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Unaudited Condensed Interim Report
to the shareholders
for the three and six months ended
March 31, 2018

CONTENTS

	Three Months Ended March 31		Six Months Ended March 31	
(in $ thousands except per share amounts)				
	2018	2017	**2018**	2017
Sales	**$148,390**	$153,783	**$283,261**	$306,880
Net income	**$10,556**	$12,602	**$19,472**	$24,065
Basic earnings per share	**$0.25**	$0.30	**$0.46**	$0.57
Diluted earnings per share	**$0.25**	$0.30	**$0.46**	$0.56
Weighted avg basic common shares o/s (000's)	**42,363**	42,594	**42,365**	42,592

The following management's interim discussion and analysis of operations and financial position are prepared as at April 25, 2018 and should be read in conjunction with the Company's condensed interim consolidated financial statements and Management's Discussion and Analysis ("MD&A") in the Company's 2017 Annual Report.

This MD&A has been prepared by reference to the 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 may be made to EBITDA, EBITDA Margin, adjusted EPS, free cash flow and order backlog which are not measures of financial performance under International Financial Reporting Standards ("IFRS"). Exco calculates EBITDA as earnings before other income/expense, interest, taxes, depreciation and amortization and EBITDA Margin as EBITDA divided by sales. Exco calculates adjusted EPS as earnings before other income/expense and free cash flow as cash provided by operating activities less interest paid less investment in fixed assets net of proceeds of disposal. EBITDA, EBITDA Margin, and free cash flow are used by management, from time to time, to facilitate period-to-period operating comparisons and we believe some investors and analysts use these measures as well when evaluating Exco's financial performance. These measures, as calculated by Exco, do not have any standardized meaning prescribed by IFRS and are not necessarily comparable to similar measures presented by other issuers.

MANAGEMENT DISCUSSION AND ANALYSIS

Consolidated sales for the second quarter ended March 31, 2018 were $148.4 million compared to $153.8 million in the same quarter last year – a decrease of $5.4 million or 4%. Year-to-date sales were $283.3 million compared to $306.9 million – a decrease of $23.6 million or 8%. Over the quarter the average USD/CAD exchange rate was 4% lower ($1.27 versus $1.32 last year) reducing revenue by $3.7 million while the year-to-date average USD/CAD exchange rate was 5% lower ($1.27 versus $1.33 last year), reducing sales by $7.9 million. The average EUR/CAD exchange rate was 11% higher in the quarter ($1.56

versus $1.41 last year) and 8% higher year-to-date ($1.54 versus $1.42 last year) increasing sales by $4.2 million and $6.2 million in the respective periods.

The Automotive Solutions segment reported sales of $98.4 million in the second quarter – a decrease of $7.9 million or 7% from the same quarter last year. Year-to-date, the segment reported sales of $186.7 million – a decrease of $27.8 million or 13% compared to last year. Foreign exchange movements increased segment sales by $1.7 million in the quarter and $1.0 million year-to-date, representing the net impact of a stronger Euro and weaker USD relative to the CAD. Sales were lower at the company's North American based operations (Polytech, Neocon and AFX) by 15% during the quarter due to a relatively large inventory pipeline fill for certain products which occurred in the prior year quarter but not in the current year period, adverse foreign currency movements, modestly lower overall vehicle production volumes including an ongoing weakness in demand for passenger cars, and isolated pricing pressures. Reduced demand for certain accessory products also negatively affected sales modestly, although such sales have rebounded following quarter-end while the pipeline for new order activity for both new and existing products remains encouraging. Year-to-date, sales were lower by 16% within the segment's North American businesses due to lower overall vehicle production volumes, adverse currency movements, unrepeated pipeline fill orders, isolated pricing pressures and, to a lesser extent, reduced demand for certain accessory products. Sales were higher at the segment's European operations (ALC and Polydesign) by 7% during the quarter due mainly to favorable foreign currency movements and new program launches at both Polydesign and ALC. Year-to-date, sales within the segment's European operations were 8% lower than the prior year due mainly to the permanent closure of ALC's operations in Lesotho and the end of a large program, partially offset by new program launches and favorable foreign exchange rate movements. Quoting activity within the segment's European businesses remain very active and management continues to expect an increase in new order wins as the year progresses, particularly at ALC, further to that business' strategy of increasing its diversity of customers and products. More broadly, management remains focused on exiting or repricing business with inadequate profitability. While this initiative may pressure segment sales in the quarters ahead, it is expected to have a positive impact on segment profitability and margins.

The Casting and Extrusion segment reported sales of $50.0 million for the second quarter – an increase of $2.5 million or 5% from the same quarter last year. Year-to-date, the segment reported sales of $96.6 million – an increase of $4.1 million or 4% compared to last year. Foreign exchange movements reduced segment sales by $1.2 million in the quarter and $2.7 million in the year-to-date periods. Within the segment, sales were higher in each of the Extrusion, Large Mould and Castool group's during the quarter. Factors behind these increases include higher volumes in the Large Mould group as activity has picked up following recent program awards, market share gains associated with the continued seasoning of Extrusion group greenfield plants and enhanced quality initiatives, a rebound in capital equipment sales at the Castool group, selective price increases and a general improvement in overall market conditions. These factors were partially offset by adverse foreign exchange rate movements as well as continuing pockets of competitive pressures. Year-to-date sales were higher in the Extrusion and Castool groups for similar reasons as the most recent quarter whereas sales were essentially flat in the Large Mould group due mainly to lower activity in the first quarter of fiscal 2018 attributable to customer timing requirements. New order activity remained relatively robust throughout the quarter across most of the segment's businesses. In anticipation that these trends will continue, management continues to invest significant capital to further improve its market share potential and the efficiency of its operations.

Consolidated net income for the second quarter was $10.6 million or basic and diluted earnings of $0.25 per share compared to $12.6 million or $0.30 per share in the same quarter last year – a decrease in net income of 16%. Year-to-date, consolidated net income was $19.5 million or $0.46 per basic share compared to $24.1 million or $0.57 per basic share last year – a decrease in net income of 19%. The effective consolidated income tax rate was 23% in the current quarter compared to 29% in the same quarter last year. Year-to-date, the consolidated income tax rate was 24% compared to 30% the prior year period. The current period and year-to-date tax rates were favorably impacted by a reduction to the corporate income tax rate in the US and shift in profitability towards lower tax-rate jurisdictions. In addition, the effective income tax rate is favourably impacted by the remeasurement of US deferred income tax liabilities, offset by the transition taxes accrued related to foreign earnings of certain of the Mexican subsidiaries which have not been repatriated to the United States. The year-to-date net income and tax rate were also negatively affected in the prior year period by $1.2 million ($0.03 per share) in closure costs related to ALC's operations in Lesotho in the first quarter of fiscal 2017 which were not tax effected.

The Automotive Solutions segment reported pretax profit of $10.7 million in the second quarter – a decrease of $4.3 million or 29% compared to the same quarter last year. Year-to-date, the segment reported pretax profit of $20.1 million compared to $29.6 million – a decrease of $9.5 million or 32%. In North America, pretax profits were lower due to lost contribution from lower sales as well as a net reduction in segment margins. Pre-tax profit margins were lower at Polytech, Neocon and AFX by 310 basis points on a combined basis during the quarter arising from reduced overhead absorption, unfavorable product mix variance, adverse foreign exchange rate movements as well as isolated competitive pricing pressures and isolated raw material cost inflation. The aggregate of these pressures receded somewhat from the sequential quarter through the implementation of various initiatives and profitability on that basis has improved. Similar initiatives continue to be employed to support further margin improvement, although there is some lag before the associated benefits accrue. In Europe, operating losses at ALC widened to $2.0 million ($0.05 per share) during the quarter from $1.0 million ($0.02 per share) the prior year period due to costs associated with repositioning the business to accommodate the launch of several new programs and in anticipation of additional program wins in the quarters ahead. As well, ALC's results continue to be adversely impacted by one uneconomic program that management expects to terminate or re-price in the very near term. In addition, quoting activity for new business remains robust, which management expects will lead to new program awards and contribute to a steady improvement to ALC's results over the next year. Partially offsetting these factors during the quarter were higher margins and overall profitability at Polydesign which benefited from stronger revenues and reduced operational disruption following a period of exceptional sales growth through most of fiscal 2017. Year-to-date results of the segment were impacted by similar factors as the quarter but also due to the wind-down of a relatively large program at ALC, which mostly concluded by the end of the first quarter of fiscal 2017.

The Casting and Extrusion segment reported pretax profit of $4.9 million in the second quarter – a decrease of $0.4 million or 8% from the same quarter last year. Year-to-date, the segment reported pretax profits of $9.6 million or 7% lower compared to the same period last year. During the quarter, essentially all of the reduction in segment profitability occurred within the Castool group which faced higher input costs – particularly for raw materials – coupled with an unfavorable product mix shift and adverse foreign exchange rate movements. Pricing and further efficiency initiatives to offset these pressures have been implemented, however the positive effect only started to become evident near the end of the quarter. Profits in the Extrusion group were stable year over year notwithstanding higher revenue due to ongoing operational investments to harmonize manufacturing processes among the group's various plants in support of further efficiency improvement. As well, raw material cost inflation has become increasingly pronounced in recent months. While a good portion of these higher costs are being passed on through effective price increases within the Extrusion group, the net effect is a modest drag on profitability and pretax profit margin. The Large Mould group realized stable profitability year over year during the quarter despite higher revenues associated with the ramp up of activity related to recent program awards. Efficiency benefits from its prior capex project at the group's plant in Newmarket, Ontario have started to be harnessed and investments in similar equipment are now being made at the group's two other plants within prior capex guidance. Management notes that profitability of the Large Mould group continues to improve sequentially although margin compression has occurred due to higher input costs and unfavorable product mix associated with customer timing requirements. Segment profitability during the year-to-date period was influenced by similar factors as the quarter but also lower overhead absorption rates within the Large Mould group in the first quarter of fiscal 2018.

Corporate segment expenses totaled $1.6 million in the current quarter compared to $2.2 million the prior year quarter due to foreign exchange rate movements and reduced stock-based compensation. Year-to-date, corporate segment expenses totaled $3.4 million compared to $3.6 million the prior year.

Consolidated EBITDA for the second quarter totaled $19.0 million compared to $23.4 million in the same quarter last year – a decrease of 19%. Year-to-date, consolidated EBITDA totaled $36.3 million compared to $46.7 million – a decrease of 22%. The consolidated EBITDA margin declined to 12.8% during the quarter and year-to-date periods from 15.2% the prior year periods driven mainly by a lower EBITDA margin at each of the company's two operating segments partially offset by relatively greater contribution of EBITDA from the Casting and Extrusion segment towards the consolidated total.

Financial Resources, Liquidity and Capital Resources

Operating cash flow before net change in non-cash working capital totaled $16.0 million in the current quarter and $31.1 million year-to-date compared to $19.4 million and $37.4 million in the same periods last year. The change was mostly driven by lower net income in the current year period. As well, in the case of the year-to-date numbers, $0.7 million of non-cash costs associated with the plant closure in Lesotho in the first quarter of fiscal 2017. Non-cash working capital consumed $8.1 million of cash in the current quarter and $10.9 million of cash year-to-date compared to a use of $7.5 million and $3.6 million in the respective prior year periods. The difference is primarily attributable to the timing of accounts receivable collection, inventory movements, and trade payments. Consequently, net cash provided by operating activities amounted to $7.9 million in the current quarter and $20.2 million year-to-date compared to $11.9 million and $33.8 million the same periods last year.

Cash used in financing activities in the current quarter and year-to-date periods totaled $2.9 million and $8.2 million compared to a use of $15.6 million and $24.3 million in the prior year periods respectively. The difference to the prior year periods was driven by increased bank borrowings the current year compared to a net reduction in bank borrowings the prior year due to lower operating cash flow in the current year, the net repurchase of shares totaling $1.3 million in the quarter and $1.9 million year-to-date compared to no such activity the prior year and a modestly higher dividend payments offset by lower interest expense.

Cash used in investing activities totaled $4.7 million and $14.2 million in the second quarter and year-to-date periods compared to $3.9 million and $7.1 million in the same respective periods last year. The difference is mostly due to higher spending on machinery and equipment, which is attributable to both timing differences and a higher level of planned capital spending in fiscal 2018 relative to fiscal 2017, including the use of $5.1 million of cash to purchase the building where AFX's operations are located in the first quarter of fiscal 2018. Year-to-date capital spending represents approximately 50% of the Company's planned annual expenditures in fiscal 2018.

The Company's financial position and liquidity remain very strong. The Company's conservative financial policies have served it well throughout the years and has allowed it to take advantage of acquisition opportunities and fund organic growth initiatives as circumstances permit.

Exco's net debt totaled $12.8 million as at March 31, 2018, up from $10.9 million at September 30, 2017 and reduced from $27.3 million at March 31, 2017. Exco's principal sources of liquidity include sequential free cash flow, $21.5 million of net balance sheet cash, and $24.0 million of unused availability under its $50 million committed credit facility. During the quarter, Exco renewed its credit facility for an additional three-year period, extending the maturity date until February 2021. Pursuant to the terms of the credit facility, Exco is required to maintain compliance with certain financial covenants. The Company was in compliance with these covenants as at March 31, 2018.

In addition to the obligations disclosed on the balance sheet, Exco also enters into operating lease arrangements from time to time. Exco owns 14 of its 17 manufacturing facilities and essentially all of its production equipment. Leased facilities include those of ALC in Bulgaria. The Company also leases sales and support centers in Troy, Michigan and Port Huron, Michigan and a warehouse in Brownsville, Texas. The following table summarizes all short-term and long-term commitments Exco has entered.

	March 31, 2018			
	Total	< 1 year	1-3 years	4-5 years
Bank indebtedness	$13,781	$13,781		
Long-term debts	34,268	4,089	30,179	
Operating leases*	3,554	1,417	1,960	177
Purchase commitments	51,759	51,759		
Capital expenditures	2,151	2,151		
	105,513	73,197	32,139	177

∗ Exco leases facilities, automobiles, material handling vehicles and other miscellaneous office equipment. It is not Exco's policy to purchase these assets at the expiry of their terms but occasionally it may purchase the assets at the end of the lease terms when the purchase options are favourable. Exco does not expect any material liquidity or capital resource impacts from these possible purchases.

Quarterly results

The following table sets out financial information for each of the eight quarters through to the first quarter ended March 31, 2018:

($ thousands except per share amounts)	March 31, 2018	December 31, 2017	September 30, 2017	June 30, 2017
Sales	$148,390	$134,871	$131,416	$145,909
Net income	$10,556	$8,916	$7,521	$10,933
Earnings per share				
Basic	$0.25	$0.21	$0.18	$0.26
Diluted	$0.25	$0.21	$0.18	$0.26

($ thousands except per share amounts)	March 31, 2017	December 31, 2016[1]	September 30, 2016	June 30, 2016[2]
Sales	$153,783	$153,097	$163,034	$161,671
Net income	$12,602	$11,463	$10,514	$16,226
Earnings per share				
Basic	$0.30	$0.27	$0.25	$0.38
Diluted	$0.30	$0.27	$0.25	$0.38

[1] Net income in the first quarter of fiscal 2017 was reduced by $1.2 million ($0.03 per share) due to charges associated with the closure of ALC's operations in Lesotho.
[2] Net income in the third quarter of fiscal 2016 was boosted by $3.4 million ($0.08 per share) from a commercial arbitration settlement.

North American OEMs typically invoke partial shutdown during periods of the December holiday season and summer months to manage vehicle production levels. These trends were mostly absent in the quarters ended September 30, 2016 and December 31, 2016 but were evident in the quarters ended September 30, 2017 and December 31, 2017. European customers also typically curtail releases during the month of August and December to accommodate vacations. Sales and net income in the four quarters ending December 31, 2017 were also negatively impacted by the closure of certain of ALC's operations.

Controls and Procedures

Based on the current Canadian Securities Administrators (the "CSA") rules under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings, the Chief Executive Officer and Chief Financial Officer (or individuals performing similar functions as a chief executive officer or chief financial officer) are required to certify as at December 31, 2017 that they are responsible for establishing and maintaining disclosure controls and procedure and internal control over financial reporting.

No changes were made in the Corporation's internal control over financial reporting during the Corporation's most recent interim period, that have materially affected, or are reasonably likely to materially affect, the Corporation's internal control over financial reporting.

Outstanding Share Capital

As at March 31, 2018 Exco had 42,319,781 common shares issued and outstanding and stock options outstanding to purchase up to 880,150 common shares at exercise prices ranging from $7.09 to $14.58.

This Management Discussion and Analysis contains forward-looking information and forward-looking statements within the meaning of applicable securities laws. We use words such as "may", "will", "should", "expect", "believe", "estimates" and similar expressions to identify forward-looking information and statements especially with respect to growth and financial performance of the Company's business units, contribution of our start-up business units, contribution of awarded programs yet to be launched, margin performance, financial performance of acquisitions and operating efficiencies are forward-looking statements. Readers are cautioned not to place undue reliance on forward-looking statements throughout this document and are also cautioned that the foregoing list of important factors is not exhaustive. These forward-looking statements are based on our plans, intentions or expectations which are based on, among other things, assumptions about the number of automobiles produced in North America and Europe, the number of extrusion dies required in North America and South America, the rate of economic growth in North America, Europe and emerging market countries, investment by OEMs in drivetrain architecture and other initiatives intended to reduce fuel consumption and/or the weight of automobiles, raw material prices, economic conditions, currency fluctuations, trade restrictions, our ability to close or otherwise dispose of unprofitable operations in a timely manner, our ability to integrate acquisitions and the rate at which our operations in Brazil and Bulgaria achieve sustained profitability. These forward-looking statements include known and unknown risks, uncertainties, assumptions and other factors which may cause actual results or achievements to be materially different from those expressed or implied. The Company will update its disclosure upon publication of each fiscal quarter's financial results and otherwise disclaims any obligations to update publicly or otherwise revise any such factors or any of the forward-looking information or statements contained herein to reflect subsequent information, events or developments, changes in risk factors or otherwise. For a more extensive discussion of Exco's risks and uncertainties see the 'Risks and Uncertainties' section in our 2017 Annual Report, our 2017 Annual Information Form ("AIF") and other reports and securities filings made by the Company. This information is available at www.sedar.com.

NOTICE TO READER

The attached unaudited condensed interim consolidated financial statements have been prepared by management of the Company. The condensed interim consolidated financial statements for the three month and six month periods ended March 31, 2018 and 2017 have not been reviewed by the auditors of the Company.

EXCO TECHNOLOGIES LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Unaudited)
$ (000)'s

	As at March 31, 2018	As at September 30, 2017
ASSETS		
Current		
Cash and cash equivalents	**$35,259**	$35,876
Accounts receivable	**111,109**	94,332
Unbilled revenue	**17,856**	20,207
Inventories	**58,890**	59,782
Prepaid expenses and deposits	**3,049**	2,532
Income taxes recoverable	**2,681**	3,646
Total current assets	**228,844**	216,375
Property, plant and equipment, net (note 4)	**119,608**	111,524
Intangible assets, net (note 5)	**39,016**	39,849
Goodwill (note 5)	**64,255**	62,091
Deferred tax assets	**1,412**	1,382
Total assets	**$453,135**	$431,221
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Bank indebtedness	**$13,781**	$15,717
Trade accounts payable	**51,086**	48,369
Accrued payroll liabilities	**11,405**	12,720
Other accrued liabilities	**9,910**	10,088
Derivative instruments	**562**	314
Provisions	**1,368**	1,339
Customer advance payments	**1,279**	3,223
Long-term debt - current portion (note 7)	**4,089**	3,959
Total current liabilities	**93,480**	95,729
Long-term debt - long-term portion (note 7)	**30,179**	27,134
Deferred tax liabilities	**7,361**	7,100
Total liabilities	**131,020**	129,963
Shareholders' equity		
Share capital (note 8)	**51,813**	51,707
Contributed surplus	**4,140**	3,998
Accumulated other comprehensive income	**14,243**	4,232
Retained earnings	**251,919**	241,321
Total shareholders' equity	**322,115**	301,258
Total liabilities and shareholders' equity	**$453,135**	$431,221

The accompanying notes are an integral part of these condensed unaudited interim consolidated financial statements.

EXCO TECHNOLOGIES LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME (LOSS)
(Unaudited)
$ (000)'s except for income per common share

	Three months ended March 31		Six months ended March 31	
	2018	2017	**2018**	2017
Sales	**$148,390**	$153,783	**$283,261**	$306,880
Cost of sales	**118,558**	117,725	**225,094**	235,678
Selling, general and administrative expenses	**10,743**	12,644	**21,035**	24,392
Depreciation (note 4)	**3,820**	4,027	**7,546**	7,958
Amortization (note 5)	**1,229**	1,216	**2,458**	2,431
Loss on disposal of property, plant and equipment	**49**	15	**787**	69
Interest expense, net	**270**	357	**577**	730
Other expense (note 12)	**-**	-	**-**	1,223
	134,669	135,984	**257,497**	272,481
Income before income taxes	**13,721**	17,799	**25,764**	34,399
Provision for income taxes (note 11)	**3,165**	5,197	**6,292**	10,334
Net income for the period	**10,556**	12,602	**19,472**	24,065
Other comprehensive income				
Items that may be reclassified to profit or loss in subsequent periods:				
Net unrealized gain (loss) on derivatives designated as cash flow hedges (a)	**1,446**	2,928	**(183)**	1,429
Unrealized gain (loss) on foreign currency translation	**9,673**	(673)	**10,194**	1,988
	11,119	2,255	**10,011**	3,417
Comprehensive income	**$21,675**	$14,857	**$29,483**	$27,482
Income per common share				
Basic	**$0.25**	$0.30	**$0.46**	$0.57
Diluted	**$0.25**	$0.30	**$0.46**	$0.56
Weighted average number of common shares outstanding				
Basic	**42,363**	42,594	**42,365**	42,592
Diluted	**42,394**	42,685	**42,401**	42,683

(a) Net of income tax payable of $516 and income tax recoverable of $65 for the three- and six- month periods ended March 31,2018 (2017 - net of income tax payable of $1,020 and $498 for the three and six month periods ended March 31,2017)

The accompanying notes are an integral part of these condensed unaudited interim consolidated financial statements.

EXCO TECHNOLOGIES LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Unaudited)
$ (000)'s

				Accumulated other comprehensive income			
	Share capital	Contributed surplus	Retained earnings	Net unrealized gain (loss) on derivatives designated as cash flow hedges	Unrealized gain on foreign currency translation	Total accumulated other comprehensive income (loss)	Total shareholders' equity
Balance, October 1, 2017	$51,707	$3,998	$241,321	($233)	$4,465	$4,232	$301,258
Net income for the period	-	-	8,916	-	-	-	8,916
Dividend paid (note 3)	-	-	(3,396)	-	-	-	(3,396)
Stock option grants	-	126	-	-	-	-	126
Exercise of stock options	-	-	-	-	-	-	-
Repurchase of Share Capital (note 8)	(66)	-	(475)	-	-	-	(541)
Other comprehensive income (loss)	-	-	-	(1,629)	521	(1,108)	(1,108)
Balance, December 31, 2017	$51,641	$4,124	$246,366	($1,862)	$4,986	$3,124	$305,255
Net income for the period	-	-	10,556	-	-	-	10,556
Dividend paid (note 3)	-	-	(3,597)	-	-	-	(3,597)
Stock option grants	-	127	-	-	-	-	127
Exercise of stock options	370	(111)	-	-	-	-	259
Repurchase of Share Capital (note 8)	(198)	-	(1,406)	-	-	-	(1,604)
Other comprehensive income	-	-	-	1,446	9,673	11,119	11,119
Balance, March 31, 2018	$51,813	$4,140	$251,919	($416)	$14,659	$14,243	$322,115

				Accumulated other comprehensive income			
	Share capital	Contributed surplus	Retained earnings	Net unrealized gain (loss) on derivatives designated as cash flow hedges	Unrealized gain (loss) on foreign currency translation	Total accumulated other comprehensive income	Total shareholders' equity
Balance, October 1, 2016	$51,366	$3,566	$213,283	($3,017)	$14,207	$11,190	$279,405
Net income for the period	-	-	11,463	-	-	-	11,463
Dividend paid (note 3)	-	-	(2,981)	-	-	-	(2,981)
Stock option grants	-	134	-	-	-	-	134
Exercise of stock options	105	(30)	-	-	-	-	75
Other comprehensive income (loss)	-	-	-	(1,499)	2,661	1,162	1,162
Balance, December 31, 2016	$51,471	$3,670	$221,765	($4,516)	$16,868	$12,352	$289,258
Net income for the period	-	-	12,602	-	-	-	12,602
Dividend paid (note 3)	-	-	(3,408)	-	-	-	(3,408)
Stock option grants	-	154	-	-	-	-	154
Exercise of stock options	92	(28)	-	-	-	-	64
Other comprehensive income (loss)	-	-	-	2,928	(673)	2,255	2,255
Balance, March 31, 2017	$51,563	$3,796	$230,959	($1,588)	$16,195	$14,607	$300,925

The accompanying notes are an integral part of these condensed unaudited interim consolidated financial statements.

EXCO TECHNOLOGIES LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
$ (000)'s

	Three months ended March 31		Six months ended March 31	
	2018	2017	**2018**	2017
OPERATING ACTIVITIES:				
Net income for the period	**$10,556**	$12,602	**$19,472**	$24,065
Add non-operating and items not involving a current outlay of cash				
Depreciation (note 4)	**3,820**	4,027	**7,546**	7,958
Amortization (note 5)	**1,229**	1,216	**2,458**	2,431
Stock-based compensation expense	**79**	272	**250**	307
Deferred income taxes	-	940	**17**	1,109
Net interest expense	**270**	357	**577**	730
Non-cash costs of ALC plant closures (note 12)	-	-	-	707
Loss from liquidation of ALC capital assets (note 12)	-	-	-	23
Loss (gain) on disposal of property, plant and equipment	**49**	(8)	**787**	46
	16,003	19,406	**31,107**	37,376
Net change in non-cash working capital (note 10)	**(8,126)**	(7,510)	**(10,929)**	(3,554)
Cash provided by operating activities	**7,877**	11,896	**20,178**	33,822
FINANCING ACTIVITIES:				
Increase (decrease) in bank indebtedness	**3,208**	(2,539)	**(1,936)**	(2,259)
Financing from long-term debt	-	-	**3,175**	-
Repayment of long-term debt	**(870)**	(9,360)	-	(15,063)
Interest paid, net	**(270)**	(357)	**(577)**	(730)
Dividends paid (note 3)	**(3,597)**	(3,408)	**(6,993)**	(6,389)
Repurchase of share capital	**(1,604)**	-	**(2,145)**	-
Issuance of share capital	**259**	64	**259**	139
Cash used in financing activities	**(2,874)**	(15,600)	**(8,217)**	(24,302)
INVESTING ACTIVITIES:				
Purchase of property, plant and equipment (note 4)	**(4,606)**	(3,876)	**(14,223)**	(6,773)
Purchase of intangible assets (note 5)	**(246)**	(154)	**(411)**	(462)
Proceeds from liquidation of ALC capital assets	-	62	-	93
Proceeds from disposal of property, plant and equipment	**155**	23	**435**	50
Cash used in investing activities	**(4,697)**	(3,946)	**(14,199)**	(7,093)
Effect of exchange rate changes on cash	**1,375**	(2,635)	**1,621**	(2,386)
Net increase (decrease) in cash during the period	**1,681**	(10,285)	**(617)**	41
Cash, beginning of period	**33,578**	37,835	**35,876**	27,509
Cash, end of period	**$35,259**	$27,550	**$35,259**	$27,550

The accompanying notes are an integral part of these condensed unaudited interim consolidated financial statements.

1. CORPORATE INFORMATION

Exco Technologies Limited (the "Company") is a global designer, developer and manufacturer of dies, moulds, components and assemblies, and consumable equipment for the die-cast, extrusion and automotive industries. Through 17 strategic locations in 8 countries, the Company services a diverse and broad customer base. The Company is incorporated and domiciled in Canada. The registered office is located at 130 Spy Court, Markham, Ontario, Canada.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Company's significant accounting policies are outlined below:

Basis of preparation

These unaudited condensed interim consolidated financial statements present the Company's financial results of operations and financial position as at and for the three- and six- month periods ended March 31, 2018 and have been prepared in accordance with International Accounting Standard ("IAS") 34, *Interim Financial Reporting* as issued by the International Accounting Standards Board ("IASB"). The accounting policies used in preparing these unaudited condensed interim financial statements are consistent with those used in preparation of the 2017 audited annual consolidated financial statements.

The Company's preparation of unaudited condensed interim financial statements in accordance with IAS 34 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the applying of the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements were the same as those that applied to the Company's consolidated financial statements as at and for the year ended September 30, 2017.

These unaudited condensed interim consolidated financial statements should be read in conjunction with the Company's 2017 audited annual consolidated financial statements, which are available at www.sedar.com and on the Corporation's website at www.excocorp.com. The unaudited condensed interim consolidated financial statements and accompanying notes for the three- and six-month periods ended March 31, 2018 were authorized for issue by the Board of Directors on April 25, 2018.

Basis of consolidation

The condensed interim consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company, its subsidiaries. Control exists when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Company controls an investee if and only if the Company has all of the following: power over the investee; exposure or rights to variable returns from its involvement with the investee; and the ability to use its power over the investee to affect its returns. The financial statements of the subsidiaries are included in the condensed interim consolidated financial statements from the date that control commences until the date that control ceases. All intercompany transactions and balances have been eliminated on consolidation.

The Company has an interest in a joint operation, whereby the joint operators have a contractual arrangement that establishes joint control over the economic activities of the individual entity. The Company recognized its share of the joint operation's assets, liabilities, revenues and expenses in the condensed interim consolidated financial statements.

Accounting standards issued but not yet applied

The following standards are not yet effective for the year ending September 30, 2018. The Company is in the process of reviewing the standards to determine the impact on its consolidated financial statements.

IFRS 9, *Financial Instruments* ("IFRS 9")
IFRS 9, as issued in 2014, introduces new requirements for the classification and measurement of financial instruments, a new expected loss impairment model that will require more timely recognition of expected credit losses and a substantially reformed model for hedge accounting, with enhanced disclosures about risk management activity. IFRS 9 also removes the volatility in profit or loss that was caused by changes in an entity's own credit risk for liabilities selected to be measured at fair value. This new standard also includes a new general hedge accounting standard which will align hedge accounting more closely with risk management. It does not fully change the types of hedging relationships or the requirement to measure and recognize ineffectiveness, however, it will provide more hedging strategies that are used for risk management to qualify for hedge accounting and introduce more judgment to assess the effectiveness of a hedging relationship. The Company is in the process of reviewing the standard to determine the impact on its consolidated financial statements. IFRS 9 is effective for annual periods beginning on or after January 1, 2018, which will be October 1, 2018 for the Company. Earlier application is permitted and the Company does not plan to early adopt IFRS 9.

IFRS 15, *Revenue from Contracts with Customers* ("IFRS 15")
In May 2014, the IASB issued IFRS 15 which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. Under IFRS 15 revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach to measuring and recognizing revenue. The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under IFRS. IFRS 15 is effective for annual periods beginning on or after January 1, 2018. The Company has established a cross-functional team to implement the guidance related to the recognition of revenue from contracts with customers. The Company is in the process of evaluating its customer contracts and identifying contractual provisions that may result in a change in the timing, or the amount of revenue recognized in comparison with current guidance. In addition, the Company is assessing the enhanced disclosure requirements of the new guidance and the design of new controls and processes designed to comply with IFRS 15. The Company has not yet selected a transition method and will adopt the new revenue standard effective October 1, 2018.

IFRS 16, *Leases* ("IFRS 16")
In January 2016, the IASB issued IFRS 16 in which lessees will have a single accounting model for all leases, with certain exemptions and lessor accounting is substantially unchanged. The guidance would require lessees to recognize most leases on their balance sheets as lease liabilities with corresponding right-of-use assets. IFRS 16 is effective for annual periods beginning on or after January 1, 2019, which will be October 1, 2019 for the Company using a modified retrospective approach with the option to elect certain practical expedients. The Company is currently evaluating the impact of IFRS 16 on its consolidated financial statements.

3. CASH DIVIDEND

During the three- and six- month periods ended March 31, 2018, the Company paid quarterly cash dividends totaling $3,597 and $6,993 (2017 - $3,408 and $6,389). The quarterly dividend rate increased in the second quarter of 2018 to $0.085 per common share (2017 - $0.08).

EXCO TECHNOLOGIES LIMITED
NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
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4. PROPERTY, PLANT AND EQUIPMENT

	Machinery and Equipment	Tools	Buildings	Land	Assets under Construction	Total
Cost						
Balance as at September 30, 2017	$192,549	$21,112	$67,564	$10,077	$3,655	$294,957
Additions						
Assets acquired	1,994	273	3,401	1,399	7,156	14,223
Reclassification	3,902	498	138	-	(4,538)	-
Less: disposals	(3,375)	(349)	-	-	-	(3,724)
Foreign exchange movement	3,536	443	1,498	188	194	5,859
Balance as at March 31, 2018	**$198,606**	**$21,977**	**$72,601**	**$11,664**	**$6,467**	**$311,315**

	Machinery and equipment	Tools	Buildings	Land	Assets under construction	Total
Accumulated depreciation and impairment losses						
Balance as at September 30, 2017	$134,550	$16,187	$32,696	$-	$-	$183,433
Depreciation for the period	5,193	940	1,413	-	-	7,546
Less: disposals	(2,198)	(304)	-	-	-	(2,502)
Reclassification	(21)	21	-	-	-	-
Foreign exchange movement	2,248	362	620	-	-	3,230
Balance as at March 31, 2018	**$139,772**	**$17,206**	**$34,729**	**$-**	**$-**	**$191,707**
Carrying amounts						
As at September 30, 2017	$57,999	$4,925	$34,868	$10,077	$3,655	$111,524
As at March 31, 2018	**$58,834**	**$4,771**	**$37,872**	**$11,664**	**$6,467**	**$119,608**

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5. INTANGIBLE ASSETS AND GOODWILL

	Computer Software and other	Acquisition Intangibles*	Assets under Development (Software)	Total intangible assets	Goodwill
Cost					
Balance as at September 30, 2017	$20,614	$44,713	$427	$65,754	$62,091
Additions					
Assets acquired	242	-	169	411	-
Reclassification	544	-	(544)	-	-
Less: disposals	(165)	-	-	(165)	-
Foreign exchange movement	2	1,355	4	1,361	2,164
Balance as at March 31, 2018	**$21,237**	**$46,068**	**$56**	**$67,361**	**$64,255**

	Computer Software and other	Acquisition Intangibles*	Assets under Development (software)	Total intangible assets	Goodwill
Accumulated amortization and impairment losses					
Balance as at September 30, 2017	$18,829	$7,076	-	$25,905	-
Amortization for the period	558	1,900	-	2,458	-
Less: disposals	(165)	-	-	(165)	-
Foreign exchange movement	(24)	171	-	147	-
Balance as at March 31, 2018	**$19,198**	**$9,147**	**$-**	**$28,345**	**$-**
Carrying amounts					
As at September 30, 2017	$1,785	$37,637	$427	$39,849	$62,091
As at March 31, 2018	**$2,039**	**$36,921**	**$56**	**$39,016**	**$64,255**

*Acquisition intangibles are comprised primarily of customer relationships and trade names resulting from business acquisitions.

6. FINANCIAL INSTRUMENTS

Fair value represents point-in-time estimates that may change in subsequent reporting periods due to market conditions or other factors. Presented below is a comparison of the fair value of each financial instrument to its carrying value.

The fair value of cash and cash equivalents, bank indebtedness, trade and other receivables and trade and other payables approximates their carrying amounts due to the short-term maturities of these instruments. The estimated fair value of long-term debt approximates its carrying value since debt is subject to terms and conditions similar to those available to the Company for instruments with comparable terms, and the interest rates are market-based.

The fair value of derivative instruments that are not traded in an active market such as over-the-counter foreign exchange options and collars is determined using quoted forward exchange rates at the consolidated statement of financial position dates and are Level 2 instruments.

During the six month period ended March 31, 2018 there were no transfers between Level 1 and Level 2 fair value measurements.

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The carrying value and fair value of all financial instruments are as follows:

	March 31, 2018		September 30, 2017	
	Carrying Amount of Asset (Liability)	**Fair Value of Asset (Liability)**	Carrying Amount of Asset (Liability)	Fair Value of Asset (Liability)
Cash and cash equivalents	**$35,259**	**$35,529**	$35,876	$35,876
Accounts receivable	**111,109**	**111,109**	94,332	94,332
Trade accounts payable	**(51,086)**	**(51,086)**	(48,369)	(48,369)
Bank indebtedness	**(13,781)**	**(13,781)**	(15,717)	(15,717)
Customer advance payments	**(1,279)**	**(1,279)**	(3,223)	(3,223)
Accrued liabilities	**(21,315)**	**(21,315)**	(22,808)	(22,808)
Derivative instruments	**(562)**	**(562)**	(314)	(314)
Long-term debt	**($34,268)**	**($34,268)**	($31,093)	($31,093)

7. LONG-TERM DEBT

On February 22, 2018, the Company closed an amendment to renew the $50,000 Committed Revolving Credit Facility with JP Morgan Chase Bank N.A, of which $26,000 was used as at March 31, 2018. The facility has a 3 year term and is collateralized by a general security agreement covering all assets of the Company’s Canadian and US subsidiaries with the exception of real property. There are no specific repayment terms prior to maturity.

On April 4, 2016, the Company entered into promissory Term Notes amounting to US$9,307 in conjunction with the acquisition of AFX Industries. The Term Notes bear interest at a rate equal to the Mid-term Applicable Federal Rate in the United States, compounded annually. The principal and interest is payable in three annual payments on the anniversary date of the AFX acquisition. The Term Notes are unsecured.

The components of long-term debt are as follows:

	March 31, 2018	September 30, 2017
Bank debt	**$26,000**	$23,000
Term notes	**7,998**	7,744
Promissory note	**270**	349
Subtotal	**34,268**	31,093
Less: current portion	**(4,089)**	(3,959)
Long-term debt, long-term portion	**$30,179**	$27,134

8. SHARE CAPITAL

The Company received approval from the Toronto Stock Exchange for a normal course issuer bid for a 12-month period beginning February 16, 2018. The Company’s Board of Directors authorized the purchase of up to 1,000,000 common shares representing approximately 2% of the Company’s outstanding common shares. During the quarter and year-to-date 162,800 and 217,300 common shares were repurchased (2017 – nil) for a total cost of $1,604 and $2,146 respectively. The cost to repurchase the common shares in the year exceeded their stated value by $1,881 which was charged against retained earnings.

As at March 31, 2018 the Company had 42,319,781 common shares issued and outstanding.

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9. SEGMENTED INFORMATION

Business segments
The Company operates in two business segments: Casting and Extrusion Technology ("Casting and Extrusion") and Automotive Solutions. The accounting policies followed in the operating segments are consistent with those outlined in note 2 to the consolidated financial statements.

The Casting and Extrusion 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 seating, cargo storage and restraint for sale to automotive manufacturers and Tier 1 suppliers (suppliers to automakers).

The Company evaluates the performance of its operating segments primarily based on pre-tax income before interest and other expense.

The Corporate segment involves administrative expenses that are not directly related to the business activities of the above two operating segments.

	Three Months Ended March 31, 2018			
	Casting and Extrusion	**Automotive Solutions**	**Corporate**	**Total**
Sales	**$51,138**	**$98,534**	**$-**	**$149,672**
Intercompany sales	**(1,166)**	**(116)**	**-**	**(1,282)**
Net sales	**49,972**	**98,418**	**-**	**148,390**
Depreciation	**2,973**	**836**	**11**	**3,820**
Amortization	**231**	**997**	**1**	**1,229**
Pre-tax income (loss) before interest and other expense	**4,948**	**10,689**	**(1,646)**	**13,991**
Net interest expense				**(270)**
Income before income taxes				**13,721**
Property, plant and equipment additions	**3,421**	**1,183**	**2**	**4,606**
Property, plant and equipment, net	**90,751**	**27,598**	**1,259**	**119,608**
Intangible asset additions	**194**	**52**	**-**	**246**
Intangible assets, net	**1,630**	**37,382**	**4**	**39,016**
Goodwill	**291**	**63,964**	**-**	**64,255**
Total assets	**196,173**	**252,991**	**3,971**	**453,135**
Total liabilities	**28,664**	**64,293**	**38,063**	**131,020**

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	Three Months Ended March 31, 2017			
	Casting and Extrusion	Automotive Solutions	Corporate	Total
Sales	$48,692	$106,532	$-	$155,224
Intercompany sales	(1,210)	(231)	-	(1,441)
Net sales	47,482	106,301	-	153,783
Depreciation	3,192	823	12	4,027
Amortization	200	1,016	-	1,216
Pre-tax income (loss) before interest and other expense	5,366	14,970	(2,180)	18,156
Net interest expense				(357)
Income before income taxes				17,799
Property, plant and equipment additions	3,069	780	27	3,876
Property, plant and equipment, net	92,657	20,178	1,303	114,138
Intangible asset additions	154	-	-	154
Intangible assets, net	1,790	42,403	5	44,198
Goodwill	293	64,333	-	64,626
Total assets	186,388	253,719	1,583	441,690
Total liabilities	$25,491	$63,830	$51,444	$140,765

	Six Months Ended March 31, 2018			
	Casting and Extrusion	**Automotive Solutions**	**Corporate**	**Total**
Sales	**$99,588**	**$186,955**	**$-**	**$286,543**
Intercompany sales	**(3,003)**	**(279)**	**-**	**(3,282)**
Net sales	**96,585**	**186,676**	**-**	**283,261**
Depreciation	**5,888**	**1,635**	**23**	**7,546**
Amortization	**461**	**1,996**	**1**	**2,458**
Pre-tax income (loss) before interest and other expense	**9,614**	**20,148**	**(3,421)**	**26,341**
Net interest expense				**(577)**
Income before income taxes				**25,764**
Property, plant and equipment additions	**7,891**	**6,330**	**2**	**14,223**
Property, plant and equipment, net	**90,751**	**27,598**	**1,259**	**119,608**
Intangible asset additions	**303**	**108**	**-**	**411**
Intangible assets, net	**1,630**	**37,382**	**4**	**39,016**
Goodwill	**291**	**63,964**	**-**	**64,255**
Total assets	**196,173**	**252,991**	**3,971**	**453,135**
Total liabilities	**28,664**	**64,293**	**38,063**	**131,020**

$(000)'s except per share amounts

	Six Months Ended March 31, 2017			
	Casting and Extrusion	Automotive Solutions	Corporate	Total
Sales	$95,329	$215,051	$-	$310,380
Intercompany sales	(2,889)	(611)	-	(3,500)
Net sales	92,440	214,440	-	306,880
Depreciation	6,272	1,663	23	7,958
Amortization	386	2,045	-	2,431
Pre-tax income (loss) before interest and other expense	10,377	29,593	(3,618)	36,352
Other expense (note 12)	-	(1,223)	-	(1,223)
Net interest expense				(730)
Income before income taxes				34,399
Property, plant and equipment additions	5,277	1,449	47	6,773
Property, plant and equipment, net	92,657	20,178	1,303	114,138
Intangible asset additions	441	21	-	462
Intangible assets, net	1,790	42,403	5	44,198
Goodwill	293	64,333	-	64,626
Total assets	186,388	253,719	1,583	441,690
Total liabilities	$25,491	$63,830	$51,444	$140,765

10. NET CHANGE IN NON-CASH WORKING CAPITAL

	Six Months Ended March 31	
	2018	2017
Accounts receivable	**($13,403)**	$2,199
Unbilled revenue	**2,623**	2,527
Inventories	**3,685**	6,065
Prepaid expenses and deposits	**(443)**	73
Trade accounts payable	**(179)**	(14,820)
Accrued payroll and taxes	**(1,780)**	(2,945)
Other accrued liabilities	**(580)**	(203)
Provisions	**29**	(60)
Customer advance payments	**(1,955)**	1,815
Income taxes payable	**1,074**	1,795
	($10,929)	($3,554)

11. INCOME TAXES

The consolidated effective income tax rate for the six-month period ended March 31, 2018 was 24.4% (six-month period ended March 31, 2017 – 30.0%). The effective tax rate for the six-month period is favourably impacted by the reduction in the US federal income tax rate that will apply to annual earnings. In addition, the effective income tax rate is favourably impacted by the remeasurement of US deferred income tax liabilities, offset by the transition taxes accrued related to foreign earnings of certain of the Mexican subsidiaries which have not been repatriated to the United States. The comparative period was adversely impacted by the non-deductibility of post-production costs in the amount of $1,223 incurred in South Africa and Lesotho (note 12). Further, the effective tax rate in the current period benefitted from improved proportion of earnings generated in lower tax jurisdictions.

The impacts of the US Tax Act on the consolidated tax provision of the Company for the six-month period were estimated using all reliable information that was available and could reasonably have been expected to have been obtained and taken into account. The Company will continue to monitor legislative developments and update its estimates as new information becomes available.

12. OTHER EXPENSE

On November 12, 2016 of the previous fiscal year, the Company ceased production in Lesotho and commenced the process of liquidating and winding-up the ALC legal entities in Lesotho and South Africa.

During the first quarter of the 2017 fiscal year, the Company incurred post-production non-operating expenses of $1,223 and included non-cash asset write-downs of $707 and a loss on disposal of capital assets of $23.

CORPORATE INFORMATION

Exco Technologies Limited is a global supplier of innovative technologies servicing the die-cast, extrusion and automotive industries. Through our 17 strategic locations in 8 countries, we employ 6,879 people and service a diverse and broad customer base.

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