription Privilege to purchase, to the extent available, _____ shares of Common Stock and certifies to the Company and the Subscription Agent that such Oversubscription Privilege is being exercised for the account or accounts of persons (which may include the undersigned) on each of whose behalf the Basic Subscription Privilege has been fully exercised.

3. The undersigned understands that payment of the Subscription Price of \$4.63 per share of each share of Common Stock subscribed for pursuant to the Oversubscription Privilege must be received by the Subscription Agent at or before 5:00 p.m., New York City time, on July 3, 1996 and represents that such payment, in the aggregate amount of \$ _____, either (check appropriate box):

has been or is being delivered to the Subscription Agent pursuant to the Notice of Guaranteed Delivery referred to above;

is being delivered to the Subscription Agent herewith;

has been delivered separately to the Subscription Agent herewith;

and, in the case of funds not delivered pursuant to a Notice of Guaranteed Delivery, is or was delivered in the manner set forth below (check appropriate box and complete information relating thereto):

wire transfer of funds

--name of transferor institution: _____

--date of transfer: _____

--confirmation number (if available): _____

uncertified check

certified check

bank draft (cashier's check)

[_]money order

Basic Subscription Confirmation
Number:

DTC Participant Number:

Name of DTC Participant:

By: _____
Name:
Title:

Dated: , 1996

PARTICIPANTS EXERCISING THE OVERSUBSCRIPTION PRIVILEGE PURSUANT HERETO MUST
SEPARATELY SUBMIT A NOMINEE HOLDER CERTIFICATION TO THE SUBSCRIPTION AGENT.

HURCO COMPANIES, INC.

NOMINEE HOLDER CERTIFICATION

The undersigned, a bank, broker or other nominee holder of Rights ("Rights") to purchase shares of common stock, no par value (the "Common Stock"), of Hurco Companies, Inc. (the "Company") pursuant to the Rights Offering described and provided for in the Company's Prospectus dated June 6, 1996, (the "Prospectus"), hereby certifies to the Company and to State Street Bank & Trust Company, as Subscription Agent for such Rights Offering, that the undersigned has exercised, on behalf of the beneficial owners thereof (which may include the undersigned), the number of Rights specified below pursuant to the Basic Subscription Privilege (as described in the Prospectus) and such beneficial owners thereof wish to subscribe for the purchase of that number of additional shares of Common Stock specified below pursuant to the Oversubscription Privilege (as described and limited in the Prospectus), listing separately below each such Basic Subscription and the corresponding Oversubscription (without identifying any such beneficial owner):

NUMBER OF SHARES PURCHASE PURSUANT TO EXERCISE OF BASIC SUBSCRIPTION NUMBER OF SHARES PURCHASED PURSUANT TO EXERCISE OF

PRIVILEGE OVERSUBSCRIPTION PRIVILEGE RIGHTS CERTIFICATE NUMBER

Table with 2 columns: PRIVILEGE, OVERSUBSCRIPTION PRIVILEGE RIGHTS CERTIFICATE NUMBER. Rows 1-10.

(Attach additional beneficial owner list if necessary)

Name of Nominee Holder

Address

By:

(Please Print Name)

(Title)

(Date)

Provide the following information if applicable:

Depository Trust Company ("DTC") Participant Number:

DTC Basic Subscription Confirmation Number(s):

Date: , 1996

SPECIAL NOTICE TO HOLDERS OF
HURCO COMPANIES, INC.
COMMON STOCK
WHOSE ADDRESSES ARE OUTSIDE
THE UNITED STATES

Dear Shareholder:

Enclosed you will find materials relating to the Rights Offering of Hurco Companies, Inc. (the "Company"). Holders of Common Stock at the close of business on June 5, 1996, (the "Record Date") will receive nontransferable rights ("Rights") to subscribe for and purchase shares of Common Stock on the basis of .20 of a Right for each share of Common Stock held of record on the Record Date. A Subscription Certificate representing Rights to subscribe for shares of the Company's Common Stock at \$4.63 per share is not included in this mailing, but instead is being held on your behalf by the Subscription Agent, State Street Bank & Trust Company. If you wish to exercise any or all of these Rights, you must so instruct the Subscription Agent in the manner described in the accompanying Prospectus and Instructions for Completing Subscription Certificates by 5:00 p.m., New York time, on July 3, 1996, unless the Offering is extended for up to thirty (30) days by the Company. Rights not exercised by such time will expire and become null and void.

ANY QUESTIONS OR REQUESTS FOR ASSISTANCE CONCERNING THE OFFERING SHOULD BE DIRECTED TO GEORGESON & COMPANY INC., THE INFORMATION AGENT, AT (800) 223-2064.