

	6 Months Ended		3 Months ended	
	March 31		March 31	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
Sales	\$100,790	\$105,274	\$52,507	\$52,754
Net income from continuing operation	\$4,930	\$6,623	\$2,173	\$3,390
Net loss from discontinued operations	-	(\$1,566)	-	(\$676)
Net income	\$4,930	\$5,057	\$2,173	\$2,714
Diluted earnings per share from continuing operations	\$0.12	\$0.16	\$0.05	\$0.08
Diluted loss per share from discontinued operations	\$0.00	(\$0.04)	\$0.00	(\$0.02)
Diluted earnings per share	\$0.12	\$0.12	\$0.05	\$0.06
Common shares outstanding	41,616,000	40,432,000	41,616,000	40,432,000

Sales for the second quarter of \$52.5 million were virtually identical to prior year sales and up over the first quarter by 9%. Sales in the Casting and Extrusion segment were up 4% in the quarter over prior year despite an 8% appreciation in the Canadian dollar in the quarter and another weak sales quarter at Techmire. Sales in the Automotive Solutions segment were down 7% in the quarter reflecting customer inventory rebalancing in January and several product launch delays at Neocon. Customer releases in this segment have now returned to more traditional levels. Neocon is expected to improve sales as delayed product launches begin to come into production.

Net income from continuing operations was \$2.2 million for the quarter or \$0.05 earnings per share. Income was impacted by losses at Techmire of \$0.02 earnings per share and generally an unfavourable raw material cost climate throughout the company. These factors have also reduced gross margin in the quarter to 28%. The company is passing through steel price increases in its industrial markets. We expect to pass through steel and resin price increases to our automotive customers on new business, however existing business will continue to experience earning pressure.

Exco's balance sheet remains strong with a debt to equity ratio of 0.15:1. Net bank debt is modestly higher at \$22.3 million than at last year end owing to the build-up in work in process inventory in the Casting and Extrusion segment and the completion of the new Techmire production facility.

Results for the balance of the year are expected to improve as automotive releases reflect more traditional levels, Techmire's sales improve and price increases in the extrusion businesses take hold. Also rising volumes in the large mould businesses and additional product launches at Neocon and Polydesign will improve capacity utilization and enable more efficient absorption of overhead costs.

Our strategy to manufacture auto parts in low labour cost jurisdictions is certainly being validated by recent pronouncements from North American OEM's. We are already well established in Mexico and continue to ramp up in Morocco. With our tooling segment, we are very much focused on restoring historic margins and re-igniting growth. We will restore our margins through strategic pricing and enhanced productivity while improving quality and service.

Exco will file a Notice of Intention to Make a Normal Course Issuer Bid with The Toronto Stock Exchange ("TSX"), for the purchase, from time to time, of shares through the facilities of the TSX. Any such purchases of shares would be made during the continuous period from May 6, 2005 to May 5, 2006. Exco will purchase the shares for cancellation.

The board of directors of Exco believes that, at certain times, the market price of Exco's shares may not adequately reflect the current value of, and prospects for, Exco's business. As a result, the board of directors believes that Exco's outstanding shares may, at such times, represent an attractive opportunity to realize additional shareholder value and that purchases of shares at such times would be an appropriate and desirable use of Exco's available funds.

Exco may commence purchases of shares on May 6, 2005, at times and in quantities determined by it. All purchases will comply with the regulations of a Normal Course Issuer Bid as defined by the TSX, which specify that Exco is limited during the 12-month period to buying a maximum of 5% of the issued and outstanding shares on the date of acceptance of this Notice by the TSX. During any 30-day period within the 12 months, Exco is limited to buying a maximum of 2% of the outstanding shares.

(refer to Management Discussion and Analysis, Financial Statements and Notes, and the 2004 Annual Information Form)

The following is management's interim discussion and analysis of operations and financial position and should be read in conjunction with the consolidated financial statements and Management's Discussion and Analysis in the Company's 2004 Annual Report.

This MD&A has been prepared by reference to the new MD&A disclosure requirements established under National Instrument 51-102 "Continuous Disclosure Obligations" ("NI 51-102) of the Canadian Securities Administrators. Additional information regarding Exco, including copies of its continuous disclosure materials such as its annual information form, is available on its website at www.excocorp.com or through the SEDAR website at www.sedar.com

In this MD&A, reference is made to gross margin which is not a measure of financial performance under Canadian generally accepted principles ("GAAP"). The Company calculates gross margin as sales less cost of sales. The Company included information concerning this measure because it is used by management as a measure of performance and management believes it is used by certain investors and analysts as a measure of the Company's financial performance. This measure is not necessarily comparable to similarly titled measures used by other companies.

MANAGEMENT DISCUSSION AND ANALYSIS

Operating Results

The financial results for the second quarter ended March 31, 2004 have been restated to reflect the classification of Exco's paint and lasing business as a discontinued operation. Results from this operation have been isolated and classified as 'Discontinued Operations'. This business was sold on August 30, 2004 and reported in the fourth quarter of the 2004 fiscal year ended September 30, 2004. In the second quarter ending March 31, 2005 there was no activity to report in Discontinued Operations.

Sales from continuing operations for the quarter ended March 31, 2005 were \$52.5 million compared to \$52.7 million in the prior second quarter. The strengthening Canadian dollar negatively impacted sales in the quarter by \$3.1 million, as the average exchange rate for the quarter was much stronger at \$1.23 compared to \$1.33 last year. Year to date sales of \$100.8 million were \$4.5 million or 4% lower than last year. This reduction includes the impact of an average year to date exchange rate of \$1.22 compared to the prior year rate of \$1.32, which affected sales by \$5.3 million.

During the second quarter the Casting & Extrusion segment reported a 4% sales increase to \$31.4 million compared to \$30.1 million in the prior second quarter. Sales in the large mould businesses and the extrusion businesses continued to grow in the quarter by 12% and 10% respectively. This was partially offset by Techmire's continued top line weakness in the quarter. Year to date sales in this segment were flat at \$60.7 million compared to \$60.8 million last year as second quarter sales compensated for this segments weaker performance in the first quarter. The second quarter impact of foreign exchange on this segment's sales was approximately \$1.5 million.

The Automotive Solutions segment reported sales of \$21.1 million in the quarter versus \$22.7 million last year. Lower releases at Polytech and Neocon in January impacted sales in the second quarter. Disappointing volumes on two programs recently launched at the Alabama facility further hindered sales. Polydesign's sales were also impacted by slow releases from several customers. Although year to date sales in this segment were down 10% from \$44.4 million last year to \$40.1 million this year, second quarter sales have improved at Polytech and Neocon as releases have begun to return to more traditional levels. The second quarter impact of foreign exchange on this segment's sales was a reduction of approximately \$1.6 million.

Net income from continuing operations declined 35% in the quarter to \$2.2 million or \$0.05 earnings per share fully diluted compared to \$3.4 million or \$0.08 earnings per share fully diluted last year. Year to date net income from continuing operations declined 26% to \$4.9 million or \$0.12 earnings per share fully diluted compared to \$6.6 million or \$0.16 earnings per share fully diluted last year. The erosion in earnings was felt in both segments.

Automotive Solutions income was down from last year by approximately \$600 thousand. Lower sales volumes, as described above, was primarily responsible although higher resin and yarn prices, translation of US profits at lower rates and new product launch costs at Polydesign and Neocon USA also had an impact.

Income at the Casting & Extrusion segment for the quarter was \$600 thousand. This segment experienced rising steel prices. Despite improving sales volumes, steel input costs reduced profits in the extrusion and large mould businesses. In addition, Techmire experienced poor market conditions in its important South Korean market. Moreover its losses grew to \$0.02 per share in the second quarter. Year to date losses at Techmire were \$0.03 per share.

Gross margin in the second quarter was 28% compared to 33% in the prior year. Year to date the gross margin was 29% compared to 33% last year. Techmire accounted for 2% gross margin erosion for the quarter and year to date. The consolidated gross margin erosion also reflects the continuing impact of rising raw material prices. In the Casting and Extrusion segment the cost of steel has continued to rise. In the Automotive Solutions segment, gross margin was impacted by the cost of plastic and synthetic yarn inputs and to a lesser extent steel used for fastening systems. Lower volumes at Polytech, inefficiencies associated with new product launches at Polydesign and costs associated with the introduction of Neocon products at our Alabama facility have also impacted gross margin in the Automotive Solutions segment.

In the quarter, Exco expensed stock options of \$119 thousand versus \$126 thousand in the prior year quarter. Year to date, Exco expensed stock options of \$223 thousand compared to \$251 thousand in the prior year. This expense relates to the Employee Stock Purchase Plan, which is offered to all employees of Exco, and the Stock Option Plan. (See note 3 of the Financial Statements).

Financial Resources, Liquidity and Capital Resources

Exco's inventory at \$35.2 million has been increasing. This reflects work in process buildup in the large mould businesses and Techmire. Generally, the Casting and Extrusion segment is also keeping higher levels of steel in raw material inventory in order to mitigate the impact of rising prices. Fixed assets of \$87 million are up from last year-end at \$83.4 million reflecting the construction of the new Techmire production facility. This investment primarily accounts for the increase in Exco's bank debt net of cash from \$19.2 million at last year-end to \$22.3 million at the end of the second quarter. Receivables and payables reduced in keeping with lower sales. Exco's debt to equity ratio on March 31, 2005 remains strong at 0.15:1.

Cash flow from operating activities of continuing operations fell to \$1.1 million for the quarter compared to \$2.7 million in the same period last year. This largely reflects the impact of higher inventories. Cash from financing activities in the quarter benefited from the sale of shares to those Exco employees that participated in the Employee Share Purchase Plan. The increase in investing activities, once again, reflects the completion of the Techmire facility.

Exco currently has fixed the interest rate on a portion of its current debt at 3.88%, plus applicable margin, by entering into an interest rate swap agreement. The notional amount of this swap reduces in equal quarterly increments to \$6.4 million at the end of 5 years at which time the balance is absorbed into our demand credit facility. At quarter end, the notional amount reduced to \$17.1 million.

Quarterly Results

The following table sets out certain financial information for each of the eight fiscal quarters up to and including second quarter of fiscal 2005 ended March 31, 2005:

(\$ thousands except per share amounts)

	Mar./05	Dec./04	Sept./04	June/04
Sales	\$52,507	\$48,283	\$53,826	\$57,014
Net income from continuing operations	\$2,173	\$2,757	\$4,990	\$4,794
Earnings Per Share from continuing operations				
Basic	\$0.05	\$0.07	\$0.12	\$0.12
Diluted	\$0.05	\$0.07	\$0.12	\$0.12
Net Income	\$2,173	\$2,757	\$4,407	(\$265)
Earnings per share				
Basic	\$0.05	\$0.07	\$0.11	(\$0.01)
Diluted	\$0.05	\$0.07	\$0.11	(\$0.01)

	Mar./04	Dec./03	Sept./03	June/03
Sales	\$52,754	\$52,250	\$61,051	\$56,991
Net income from continuing operations	\$3,390	\$3,233	\$5,495	\$4,188
Earnings Per Share from continuing operations				
Basic	\$0.09	\$0.08	\$0.14	\$0.10
Diluted	\$0.08	\$0.08	\$0.13	\$0.10
Net Income	\$2,714	\$2,343	\$4,817	\$3,578
Earnings per share				
Basic	\$0.07	\$0.06	\$0.12	\$0.09
Diluted	\$0.06	\$0.06	\$0.11	\$0.09

Exco typically experiences softer sales and profit in the first quarter. The first quarter coincides with reduced business activity associated with our customers' plant shutdown in North America during the Christmas season. Profits translated to Canadian dollars are generally lower as a result of the strengthening of the Canadian dollar in relation to the U.S. dollar. This impact was most acute in the last quarter of fiscal 2004 during which virtually all the Canadian dollar appreciation in fiscal 2004 took place. In the first and second quarter of 2005 Techmire losses accounted for \$0.01 and \$0.02 earnings per share respectively. Performance in the second quarter was also impacted by those factors outlined in the above Operating Results section.

Outlook

Exco's sales throughout the balance of this fiscal year should, subject to dramatic currency fluctuations, show improvement. Already we have experienced an increase of 9% in sales over the first quarter of this year. The OEM inventory rebalancing that impacted the Automotive Solutions segment in December and January appears to be over. Techmire's sales are expected to improve over levels experienced in the first two quarters of this year. The large mould should continue outperforming their prior year results. However, concern still remains over the market share deterioration of the North American OEM's. This has the potential to slow Exco's sales to these customers, particularly in the Automotive Solutions segment.

The raw material environment continues to be difficult. The extrusion businesses are passing price increases through to customers. However, we are having difficulty recovering raw material increases from our automotive customers on existing programs. Passing through these increases will not likely occur until new program launches take place at the end of this fiscal year and beyond.

It will be difficult to significantly improve our gross margin unless stability returns to raw material pricing. However, some improvement is anticipated. Losses at Techmire are expected to decline as sales improve and efficiencies from the new building are realized. Price increases in the extrusion businesses will help improve margins. Increased capacity utilization at Polydesign, Neocon USA and the large mould businesses should also enable more efficient absorption of overhead costs.

Readers are cautioned not to place undue reliance on forward-looking statements, as there can be no assurance that the plans, intentions or expectations upon which such statements are based will occur. Forward-looking statements include known and unknown risks, uncertainties, assumptions and other factors which may cause actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such statements. These risks, uncertainties and assumptions include, among other things: industry cyclicality; global economic conditions, causing decreases in automobile production volume and demand for capital goods; price reduction pressures; pressure to absorb certain fixed costs; dependence on major customers; technological changes; fluctuations in currency exchange and interest rates; employee work stoppages; dependence on key employees; the competitive nature of the automotive and capital goods industries, product supply and demand; and other risks, uncertainties and assumptions as described in the Company's 2004 Annual Information Form and, from time to time, in other reports and filings made by the Company with securities regulatory authorities.

While the company believes that the expectations represented by such forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct. Readers are cautioned that the foregoing list of important factors is not exhaustive. Furthermore, the Company disclaims any obligations to update any such factors or publicly announce the result of any such revisions to any of the forward-looking statements contained herein to reflect future events or developments.

NOTICE TO READER

The attached consolidated financial statements have been prepared by management of the Company. The consolidated financial statements for the six month periods ended March 31, 2005 and 2004 have not been reviewed by the auditors of the Company.

EXCO TECHNOLOGIES LIMITED
INTERIM CONSOLIDATED BALANCE SHEETS
(Unaudited)
(\$ in thousands)

	As at March 31, 2005	As at September 30, 2004
ASSETS		
Current		
Cash	\$3,843	\$1,828
Accounts receivable	43,560	45,109
Inventories	35,166	30,230
Prepaid expenses and deposits	2,313	3,587
Total Current Assets	84,882	80,754
Fixed assets	86,967	83,447
Goodwill	43,428	43,428
Future tax assets	2,537	2,660
	\$217,814	\$210,289
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Bank indebtedness	\$26,145	\$21,035
Accounts payable & accrued liabilities	26,191	27,146
Income taxes payable	1,193	2,110
Customer advance payments	4,268	4,180
Current portion of long-term debt	888	974
Total Current Liabilities	58,685	55,445
Long-term debt	409	794
Future tax liabilities	7,691	7,591
Total Liabilities	66,785	63,830
Shareholders' Equity		
Share capital (note 3)	35,660	32,376
Contributed surplus (note 3)	1,233	1,128
Retained earnings	125,640	121,746
Currency translation adjustment	(11,504)	(8,791)
Total shareholders' equity	151,029	146,459
	\$217,814	\$210,289

See accompanying notes

EXCO TECHNOLOGIES LIMITED
INTERIM CONSOLIDATED STATEMENTS OF INCOME
AND RETAINED EARNINGS
(Unaudited)
(\$ in thousands)

	3 Months ended March 31		6 Months ended March 31	
	2005	2004	2005	2004
		Restated (note 2)		Restated (note 2)
Sales	\$52,507	\$52,754	\$100,790	\$105,274
Cost of sales and operating expenses before the following	37,959	35,568	71,205	70,696
Selling, general and administrative	7,869	8,645	15,428	17,407
Depreciation and amortization	2,984	3,031	5,880	6,372
Interest on long-term debt	12	15	25	31
Other interest	253	205	511	440
	49,077	47,464	93,049	94,946
Income from continuing operations before income taxes	3,430	5,290	7,741	10,328
Provision for income taxes	1,257	1,900	2,811	3,705
Net income from continuing operations	2,173	3,390	4,930	6,623
Net loss from discontinued operations, net of tax (note 2)	-	(676)	-	(1,566)
Net income for the period	2,173	2,714	4,930	5,057
Retained earnings, beginning of period	123,986	116,412	121,746	114,573
Dividends (note 3)	(519)	(506)	(1,036)	(1,010)
Retained earnings, end of period	\$125,640	\$118,620	\$125,640	\$118,620
Earnings per common share				
From continuing operations				
- Basic	\$0.05	\$0.09	\$0.12	\$0.17
- Diluted	\$0.05	\$0.08	\$0.12	\$0.16
Net income				
- Basic	\$0.05	\$0.07	\$0.12	\$0.13
- Diluted	\$0.05	\$0.06	\$0.12	\$0.12

See accompanying notes

EXCO TECHNOLOGIES LIMITED
INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(\$ in thousands)

	3 Months ended March 31		6 Months ended March 31	
	2005	2004	2005	2004
		Restated (note 2)		Restated (note 2)
OPERATING ACTIVITIES:				
Net income from continuing operations	\$2,173	\$3,390	\$4,930	\$6,623
Add (deduct) items not involving cashflows:				
Depreciation and amortization	2,984	3,031	5,880	6,372
Stock option expense (note 3)	119	126	223	251
Loss (gain) on sale of fixed assets	(94)	(10)	(94)	24
	5,182	6,537	10,939	13,270
Net change in non-cash working capital balances related to operations	(4,074)	(3,876)	(4,937)	(5,277)
Cash provided by operating activities	1,108	2,661	6,002	7,993
FINANCING ACTIVITIES:				
Increase (decrease) in bank indebtedness	4,042	(1,997)	5,158	(4,193)
Decrease in long-term debt	(149)	(60)	(410)	(322)
Dividends	(519)	(506)	(1,036)	(1,010)
Issue of share capital (note 3)	988	232	3,166	249
Cash provided by (used in) financing activities	4,362	(2,331)	6,878	(5,276)
INVESTING ACTIVITIES:				
Investment in fixed assets	(4,987)	(2,256)	(10,812)	(4,097)
Proceeds on sale of fixed assets	275	117	275	117
Cash used in investing activities	(4,712)	(2,139)	(10,537)	(3,980)
Effect of exchange rate changes on cash	66	79	(328)	(316)
Increase in cash during period	824	(1,730)	2,015	(1,579)
Cash, beginning of period	3,019	4,741	1,828	4,590
Cash, end of period	\$3,843	\$3,011	\$3,843	\$3,011

See accompanying notes

Exco Technologies Limited

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

March 31, 2005 (\$000's except per share amounts)

1. ACCOUNTING POLICIES

Basis of Presentation

These unaudited interim consolidated financial statements of Exco Technologies Limited (the "Company") have been prepared in accordance with Canadian generally accepted accounting principles, except that certain disclosures required for annual financial statements have not been included. Accordingly, the unaudited interim consolidated financial statements should be read in conjunction with the Company's annual consolidated financial statements included in the 2004 Annual Report. The unaudited interim consolidated financial statements have been prepared on a basis that is consistent with the accounting policies set out in the Company's annual consolidated financial statements.

2. DISCONTINUED OPERATIONS

The consolidated income statement and statement of cash flows have been restated to reflect the classification of Exco Lasing (formerly Bancroft Lasing Technologies Limited) as a discontinued operation. Effective August 30, 2004, the Company sold Exco Lasing which operated within the Company's Automotive Solutions segment. Management concluded that the technical requirements of the business and the need to vertically integrate the business were best left to industry players that were fully focused on and engaged in this segment of the automotive interior trim market.

In connection with the sale of Exco Lasing, the Company recorded non-cash charges in the order of \$4,500 comprised of approximately \$1,000 reduction in goodwill, approximately \$1,000 reduction in future income tax assets and approximately \$2,500 of non-cash charges related to fixed assets.

The revenue and pre-tax loss for the six months ended March 31, 2004 was \$2,195 and \$2,256 respectively (three months ended March 31, 2004 was \$1,275 and \$1,091 respectively). The income tax benefit relating to discontinued operations for the six months ended March 31, 2004 was \$960 (three months ended March 31, 2004 was \$415). Basic and diluted loss per share from discontinued operations for the six months ended March 31, 2004 was \$0.02 (three months ended March 31, 2004 was \$0.02). There were no discontinued operations in the current year-to-date results ending March 31, 2005.

Exco Technologies Limited**NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)****March 31, 2005** (\$000's except per share amounts)**3. SHARE CAPITAL****Authorized**

The Company's authorized share capital consists of an unlimited number of common shares, an unlimited number of non-voting preference shares issuable in one or more series and 275 special shares.

Issued

The Company has not issued any non-voting preference shares or special shares. Changes to the issued common shares are shown in the following table:

	Common Shares	
	Number of shares	Stated value
Issued and outstanding at September 30, 2003	40,351,872	\$30,945
Issued for cash under Stock Option Plan	465,166	1,431
Issued and outstanding at September 30, 2004	40,817,038	32,376
Issued for cash under Stock Option Plan	386,832	1,209
Issued for cash under the Employee Share Purchase Plan	154,571	969
Contributed surplus on stock options exercised	-	113
Issued and outstanding at December 31, 2004	41,358,441	34,667
Issued for cash under Stock Option Plan	257,654	988
Contributed surplus on stock options exercised	-	5
Issued and outstanding at March 31, 2005	41,616,095	\$35,660

Cash dividend

During the period ended March 31, 2005, the Company paid cash dividends as outlined in the table below. The dividend rate per quarter was \$0.0125 per common share.

	Fiscal 2005	Fiscal 2004
December 31	\$517	\$504
March 31	519	506
Total dividends paid	\$1,036	\$1,010

Stock option plan

The Company has a stock option plan under which common shares may be acquired by employees, officers and directors of the Company. The following is a continuity schedule of options outstanding (number of options in the table below are expressed in whole numbers and have not been rounded to the nearest thousand):

Exco Technologies Limited

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

March 31, 2005 (\$000's except per share amounts)

	Fiscal 2005			Fiscal 2004		
	Options outstanding			Options outstanding		
	Number of Options	Weighted average exercise price	Options exercisable	Number of Options	Weighted average exercise price	Options exercisable
Balance, September 30	2,849,245	\$4.06	1,890,784	3,283,411	\$3.89	1,913,459
Granted	164,695	\$7.15	-	55,000	\$6.55	-
Exercised	(386,832)	\$3.13	(386,832)	(4,000)	\$3.49	(4,000)
Vested	-	-	346,905	-	-	346,791
Cancelled	-	-	-	(15,000)	\$3.85	(3,000)
Balance, December 31	2,627,108	\$4.01	1,850,857	3,319,411	\$3.92	2,253,250
Granted	10,000	\$7.60	-	-	-	-
Exercised	(257,654)	\$3.83	(257,654)	(76,500)	\$3.08	(76,500)
Vested	-	-	63,400	-	-	74,300
Cancelled	(12,000)	\$4.38	(12,000)	-	-	-
Balance, March 31	2,367,454	\$4.04	1,644,603	3,242,911	\$3.99	2,251,050

Stock-based compensation

The weighted average assumptions used in the six months ended measuring the fair value of stock options and the weighted average fair value of options granted are as follows:

	March 31	
	2005	2004
Risk free interest rates	4.05%	4.25%
Expected dividend yield	0.42%	0.314%
Expected volatility	26.9%	27.3%
Expected time until exercise	5 years	5 years
Weighted average fair value of the options granted	\$1.84	\$1.68

Employee stock purchase plan

The Company has an employee stock purchase plan (ESPP). The ESPP allows employees to purchase shares annually through payroll deductions at a predetermined price. During fiscal 2005, payroll deductions will be made supporting the purchase of a maximum of 189,030 shares at \$7.41 per share. The purchase and payroll deductions with respect to these shares will be completed in the first quarter of fiscal 2006. Employees must decide annually whether or not they wish to purchase their shares. During the six months ended March 31, 2005, 154,571 shares (March 31, 2004 – 0) were issued under the terms of the ESPP.

Exco Technologies Limited**NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)****March 31, 2005** (\$000's except per share amounts)**Contributed surplus**

Contributed surplus consists of accumulated stock option expense less the fair value of the options at the grant date that have been exercised and reclassified to share capital. The following is a continuity schedule of contributed surplus:

	Fiscal 2005	Fiscal 2004
Balance, September 30	\$1,128	\$643
Stock-based compensation expense	104	125
Exercise of options	(113)	-
Balance, December 31	1,119	768
Stock-based compensation expense	119	126
Exercise of options	(5)	(7)
Balance, March 31	\$1,233	\$887

4. COMMITMENTS

During the first quarter fiscal 2005, the Company entered into a series of put and call option contracts that allow the Company to sell U.S. dollars each week for Mexican pesos until September 2006. The total contract value was for 100 million Mexican pesos. The selling price ranges from 11.47 to 12.10 Mexican pesos for each U.S. dollar sold. Gains and losses on the series of put and call option contracts, designated as hedges of anticipated future foreign currency transactions, are accounted for as a component of the related hedged transaction. As of March 31, 2005, the notional remaining contract value is 88 million Mexican pesos and management estimates that a gain of \$230 would be incurred if the contracts were terminated on March 31, 2005.

5. SEGMENTED INFORMATION FROM CONTINUING OPERATIONS

The Company operates in two business segments: Casting and Extrusion Technology and Automotive Solutions. The accounting policies followed in the operating segments are consistent with those outlined in Note 1 of the annual consolidated financial statements.

The Casting and Extrusion Technology segment designs and engineers tooling and other manufacturing equipment. Its operations are substantially for automotive and other industrial markets in North America.

The Automotive Solutions segment produces automotive interior components and assemblies primarily for storage and restraint for sale to automotive manufacturers and Tier 1 suppliers (suppliers to automakers).

Exco Technologies Limited**NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)****March 31, 2005** (\$000's except per share amounts)

3 Months ended March 31, 2005			
	Casting and Extrusion Technology	Automotive Solutions	Total
Sales	\$31,368	\$21,139	\$52,507
Depreciation	\$2,428	\$556	\$2,984
Segment income	\$577	\$3,118	\$3,695
Interest expense			\$265
Income before income taxes			\$3,430
Fixed asset additions	\$3,924	\$1,063	\$4,987
Total fixed assets, net	\$68,698	\$18,269	\$86,967
Goodwill	\$8,345	\$35,083	\$43,428
Total assets	\$124,048	\$93,766	\$217,814

3 Months ended March 31, 2004			
	Casting and Extrusion Technology	Automotive Solutions	Total
Sales	\$30,101	\$22,653	\$52,754
Depreciation	\$2,456	\$575	\$3,031
Segment income	\$1,779	\$3,731	\$5,510
Interest expense			\$220
Income before income taxes			\$5,290
Fixed asset additions	\$1,170	\$1,086	\$2,256
Total fixed assets, net	\$65,907	\$17,141	\$83,048
Goodwill	\$8,345	\$36,085	\$44,430
Assets, continuing operations	\$114,946	\$91,639	\$206,585
Assets, discontinued operations	-	\$6,794	\$6,794
Total assets	\$114,946	\$98,433	\$213,379

Exco Technologies Limited**NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)****March 31, 2005** (\$000's except per share amounts)

6 Months ended March 31, 2005			
	Casting and Extrusion Technology	Automotive Solutions	Total
Sales	\$60,668	\$40,122	\$100,790
Depreciation	\$4,784	\$1,096	\$5,880
Segment income	\$1,958	\$6,319	\$8,277
Interest expense			\$536
Income before income taxes			\$7,741
Fixed asset additions	\$8,114	\$2,698	\$10,812
Total fixed assets, net	\$68,698	\$18,269	\$86,967
Goodwill	\$8,345	\$35,083	\$43,428
Total assets	\$124,048	\$93,766	\$217,814

6 Months ended March 31, 2004			
	Casting and Extrusion Technology	Automotive Solutions	Total
Sales	\$60,835	\$44,439	\$105,274
Depreciation	\$5,239	\$1,133	\$6,372
Segment income	\$3,240	\$7,559	\$10,799
Interest expense			\$471
Income before income taxes			\$10,328
Fixed asset additions	\$2,727	\$1,370	\$4,097
Total fixed assets, net	\$65,907	\$17,141	\$83,048
Goodwill	\$8,345	\$36,085	\$44,430
Assets, continuing operations	\$114,946	\$91,639	\$206,585
Assets, discontinued operations	-	\$6,794	\$6,794
Total assets	\$114,946	\$98,433	\$213,379

6. COMPARATIVE CONSOLIDATED FINANCIAL STATEMENTS

The comparative interim consolidated financial statements have been reclassified from statements previously presented to conform to the presentation of the 2005 interim consolidated financial statements.

5 YEAR FINANCIAL HIGHLIGHTS

as of September 30

(\$ in thousands except per share amounts)

	2004	2003	2002	2001	2000
Sales	\$216,114	\$228,127	\$213,141	\$184,133	\$118,070
Net income from continuing operations	\$16,408	\$18,129	\$16,816	\$10,985	\$10,310
Net income	\$9,199	\$16,681	\$16,816	\$10,985	\$10,310
Diluted earnings per share from continuing operations	\$0.40	\$0.44	\$0.42	\$0.27	\$0.26
Diluted earnings per share	\$0.22	\$0.40	\$0.42	\$0.27	\$0.26
Cash flow from operations	\$30,072	\$33,105	\$31,998	\$29,072	\$24,216
EBITDA	\$38,485	\$45,125	\$43,207	\$36,970	\$29,398
Total Net Debt to Equity	0.14:1	0.21:1	0.19:1	0.35:1	0.37:1
Capital Expenditures, net of disposals	\$11,449	\$9,124	\$16,549	\$14,065	\$11,691
Acquisitions	\$-	\$9,740	\$-	\$14,752	\$48,625

CORPORATE INFORMATION

Exco Technologies Limited is a global supplier of innovative technologies servicing the die-cast, extrusion and automotive industries. Through our 13 strategic locations, we employ 1,950 people and service a diverse and broad customer base.

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