

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K

**CURRENT REPORT PURSUANT
TO SECTION 13 OR 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934**

Date of report (Date of earliest event reported) October 26, 2004

Hurco Companies, Inc.
(Exact Name of Registrant as Specified in Its Charter)

Indiana
(State or Other Jurisdiction of Incorporation)

0-9143

(Commission File
No.)

35-1150732

(IRS Employer Identification

One Technology Way

Indianapolis,

Indiana
46268

(Address of Principal Executive

Offices)

(Zip Code)

(317) 293-5309

(Registrant's Telephone Number, Including Area Code)

Not Applicable

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

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

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

Item 1.01 **Entry into a Material Definitive Agreement.**

On October 26, 2004, Hurco Companies, Inc. (the "Registrant") and its U.K. subsidiary amended their respective credit facilities. As a result of these amendments, the facilities, among other things, will be extended until January 31, 2008 and will no longer be secured. A copy of the amendment is filed as an exhibit hereto and is incorporated by reference herein.

Item 7.01 Regulation FD Disclosure

On November 1, 2004, the Registrant issued a press release announcing the events described in Item 1.01. The press release is attached hereto as Exhibit 99.1 and incorporated by reference into this Item 7.01. The press release is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not to be incorporated by reference into any filing of the Registrant.

Item 9.01 Financial Statements and Exhibits.

(c) Exhibits

- 10.1 First Amendment to Third Amended and Restated Credit Agreement dated October 26, 2004 between the Registrant and Bank One, NA.
- 10.2 Supplemental Facility Agreement to Revolving Credit Facility and Overdraft Facility dated October 26, 2004 between Hurco Europe Limited and Bank One, NA.
- 99.1 Press Release, dated November 1, 2004.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: November 1, 2004

HURCO COMPANIES, INC.

By: /s/ Roger J. Wolf
Roger J. Wolf, Senior Vice President
and Chief Financial Officer

INDEX TO EXHIBITS

<u>Exhibit No.</u>	<u>Description</u>
10.1	First Amendment to Third Amended and Restated Credit Agreement dated October 26, 2004 between the Registrant and Bank One, NA.
10.2	Supplemental Facility Agreement to Revolving Credit Facility and Overdraft Facility dated October 26, 2004 between Hurco Europe Limited and Bank One, NA.

**FIRST AMENDMENT TO THIRD AMENDED AND RESTATED
CREDIT AGREEMENT**

THIS FIRST AMENDMENT TO THIRD AMENDED AND RESTATED CREDIT AGREEMENT, dated as of October 26, 2004 (this "Amendment"), is between HURCO COMPANIES, INC., an Indiana corporation (the "Borrower") and BANK ONE, NA, a national banking association with its main office in Chicago, Illinois (the "Bank").

INTRODUCTION

A. The Borrower and the Bank have entered into the Third Amended and Restated Credit Agreement and Amendment to Reimbursement Agreement dated as of December 1, 2003 (the "Credit Agreement").

B. The Borrower desires to amend the Credit Agreement as herein provided, and the Bank is willing to so amend the Credit Agreement on the terms set forth herein.

NOW, THEREFORE, in consideration of the premises, the parties hereto agree as follows:

ARTICLE 1. AMENDMENTS TO AGREEMENT

1.1 In Section 1.1, a new definition of "Hurco BV" is added and the definitions of "Collateral Documents", "Facility Termination Date", "Hurco GmbH Facility", "Loan Documents", and "Pledge Agreement" are amended to read as follows:

"Collateral Documents" means, collectively, the Pledge Agreement and all other agreements granting a Lien in favor of the Bank securing the Secured Obligations, as any of the foregoing may be amended or modified from time to time, including any and all other security agreements, mortgages and pledge agreements delivered hereafter.

"Facility Termination Date" means January 31, 2008.

"Hurco BV" means Hurco B.V., a limited liability company organized under the laws of the Netherlands, and an indirect wholly-owned subsidiary of the Borrower.

"Hurco GmbH Facility" means a credit facility of Hurco GmbH and Hurco BV in a maximum principal amount of Three Million Euros obtained from Dresdner Bank or any affiliate or successor thereof which may be secured by assets of Hurco GmbH and Hurco BV and an unsecured guaranty of payment of the Borrower.

"Loan Documents" means this Agreement, the Facility LC Applications, any Notes issued pursuant to Section 2.15, the Reimbursement Agreement, the Collateral Documents, the Guaranty, the Hurco Guaranty, and all other agreements and documents executed or delivered in connection with any of the foregoing at any time, as each may be amended or modified from time to time.

"Pledge Agreement" means the Amended and Restated Pledge and Security Agreement dated as of October 26, 2004, executed by the Borrower in favor of the Bank.

1.2 Section 2.1(a) is amended to read as follows:

(a) From and including the Effective Date and prior to the Facility Termination Date, the Bank agrees, on the terms set forth in this Agreement, to (i) make Advances to the Borrower in Agreed Currencies from time to time, and (ii) issue Facility LCs upon the request of the Borrower, in Dollar Amounts not to exceed in aggregate principal amount at any time outstanding, (A) at and during such time as the Total Funded Debt/EBITDA Ratio is less than or equal to 3.0 to 1.0, the amount of the Commitment as of the date any such Advance is made, and (B) at and during such time as the Total Funded Debt/EBITDA Ratio exceeds 3.0 to 1.0, the lesser of (x) the amount of the Borrowing Base as of the close of business on the last day of the month next preceding the date any such Advance is made and (y) the amount of the Commitment as of the date any such Advance is made. In any event, the aggregate principal amount of Facility LCs outstanding at any time shall not exceed the amount of the Commitment in effect at such time, and all Floating Rate

Loans shall be made and Facility LCs shall be issued in Dollars. Subject to the terms of this Agreement, the Borrower may borrow, repay and reborrow at any time prior to the Facility Termination Date. The Commitment to extend credit hereunder shall expire on the Facility Termination Date. The Bank will issue Facility LCs hereunder on the terms set forth in Section 2.18.

1.3 Section 2.5(d) is amended to read as follows:

(d) Mandatory Prepayments. Notwithstanding anything in this Agreement to the contrary, if at any time the aggregate Dollar Amount of the Outstanding Credit Exposure (calculated, with respect to those Advances denominated in Agreed Currencies other than Dollars, as of the most recent Computation Date with respect to each such Advance) exceeds the Commitment or, at and during such time as the Total Funded Debt/EBITDA Ratio exceeds 3.0 to 1.0, the Borrowing Base, and upon written notice from the Bank of such occurrence, the Borrower shall immediately repay Advances in an aggregate principal amount sufficient to eliminate any such excess, to be applied first to amounts outstanding under the Loan, and then to the Facility LC Collateral Account.

1.4 Section 2.20(a) is amended to read as follows:

(a) Reserved.

1.5 Section 5.20 is amended to read as follows:

5.20 Borrowing Base. At and during such time as the Total Funded Debt/EBITDA Ratio exceeds 3.0 to 1.0, all accounts receivable and inventory of the Borrower represented or reported by the Borrower to be, or are otherwise included in, Eligible Finished Goods Inventory, Eligible Trade Receivables, Eligible Extended Receivables, and Eligible Inventory comply in all respects as of the date reported with the requirements therefor set forth in the definition thereof, and the computation of the Borrowing Base set forth in each Borrowing Base Certificate submitted during such time is true and correct.

1.6 Sections 6.1(ii), (vii) and (viii) are amended to read as follows:

(ii) Within 45 days after the close of each fiscal quarter, for itself and its Subsidiaries, consolidated and consolidating unaudited balance sheets as at the close of each such fiscal quarter and consolidated and consolidating profit and loss and reconciliation of surplus statements and a statement of cash flows for the period from the beginning of such fiscal year to the end of such fiscal quarter (except that consolidating balance sheets and statements of operations and retained earnings need not be given for Inactive Subsidiaries or Active Subsidiaries whose only asset is the Capital Stock of another Subsidiary of the Borrower), all certified by its chief financial officer or principal accounting officer as fairly presenting the consolidated financial position of the Borrower and its Subsidiaries for the periods contained therein and as having been prepared in accordance with Agreement Accounting Principles, together with a certificate of such officer demonstrating compliance with all financial covenants contained in this Agreement, including without limitation Section 6.20 hereof, and such supporting schedules setting forth such information as the Bank may reasonably request relating to such covenants, and stating whether such officer is aware of any Default or any event or condition which, with notice or lapse of time, or both, would constitute a Default, and, if such Default or such an event or condition then exists and is continuing, a statement setting forth the nature and status thereof.

(vii) At and during such time as the Total Funded Debt/EBITDA Ratio exceeds 3.0 to 1.0, then as soon as available and in any event within 30 days after the end of the month following the fiscal quarter at the close of which such ratio exceeded 3.0 to 1.0, and each month thereafter during such time, a Borrowing Base Certificate, prepared for the Borrower as of the close of business on the last day of each month, together with supporting schedules, in form set forth on Exhibit B, each certified as true and correct by a duly authorized officer of the Borrower.

(viii) At and during such time as the Total Funded Debt/EBITDA Ratio exceeds 3.0 to 1.0, then within 30 days after the end of the month following the fiscal quarter at the close of which such ratio exceeded 3.0 to 1.0, and each month thereafter during such time, a report containing an aging, as of the end of the preceding month, of accounts receivable of the Borrower and its Subsidiaries, in a form satisfactory to the Bank.

1.7 Section 6.10 is amended to read as follows:

6.10 Dividends. The Borrower will not, nor will it permit any Subsidiary to, declare or pay any dividends or make any distributions on its Capital Stock (other than dividends payable in its own Capital Stock) or redeem, repurchase or otherwise acquire or retire any of its Capital Stock at any time outstanding, *provided, however*, that (i) any Subsidiary may declare and pay dividends or make distributions to the Borrower or to a Wholly-Owned Subsidiary, and (ii) the Borrower may redeem, repurchase, or otherwise acquire or retire shares of its Capital Stock, at a purchase price not exceeding the shares' then-current fair market value, and may pay cash dividends on its Capital Stock, all not to exceed \$1,500,000 in the aggregate in any fiscal year.

1.8 Subsection (vii) of Section 6.15 is amended to read as follows:

(vii) Liens on the assets of Hurco GmbH and Hurco BV to secure the Hurco GmbH Facility.

1.9 Section 6.20 is amended to read as follows:

6.20.1 Reserved.

6.20.2. Maximum Consolidated Total Indebtedness to Consolidated Total Capitalization. The Borrower will not permit the ratio, determined as of the end of each of its fiscal quarters beginning with the fiscal quarter ending October 31, 2004, of (i) Consolidated Total Indebtedness to (ii) Consolidated Total Capitalization, to be greater than 0.275 to 1.0.

6.20.3. Fixed Charge Coverage Ratio. The Borrower will not permit the ratio, determined as of the end of each of its fiscal quarters beginning with the fiscal quarter ending on October 31, 2004, for the period of the four fiscal quarters of the Borrower then ending, of (i) Consolidated EBITDA for such period, *plus* Rentals for such period *minus* income taxes (if a positive number) included in calculating such Consolidated EBITDA, *minus* 50% of depreciation included in calculating such Consolidated EBITDA, *minus* cash dividends paid by the Borrower in such period on its Capital Stock, *minus* redemptions in such period of its Capital Stock by the Borrower, to (ii) principal payments of Indebtedness required to be paid during such period (other than principal payments in connection with the CIMPlus Purchase or the UK Lease Liability) *plus* Consolidated Interest Expense during such period, *plus* Rentals during such period, all calculated for the Borrower and its Subsidiaries on a consolidated basis, to be less than 1.25 to 1.0.

6.20.4 Net Income. The Borrower will not permit or suffer Consolidated Net Income determined as of the end of any fiscal quarter, for the four fiscal quarters then ending, beginning with the fiscal quarter ending October 31, 2004, to be less than \$0.

1.10 A new Section 6.26 is added, reading as follows:

6.26 Negative Pledge Limitation. The Borrower will not, and will not permit any of its Subsidiaries to, enter into any agreement with any Person other than the Bank pursuant hereto which prohibits or limits the ability of the Borrower or any Subsidiary to create, incur, assume or suffer to exist any Lien upon any of its assets, rights, revenues or property, real, personal or mixed, tangible or intangible, whether now owned or hereafter acquired (provided, however, that the foregoing does not include any prohibition or limitation with respect to further Liens on assets that are subject to Permitted Liens).

1.11 Upon the effectiveness of this Amendment, the Bank will file UCC termination statements and release agreements with the U.S. Patent and Trademark Office releasing and terminating the perfection of all Liens held or claimed by the Bank in all property of the Borrower not pledged to the Bank under the Pledge Agreement.

ARTICLE 2. REPRESENTATIONS AND WARRANTIES

In order to induce the Bank to enter into this Amendment, the Borrower represents and warrants that:

2.1 The execution, delivery and performance by the Borrower of this Amendment is within its powers, have been duly authorized, and are not in contravention of any law, rule or regulation, or any judgment, decree, writ, injunction, order or award of any arbitrator, court or governmental authority, or of the terms of the Borrower's organizational documents, or of any contract or undertaking to which the Borrower is a party or by which the Borrower or its property is or may be bound or affected.

2.2 This Amendment is the legal, valid and binding obligation of the Borrower enforceable against the Borrower in accordance with its terms.

2.3 No consent, approval or authorization of or declaration, registration or filing with any governmental authority or any nongovernmental person or entity, including without limitation any creditor or member of the Borrower is required on the part of the Borrower in connection with the execution, delivery and performance of this Amendment or the transactions contemplated hereby or as a condition to the legality, validity or enforceability of this Amendment.

2.4 After giving effect to the amendments contained in Article 1 of this Amendment, the representations and warranties contained in Article V of the Credit Agreement are true on and as of the date hereof with the same force and effect as if made on and as of the date hereof and no default exists under the Credit Agreement as of the date hereof.

ARTICLE 3. CONDITIONS TO EFFECTIVENESS

This Amendment shall not become effective until the Bank has received the following documents and the following conditions have been satisfied, each in form and substance satisfactory to the Bank:

3.1 Copies, certified as of the effective date hereof, of such corporate documents of the Borrower and the Guarantors as the Bank may request, including articles of incorporation, bylaws (or certifying as to the continued accuracy of the articles of incorporation and by-laws previously delivered to the Bank), and incumbency certificates, and such documents evidencing necessary corporate action by the Borrower and the Guarantors with respect to this Amendment and all other agreements or documents delivered pursuant hereto as the Bank may request;

3.2 A Confirmation of Subsidiary Guaranty of even date herewith executed by the Guarantors in favor of the Bank, in form and substance satisfactory to the Bank;

3.3 The Pledge Agreement executed by the Company in favor of the Bank;

3.4 Such additional agreements and documents, fully executed by the Company, as are reasonably requested by the Bank before the Bank executes this Amendment.

ARTICLE 4. MISCELLANEOUS

4.1 If the Borrower shall fail to perform or observe any term, covenant or agreement in this Amendment, or any warranty made by the Borrower in this Amendment shall prove to have been incorrect in any material respect when made, such occurrence shall be deemed to constitute an Event of Default.

4.2 All references to the Credit Agreement in any of the Loan Documents or any other document, instrument or certificate referred to in the Credit Agreement or delivered in connection therewith or pursuant thereto, hereafter shall be deemed references to the Credit Agreement, as amended hereby.

4.3 Except as expressly amended hereby, the Borrower agrees that all Loan Documents are ratified and confirmed and shall remain in full force and effect and that it has no set off, counterclaim, defense or other claim or dispute with respect to any of the foregoing.

4.4 The Borrower agrees to pay and save the Bank harmless from liability for all costs and expenses of the Bank arising in respect of this Amendment, including the reasonable fees and expenses of Dickinson Wright PLLC, counsel to the Bank, in connection with preparing and reviewing this Amendment and any related agreements and documents.

4.5 Capitalized terms used but not defined herein shall have the respective meanings ascribed thereto in the Credit Agreement.

4.6 This Amendment shall be governed by and construed in accordance with the laws of the State of Indiana.

4.7 This Amendment may be executed upon any number of counterparts with the same effect as if the signatures thereto were upon the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered as of the day and year first-above written.

HURCO COMPANIES, INC.

By: /s/ Roger J. Wolf
Print Name: Roger J. Wolf
Its: Senior Vice President and CFO

BANK ONE, NA

By: /s/ Brian D. Smith
Print Name: Brian D. Smith
Its: First Vice President

CONSENT AND AGREEMENT

As of the date and year first above written, each of the undersigned hereby:

- (a) fully consent to the terms and provisions of the above Amendment and the consummation of the transactions contemplated hereby, and agrees to all terms and provisions of the above Amendment;
- (b) agrees that its guaranty and all other agreements and documents executed by the undersigned in connection with the Credit Agreement or otherwise in favor of the Bank (collectively, the "Guarantor Documents") are hereby ratified and confirmed and shall remain in full force and effect, and acknowledges that it has no setoff, counterclaim, defense or other claim or dispute with respect to any Guarantor Document or any transactions in connection therewith; and
- (c) acknowledges that it is in its interest and to its financial benefit to execute this consent and agreement.

HURCO INTERNATIONAL , INC.

By: /s/ Roger J. Wolf
Print Name: Roger J. Wolf
Its: Secretary

HURCO INTERNATIONAL HOLDINGS, INC.

By: /s/ Roger J. Wolf

Print Name: Roger J. Wolf

Its: Secretary

Hurco Europe Limited
 c/o Hurco Companies, Inc.
 One Technology Way
 Indianapolis
 Indiana 46268-0180
 USA

26, October 2004

For the attention of Mr Roger J Wolf

Dear Sirs

£700,000 Revolving Credit Facility and £300,000 Overdraft Facility - Supplemental Facility Agreement

We, Bank One, NA (the "**Bank**", which expression includes our successors, assigns and permitted transferees), refer to the £700,000 revolving credit facility and the £300,000 overdraft facility granted to Hurco Europe Limited (the "**Borrower**") pursuant to a facility agreement dated 15 January 2004 (the "**Facility Agreement**").

1 Interpretation

In this supplemental facility agreement, words and expressions defined in the Facility Agreement shall have the same meaning when used in this supplemental facility agreement.

2 Variations

2.1 Subject to paragraph 3 below, the Bank hereby agrees that the following clauses of the Facility Agreement shall be amended as follows:

2.1.1 the definition of "**Collateral**" shall be deleted;

2.1.2 the definition of "**Debenture**" shall be deleted and replaced with the following:

"**Debenture**" means (i) the debenture dated 15 January 2004 in favour of the Bank and released pursuant to a deed of release dated 26, October 2004 and (ii) any other debenture from time to time entered into by the Borrower in respect of amounts owing under this agreement;"

2.1.3 the date "31 January 2007" in the definition of "**Termination Date**" shall be deleted and replaced with the date "31 January 2008";

2.1.4 the definition of "**US Security Documents**" shall be deleted and replaced with the following:

"**US Security Documents**" means (collectively, as the same may be amended and/or restated from time to time:

- (a) the amended and restated pledge and security agreement dated 26, October 2004 entered into by the Parent in favour of the Bank;
- (b) the subsidiary guarantee by Hurco International, Inc. and Hurco International Holdings, Inc. in favour of the Bank, dated 1 December 2003; and
- (c) any other documents evidencing any security interest or guarantee or indemnity entered into by the Parent in favour of the Bank, pursuant to the US Credit Agreement;"

2.1.5 clause 3.4 shall be deleted and replaced with the following:

- "3.4 No utilisation of the Facilities shall be permitted if, as a result:
- 3.4.1 the Total Outstandings would exceed £1,000,000 at that time; or
 - 3.4.2 the Guaranteed Amount would exceed £200,000; or
 - 3.4.3 the aggregate of the Advances and the Guaranteed Amount would exceed £700,000; or
 - 3.4.4 the amount of the Overdraft would exceed £300,000; or
 - 3.4.5 at and during such time as the Total Funded Debt/EBITDA Ratio exceeds 3.00 to 1.00, the Total Outstandings would exceed the lower of (A) the Borrowing Base and (B) £1,000,000 at that time."

2.1.6 clauses 6.1 and 6.2 shall be deleted and replaced with the following:

- "6.1 At and during such time as the Total Funded Debt/EBITDA Ratio exceeds 3.00 to 1.00, then as soon as available and in any event within 30 days after the end of the month following the fiscal quarter at the close of which such ratio exceeded 3.00 to 1.00, and each month thereafter during such time, the Borrower shall prepare and deliver to the Bank a Borrowing Base Certificate signed by a director or secretary of the Borrower setting out:
- 6.1.1 the details of the Eligible Trade Debts and stating the aggregate of those Eligible Trade Debts at the end of the preceding month;
- 6.1.2 the value of its Eligible Finished Goods Inventory at the end of the preceding month; and
- 6.1.3 the value of its Eligible Unfinished Goods Inventory at the end of the preceding month.
- 6.2 At and during such time as when the Total Funded Debt/EBITDA Ratio exceeds 3.00 to 1.00, the Borrower shall ensure that the aggregate of the Total Outstandings during such time shall not exceed the Borrowing Base at that time."

2.1.7 Clause 13.1 shall be deleted and replaced with the following:

"not, without the Bank's prior written consent, (i) create or allow to exist any Encumbrance (save for a Permitted Encumbrance) over any of its present or future assets, rights or revenues to secure obligations of itself or of any other person or (ii) enter into any agreement with any other person other than the Bank pursuant hereto which prohibits or limits the liability of the Borrower to create, incur, assume or suffer to exist any Encumbrance (save for a Permitted Encumbrance) upon any of its present or future assets, rights or revenues (provided, however, that any agreement or covenant not to create, incur or suffer to exist any additional Encumbrance on any asset which is subject to a Permitted Encumbrance shall not be prohibited by the foregoing)."

2.1.8 Clause 13.7 shall be deleted and replaced with the following:

- "13.7 Send to the Bank:
- 13.7.1 within 110 days of each fiscal year end, a copy of the Borrower's annual audited financial statements;
- 13.7.2 within 45 days after the close of each fiscal quarter, management accounts for such quarter with such other information, certificates and forecasts as the Bank may from time to time reasonably require;
- 13.7.3 at and during such time as the Total Funded Debt/EBITDA Ratio exceeds 3.00 to 1.00 within 30 days of the end of each calendar month, beginning with the month following the fiscal quarter at the close of which such ratio exceeded 3.00 to 1.00, a statement of aged accounts receivable; and
- 13.7.4 all other financial and other information concerning the Borrower and its business affairs as the Bank may from time to time require upon reasonable notice."

3 Commencement of Variations

The Facility Agreement shall be varied and amended in the manner set out herein upon the receipt by the Bank of the following in form and substance acceptable to the Bank:

- 3.1 a copy of this supplemental facility agreement signed on behalf of the Borrower signifying the Borrower's acceptance of the variations provided for in this supplemental facility agreement and the Borrower's agreement with the terms and conditions;
- 3.2 a certified extract of the resolutions of the board of directors of the Borrower approving the terms of this supplemental facility agreement and resolving to enter into the same;
- 3.3 a letter from Hurco Companies, Inc. in form and substance satisfactory to the Bank reaffirming and confirming for the benefit of the Bank that the Parent Guarantee (as defined in the Facility Agreement) will extend to guarantee the amended obligations of the Borrower arising under the Facility Agreement as amended by this supplemental facility agreement and its obligations under the Parent Guarantee are not affected by this supplemental facility agreement or anything contained in it and shall remain in full force and effect; and
- 3.4 a certified extract of the resolutions of the board of directors of Hurco Companies, Inc. approving the terms of the letter referred to in clause 3.3 above and resolving to enter into the same.

4 Representations

The Borrower hereby represents and warrants to the Bank that it is duly authorised to countersign this supplemental facility agreement, which constitutes its valid, legal, binding and enforceable obligations.

5 Continuation of Facility Agreement

- 5.1 Save as amended by this supplemental facility agreement, the provisions of the Facility Agreement shall continue in full force and effect and the Facility Agreement and this supplemental facility agreement shall be read and constructed as one instrument.

5.2 The Borrower confirms its liabilities and obligations under the Facility Agreement remain in full force and effect and shall continue notwithstanding, *inter alia*, the amendments to the Facility Agreement pursuant to this supplemental facility agreement.

6 Governing Law

This Agreement is governed by and constructed in accordance with English law.

/s/ Brian D. Smith
Yours faithfully,
For and on behalf of
Bank One, NA

Accepted and Agreed

On October 26, 2004

/s/ Roger J. Wolf
For and on behalf of
Hurco Europe Limited

HURCO Companies, Inc.
For Immediate Release

From: Roger J. Wolf
Senior Vice President
Chief Financial Officer
(317) 293-5309

Hurco Reports Amendment of Credit Facilities

INDIANAPOLIS—Nov 1, 2004—HURCO Companies, Inc. (Nasdaq:HURC) today announced that the Company amended and extended its \$8,000,000 domestic credit facility and its £1,000,000 facility for its UK subsidiary. Each of the credit facilities was extended to January 31, 2008. In connection with these maturity extensions, the domestic credit facility was converted to an unsecured facility, except for a continuation of a pledge of stock of two subsidiaries of the Company, and the UK subsidiary facility was also converted to an unsecured facility. The Company will continue to guarantee payment of the UK subsidiary facility. The amendments also amend the financial covenants with which the Company and its UK subsidiary must comply. The Company regards the revised financial covenants as being less restrictive than the financial covenants previously in effect.

Michael Doar, Chief Executive Officer, stated, "We are pleased that the improved operating performance of Hurco has been recognized by our primary lender."

Hurco Companies, Inc. is an industrial technology company that designs and produces interactive computer controls, software and computerized machine tools for the worldwide metal cutting and metal forming industry. The end market for the Company's products consists primarily of independent job shops and short-run manufacturing operations within large corporations in industries such as the aerospace, defense, medical equipment, energy, transportation and computer equipment. The Company is based in Indianapolis, Indiana and has sales, application engineering and service subsidiaries in High Wycombe, England; Munich, Germany; Paris, France; Milan, Italy; Shanghai, China and Singapore, along with manufacturing operations in Taiwan. Products are sold through independent agents and distributors in the United States, Europe and Asia. The Company also has direct sales forces in the United Kingdom, Germany, France, Italy and Asia.

Web Site: www.hurco.com

This news release contains forward-looking statements which involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. These factors include, among others, changes in general economic and business conditions that affect demand for computerized machine systems, computer numerical control systems and software products, changes in manufacturing markets, innovations by competitors, quality and delivery performance by our contract manufacturers and governmental actions and initiatives including import and export restrictions and tariffs.