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Unaudited Condensed Interim Report
to the shareholders
for the nine months ended
June 30, 2016

CONTENTS

MANAGEMENT DISCUSSION AND ANALYSIS

The following management's interim discussion and analysis of operations and financial position are prepared as at July 27, 2016 and should be read in conjunction with the consolidated financial statements and Management's Discussion and Analysis ("MD&A") in the Company's 2015 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 is made to EBITDA, which is not a measure of financial performance under International Financial Reporting Standards ("IFRS"). Exco calculates EBITDA as earnings before interest, taxes, depreciation and amortization. Management believes EBITDA is a useful measure that facilitates period-to-period operating comparisons and we believe some investors and analysts use it as well. This measure, as calculated by Exco, does not have any standardized meaning prescribed by IFRS and is not necessarily comparable to similar measures presented by other issuers.

	Three Months Ended June 30		Nine Months Ended June 30	
(in $ thousands except per share amounts)				
	2016	2015	**2016**	2015
Sales	**$161,671**	$121,930	**$425,955**	$367,311
Net income	**$16,226**	$9,956	**$37,043**	$30,466
Basic earnings per share	**$0.38**	$0.24	**$0.87**	$0.72
Diluted earnings per share	**$0.38**	$0.23	**$0.87**	$0.72
Weighted basic common shares o/s (000's)	**42,426**	42,349	**42,497**	42,284

Consolidated sales for the third fiscal quarter ended June 30, 2016 were $161.7 million compared to $121.9 million in the same quarter last year – an increase of $39.7 million or 33%. Year-to-date sales were $426.0 million compared to $367.3 million – an increase of $58.6 million or 16%. The acquisition of AFX Industries LLC ('AFX') closed April 4, 2016 and added $31.0 million to sales in the quarter and year-to-date periods. Over the quarter the average USD/CAD exchange rate was 5% higher ($1.29 versus $1.23 last year) contributing $2.5 million to sales while the year-to-date average USD/CAD exchange rate was 10% higher ($1.33 versus $1.21 last year) contributing $16.0 million to sales. The average EUR/CAD exchange rate was 5% higher in the quarter ($1.44 versus $1.37 last year) and 5% higher year–to-date ($1.46 versus $1.39 last year) contributing an additional $2.3 million and $5.9 million to sales in the respective periods.

The Automotive Solutions segment reported sales of $115.1 million in the third quarter – an increase of $39.5 million or 52% from the same quarter last year. Year-to-date, the segment reported sales of $279.0 million – an increase of $54.4 million or 24% over last year. The acquisition of AFX contributed the largest portion of the segment's sales gain in the quarter and year-to-date periods although sales were higher at many of the segment's other businesses. Excluding contributions from AFX, roughly 40% of the segment's overall sales increase in the quarter and 60% of the segment's sales increase year-to-date are explained by favorable foreign exchange movements.

The Casting and Extrusion segment reported sales of $46.6 million in the quarter – essentially flat compared to the same quarter last year. Year-to-date, the segment reported sales of $146.9 million – an increase of $4.3 million or 3% over last year. Favorable foreign exchange movements contributed $1.3 million to the segment's sales in the quarter and $4.1 million year-to-date. The large mould business continued to experience soft demand for new moulds and spare parts from established programs in the quarter. While backlog remains strong and bidding activity remains robust, recent activity has included a significant amount of 'first-off' and 'one-off' moulds associated with the transition to new programs. As is typically the case, profitability improves as mould programs mature through efficiency gains and other measures. A modest degree of operational disruption from the installation of new machinery at the Newmarket facility continued through the quarter and is not likely to end until the project nears completion in the first quarter of fiscal 2017. Negative sales trends from the large mould business in the quarter and year-to-date periods were mostly offset by strong sales growth at the Castool group and, to a lesser extent, the Extrusion business.

Consolidated net income for the third quarter was $16.2 million or basic earnings of $0.38 per share compared to $10.0 million or $0.24 per share of basic earnings in the same quarter last year – an increase of 63%. Consolidated net income year-to-date was $37.0 million or basic earnings of $0.87 per share compared to $30.5 million or $0.72 per share of basic earnings the prior year period – an increase of 21.5%. Earnings in the quarter and year-to-date periods were favorably impacted by $3.4 million ($0.08 per share) of income associated with the settlement of a commercial arbitration, as disclosed last quarter. Without this settlement amount consolidated net income would have been $12.8 million ($0.30 per share) in the quarter and $33.6 million ($0.79 per share) year-to-date. The acquisition of AFX contributed strongly to net income in the quarter and year-to-date, while reduced corporate expenses offset modestly lower pretax profits from the Company's other operations during the quarter. Interest expense increased to $0.5 million during the quarter from $0.2 million the prior year period driven by the higher debt required to fund the acquisition of AFX. Excluding the $3.4 million gain from the commercial arbitration, the effective tax rate was 29% in the quarter compared to 30% in the prior year period while the effective tax rate year-to-date was 30% in both the current and the prior year periods.

The Automotive Solutions segment reported pretax profit of $13.4 million in the third quarter (excluding the $3.4 million non-operating income) – an increase of $3.4 million or 34% over the same quarter last year. Year-to-date, the segment reported pretax profit of $33.6 million – an increase of $7.1 million or 27% over the prior year period. The increase in the quarter and year-to-date periods was driven primarily by contribution from AFX and strong results from Polytech. These improvements occurred despite the amortization of AFX intangible assets ($0.6 million in the quarter and year-to-date). Losses at ALC South Africa/Lesotho diminished in the third quarter following the closure of the plants in South Africa in the second quarter of 2016. Performance there should continue to improve as certain small volume programs run out in July and numerous other operational improvements in Lesotho take root. Combined losses at South Africa/Lesotho amounted to $1.1 million in the quarter and $4.0 million year-to-date with positive trends demonstrated through these periods.

The Casting and Extrusion segment reported lower pretax profit of $5.7 million in the third quarter – a decrease of $0.7 million or 10% from the same quarter last year. Year-to-date the segment reported pretax profit of $20.8 million or $2.0 million below the prior year period. Most of this reduction occurred in the large mould business which had significantly lower absorption rates and was negatively impacted by unfavorable mix variance. Modestly lower earnings within the Extrusion business were more than offset by much stronger results generated by the Castool group when comparing both quarterly and year over year results.

With respect to our greenfield operations in Colombia, Texas, Brazil and Thailand, sales growth remained strong at each of these locations both in the quarter and year-to-date periods. Pretax profitability from these operations however were uneven. Colombia and Thailand demonstrated relatively strong and positive contributions while Texas and Brazil continue to be a modest drag on overall profitability, which is likely to continue until greater scale is achieved at these locations.

The Corporate segment expenses totaled $0.5 million in the third quarter compared to $1.9 million in the prior year quarter. This segment's expenses benefited in the quarter from the reversal of accruals in the amount of $0.7 million related to the plant closure in South Africa. As well, the provision for share based compensation was $0.3 million lower than the prior year period, which is a function of Exco's share price at the quarter end. Without these items Corporate expenses would have been $1.7 million for the quarter. Year-to-date corporate expenses were relatively stable at $5.6 million compared to $5.3 million the prior year. Transaction costs associated with the acquisition of AFX largely expensed in the second quarter of fiscal 2016, foreign exchange movements and changes in stock option expense additionally explain the year-to-date difference.

Consolidated EBITDA for the third quarter excluding non-operating income totaled $23.3 million – an increase of 27.5% over last year ($18.2 million). Year-to date EBITDA excluding non-operating income totaled $61.2 million compared to $55.1 million last year – an increase of 11.0%.

The table below summarizes the after-tax financial impact of various items discussed above which are either non-operating in nature (arbitration settlement, AFX acquisition costs) or are currently not contributing to earnings (South Africa/Lesotho, greenfield operations).

	Three months ended June 30		Nine months ended June 30	
	2016	2015	**2016**	2015
Other Income – Settlement Gain	**$ 3,440**	$ -	**$ 3,440**	$ -
Transaction Costs - Acquisition & Credit Facility	**(73)**	-	**(937)**	-
South Africa/Lesotho Losses	**(1,142)**	(1,254)	**(4,024)**	(4,221)
Corporate accrual reversals	**540**	-	**540**	-
Greenfield Operations - Brazil, Thailand, Texas	**(609)**	(601)	**(1,947)**	(1,836)
Impact on Net Income	**$ 2,157**	**$ (1,855)**	**$ (2,928)**	**$ (6,057)**
EPS Impact	**$0.05**	($0.04)	**($0.07)**	($0.14)

Financial Resources, Liquidity and Capital Resources

Operating cash flow before net change in non-cash working capital strengthened to $20.8 million in the third quarter and $49.9 million year-to-date compared to $13.9 million and $41.4 million in the same period last year respectively. The improvement was primarily driven by higher net income, including $3.4 million in gains from the arbitration settlement in the third quarter. Non-cash working capital was a use of $8.8 million of cash in the quarter and $8.9 million year-to-date compared to a use of $0.3 million and $22.8 million in the prior year periods. The use of cash in 2016 was driven primarily by the timing of certain trade and tax payments as well as an increase in various prepaid expenses whereas the use in 2015 was heavily influenced by the timing of collecting trade receivables. Consequently, net cash provided by operating activities amounted to $12.0 million in the current quarter and $41.0 million year-to-date compared to $13.6 million and $18.6 million respectively in the same periods last year.

Cash provided by financing activities in the third quarter totaled $4.4 million compared to $7.6 million cash used in the same quarter last year. Year-to-date cash provided by financing activities totaled $65.4 million compared to a use of $15.0 million the prior year. The difference was mainly attributable to the drawdown under our bank facility in the second quarter of 2016 to fund the acquisition of AFX, which closed early in the third quarter.

Cash used in investing activities in the third quarter totaled $96.0 million compared to $5.1 million in the same quarter last year. Year-to-date, cash used in investing activities totaled $111.7 million compared to $12.9 million the prior year period. The increase year over year was, once again, largely driven by the acquisition of AFX on April 4, 2016. Capital spending was also higher year-to-date although was lower in the third quarter compared to the prior year as a significant amount of Exco's planned 2016 expenditures were spent in the first half of the year and as Exco received $1 million of contributions from a Canadian Federal Government grant program associated with its capital spending program at the Newmarket large mould facility.

Following the funding of AFX, the Company's balance sheet and liquidity remain strong. Exco's net debt position totaled $59.4 million at quarter end compared to a net cash position of $24.5 million at September 30, 2015. In addition to its cash balances of $29.5 million at quarter-end, Exco retains access to $35.0 million of its $100.0 million committed credit facility, which matures February 2019. Pursuant to 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 and for the three months ended June 30, 2016.

In addition to the obligations disclosed on the balance sheet, Exco also enters into operating lease arrangements from time to time. Exco owns 13 of its 18 manufacturing facilities and virtually all of its production equipment. The leased facilities include four ALC manufacturing facilities in Lesotho and Bulgaria and AFX's manufacturing facility in Mexico. The Company also leases a sales and support center in Troy, Michigan, Port Huron, Michigan and Munich, Germany and a warehouse in Brownsville, Texas. The following table summarizes all short-term and long-term commitments Exco has entered.

	June 30, 2016			
	Total	< 1 year	1-3 years	4-5 years
Bank indebtedness	$11,438	$11,438	$0	$0
Long-term debt	$77,514	$4,123	$73,209	$182
Finance leases	$41	$28	$13	$0
Operating leases	$3,493	$1,255	$1,318	$920
Purchase commitments	$28,091	$28,091	-	-
Capital expenditures	$4,009	$4,009	-	-
	$124,586	$48,944	$74,540	$1,102

∗ Exco leases facilities, automotive, 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 favorable. 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 last eight quarters through to the third quarter ended June 30, 2016:

($ thousands except per share amounts)	June 30, 2016	March 31, 2016	December 31, 2015	September 30, 2015
Sales	$161,671	$133,383	$130,901	$130,984
Net income	$16,226	$8,989	$11,828	$10,293
Earnings per share				
Basic	$0.38	$0.21	$0.28	$0.24
Diluted	$0.38	$0.21	$0.28	$0.24

($ thousands except per share amounts)	June 30, 2015	March 31, 2015	December 31, 2014	September 30, 2014
Sales	$121,930	$125,484	$119,897	$110,938
Net income	$9,956	$10,872	$9,638	$8,123
Earnings per share				
Basic	$0.24	$0.26	$0.23	$0.19
Diluted	$0.23	$0.26	$0.23	$0.19

Contributions from the acquisition of AFX boosted results beginning in the third quarter of 2016, however sales and net income have generally trended higher in the last eight quarters with some variability from seasonality and temporary or non-recurring events.

Seasonal Variability of Results

Exco does not operate in seasonal industries. However, in the automotive industry, automobile manufacturers typically schedule plant shutdowns in the summer for vacations and during the Christmas holiday season. Also, Polydesign and ALC usually experience reduced business activity during August when many European customers close for one month. Therefore, usually the first and the fourth fiscal quarters are the weakest. In 2016, we expect this traditional pattern to continue.

Disclosure Controls and Procedures

The Chief Executive Officer, Chief Operating Officer and Chief Financial Officer, together with other members of management, after evaluating the effectiveness of the Company's disclosure controls and procedures, have concluded that the Company's disclosure controls and procedures are adequate and effective in ensuring that material information relating to the Company and its consolidated subsidiaries is known to them.

Internal Controls over Financial Reporting

The Chief Executive Officer, Chief Operating Officer and Chief Financial Officer, together with other members of management, after having designed internal controls over financial reporting and conducted an evaluation of their effectiveness based on the integrated framework issued by the Committee of Sponsoring Organization of the Treadway Commission to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial reporting in accordance with generally accepted accounting principles, have not identified any changes to the Company's internal control over financial reporting which would materially affect, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

Outstanding Share Capital

As at June 30, 2016 Exco had 42,565174 common shares issued and outstanding and stock options outstanding to purchase up to 634,907 shares at exercise prices ranging from $1.52 to $14.58.

Outlook

The outlook for Exco over the rest of the year continues to remain promising. AFX's performance is expected to continue meeting our expectations and our other Automotive Solutions businesses should benefit from continued strong North American and European production volumes. Our focus on manufacturing in Mexico, which has doubled as a result of the AFX acquisition, should position us well to capitalize, both in the short term and long term, on growing OEM production in Mexico. In Europe our performance is expected to improve as losses are expected to further decline in South Africa/Lesotho and we reorient our Bulgarian business toward more product and customer diversification. The trend toward strong interior trim demand caused by greater OEM vehicle refresh/redesign and /or launch of entire new models continues unabated. This is also expected to benefit our Automotive Solutions businesses and to meet this demand the Company expects, in the near term, to add square footage to existing production facilities in Matamoros Mexico (Polytech) and Tangier Morocco (Polydesign) as well as possibly adding a third production facility in Bulgaria (ALC).

Our Casting and Extrusion segment is expected to maintain steady performance over the next several quarters. Our large mould business continues to be well positioned to benefit from the growing order backlog and the shift to structural parts. However, the timing of releases on these programs will be unpredictable and the ongoing disruption from the installation of new equipment and 'one-off' mould production is likely to cause the near-term performance at this business unit to be similar to the last few quarters. Although perhaps to a lesser extent, the performance at the extrusion die businesses will also reflect short term inefficiencies from initiatives to integrate and harmonize design and manufacturing capabilities among the five plant locations.

Current Canadian dollar weakness is a net benefit to Exco and is expected to continue throughout the year although abrupt retracements from time to time may take place. The raw material environment continues to be favorable with little upward pressure on pricing and abundant availability of most input commodities.

During the third quarter, the Company achieved its highest sales level and recorded its most profitable quarter and completed the AFX acquisition. This was achieved without compromising the strength of its balance sheet given net debt of $59.4 million is approximately 0.6 times the Company's annualized EBITDA. Despite this strength, the Company expects to make debt reduction an ongoing priority.

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 "anticipate", "plan", "may", "will", "should", "expect", "believe", "estimate" 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 businesses (particularly our start-up business units in Brazil, Thailand) and Texas, Colombia and Polydesign, the financial performance of ALC which is moving production among its plants and launching new business, managing our order backlog in the Castool and large mould businesses, impact of our machinery and equipment investments especially at: 1) our greenfield facilities 2) newly constructed Texas extrusion die facility and 3) new capital spending program at our Newmarket facility, input costs, operating efficiencies and overhead absorption. Such forward-looking information and statements are based on assumptions and analyses made by us in light of our experience and our perception of historical trends, current conditions and expected future developments, as well as other factors we believe to be relevant and appropriate in the circumstances. These assumptions include, among other things, the number of automobile vehicles produced in North America and in Europe, the rate of economic growth in North America, Europe, China and emerging countries, investment by OEMs in drivetrain architecture and structural parts, and currency fluctuations (particularly with respect to the US dollar, Euro, Mexican peso and South African rand) and the level of new business launches. Readers are cautioned not to place undue reliance on forward-looking information and statements, as there can be no assurance that the assumptions, plans, intentions or expectations upon which such statements are based will occur. Forward-looking information and statements are subject to 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, implied or anticipated by such information and statements. These risks, uncertainties and assumptions are described in the Company's Management's Discussion and Analysis included in our 2015 Annual Report, in our 2015 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 expressed by such forward-looking information and statements are reasonable, there can be no assurance that such expectations and assumptions will prove to be correct. In evaluating forward-looking information and statements, readers should carefully consider the various factors which could cause actual results or events to differ materially from those indicated in the forward-looking information and statements. Readers are cautioned that the foregoing list of important factors is not exhaustive. Furthermore, 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.

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 nine-month periods ended June 30, 2016 and 2015 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 June 30, 2016	As at September 30, 2015
ASSETS		
Current		
Cash	**$29,514**	$34,996
Accounts receivable	**109,898**	98,823
Unbilled revenue	**17,567**	17,293
Inventories	**60,767**	55,401
Prepaid expenses and deposits	**3,573**	2,397
Total current assets	**221,319**	208,910
Property, plant and equipment, net (note 4)	**112,705**	104,251
Intangible assets, net (notes 5 and 12)	**37,329**	3,769
Goodwill (notes 5 and 12)	**69,876**	23,852
Investment in Joint Venture (note 12)	**2,704**	-
Deferred tax assets	**2,451**	2,034
Total assets	**$446,384**	$342,816
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Bank indebtedness	**$11,438**	$9,973
Trade accounts payable	**54,384**	46,421
Accrued payroll liabilities	**9,152**	9,083
Other accrued liabilities	**10,569**	12,484
Derivative instruments (note 6)	**2,586**	2,486
Provisions	**1,342**	1,810
Income taxes payable	**2,464**	6,559
Customer advance payments	**2,711**	3,013
Long-term debt - current portion (note 7)	**4,123**	119
Total current liabilities	**98,769**	91,948
Long-term debt - long-term portion (note 7)	**73,391**	409
Deferred tax liabilities	**5,512**	5,538
Total liabilities	**177,672**	97,895
Shareholders' equity		
Share capital	**51,336**	50,060
Contributed surplus	**3,422**	3,283
Accumulated other comprehensive income	**8,205**	14,369
Retained earnings	**205,749**	177,209
Total shareholders' equity	**268,712**	244,921
Total liabilities and shareholders' equity	**$446,384**	$342,816

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
(Unaudited)
$ (000)'s except for income per common share

	Three months ended June 30		Nine months ended June 30	
	2016	2015	**2016**	2015
Sales	**$161,671**	$121,930	**$425,955**	$367,311
Cost of sales	**127,099**	92,311	**330,987**	281,661
Selling, general and administrative	**11,241**	11,339	**33,647**	30,611
Depreciation (note 4)	**3,678**	3,369	**10,617**	9,907
Amortization (note 5)	**1,024**	410	**1,807**	1,204
Loss (gain) on disposal of property, plant and equipment	**66**	37	**147**	(27)
Net interest expense	**520**	212	**758**	765
Other income (note 9)	**(3,440)**	-	**(3,440)**	-
	140,188	107,678	**374,523**	324,121
Income before income taxes	**21,483**	14,252	**51,432**	43,190
Provision for income taxes (note 11)	**5,257**	4,296	**14,389**	12,724
Net income for the period	**16,226**	9,956	**37,043**	30,466
Other comprehensive income (loss)				
Items that may be reclassified to profit or loss in subsequent periods:				
Net unrealized gain (loss) on derivatives designated as cash flow hedges (1)	**(420)**	600	**(74)**	(224)
Unrealized gain (loss) on foreign currency translation	**(958)**	(1,149)	**(6,090)**	5,922
	(1,378)	(549)	**(6,164)**	5,698
Total comprehensive income	**$14,848**	$9,407	**$30,879**	$36,164
Income per common share				
Basic	**$0.38**	$0.24	**$0.87**	$0.72
Diluted	**$0.38**	$0.23	**$0.87**	$0.72
Weighted average number of common shares outstanding				
Basic	**42,426**	42,349	**42,497**	42,284
Diluted	**42,693**	42,652	**42,722**	42,587

(1) Net of income tax recoverable of $146 and $26 for the three- and nine- month periods ended June 30,2016, respectively (2015 - net of income tax payable of $15 and income tax recoverable $271 for the three and nine- month periods ended June 30,2015

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 (loss) gain on derivatives designated as cash flow hedges	Unrealized gain (loss) on foreign currency translation	Total accumulated other comprehensive income (loss)	Total shareholders' equity
Balance, October 1, 2015	$50,060	$3,283	$177,209	($1,844)	$16,213	$14,369	$244,921
Net income for the period	-	-	11,828	-	-	-	11,828
Dividend paid (note 3)	-	-	(2,547)	-	-	-	(2,547)
Stock option expense	-	195	-	-	-	-	195
Issuance of share capital	745	(235)	-	-	-	-	510
Other comprehensive income	-	-	-	38	4,134	4,172	4,172
Balance, December 31, 2015	$50,805	$3,243	$186,490	($1,806)	$20,347	$18,541	$259,079
Net income for the period	-	-	8,989	-	-	-	8,989
Dividend paid (note 3)	-	-	(2,976)	-	-	-	(2,976)
Stock option expense	-	156	-	-	-	-	156
Issuance of share capital	206	(65)	-	-	-	-	141
Other comprehensive income (loss)	-	-	-	308	(9,266)	(8,958)	(8,958)
Balance, March 31, 2016	$51,011	$3,334	$192,503	($1,498)	$11,081	$9,583	$256,431
Net income for the quarter	-	-	16,226	-	-	-	16,226
Dividends	-	-	(2,980)	-	-	-	(2,980)
Stock option expense	-	178	-	-	-	-	178
Issuance of share capital (note 3)	325	(90)	-	-	-	-	235
Other comprehensive loss	-		-	(420)	(958)	(1,378)	(1,378)
Balance, June 30, 2016	51,336	3,422	205,749	(1,918)	10,123	8,205	268,712

				Accumulated other comprehensive income (loss)			
	Share capital	Contributed surplus	Retained earnings	Net unrealized (loss) gain 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, 2014	$48,788	$3,138	$146,183	($487)	$5,124	$4,637	$202,746
Net income for the period	-	-	9,638	-	-	-	9,638
Dividend paid (note 3)	-	-	(2,109)	-	-	-	(2,109)
Stock option expense	-	114	-	-	-	-	114
Issuance of share capital	223	(66)	-	-	-	-	157
Other comprehensive income (loss)	-	-	-	(557)	987	430	430
Balance, December 31, 2014	49,011	3,186	153,712	(1,044)	6,111	5,067	210,976
Net income for the period	-	-	10,872	-	-	-	10,872
Dividend paid (note 3)	-	-	(2,540)	-	-	-	(2,540)
Stock option expense	-	122	-	-	-	-	122
Issuance of share capital	810	(237)	-	-	-	-	573
Other comprehensive income (loss)	-	-	-	(267)	6,084	5,817	5,817
Balance, March 31, 2015	$49,821	$3,071	$162,044	($1,311)	$12,195	$10,884	$225,820
Net income for the quarter	-	-	9,956	-	-	-	9,956
Dividends	-	-	(2,542)	-	-	-	(2,542)
Stock option expense	-	139	-	-	-	-	139
Issuance of share capital (note 3)	205	(64)	-	-	-	-	141
Other comprehensive income (loss)	-	-	-	43	(1,149)	(1,106)	(1,106)
Balance, June 30, 2015	50,026	3,146	169,458	(1,268)	11,046	9,778	232,408

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 June 30		Nine months ended June 30	
	2016	2015	**2016**	2015
OPERATING ACTIVITIES:				
Net income for the period	**$16,226**	$9,956	**$37,043**	$30,466
Add (deduct) items not involving a current outlay of cash				
Depreciation (note 4)	**3,678**	3,369	**10,617**	9,907
Amortization (note 5)	**1,024**	410	**1,807**	1,204
Stock-based compensation expense (recovery)	**(109)**	187	**350**	870
Deferred income taxes	**(85)**	(66)	**(103)**	(1,064)
Loss (gain) on disposal of property, plant and equipment	**64**	37	**145**	(27)
	20,798	13,893	**49,859**	41,356
Net change in non-cash working capital (note 10)	**(8,807)**	(309)	**(8,856)**	(22,795)
Cash provided by operating activities	**11,991**	13,584	**41,003**	18,561
FINANCING ACTIVITIES:				
Increase (decrease) in bank indebtedness	**1,095**	(3,777)	**(1,918)**	(6,582)
Financing from (repayment of) long-term debts	**(6,085)**	(1,426)	**62,886**	(2,048)
Dividend paid	**(2,980)**	(2,542)	**(8,503)**	(7,191)
Issuance of share capital	**235**	141	**886**	871
Cash provided by (used in) financing activities	**(7,735)**	(7,604)	**53,351**	(14,950)
INVESTING ACTIVITIES:				
Business acquisition, net of cash acquired (notes 4, 5 and 12)	**(82,118)**	-	**(82,118)**	-
Purchase of property, plant and equipment (note 4)	**(1,902)**	(5,151)	**(17,120)**	(12,810)
Purchase of intangible assets (note 5)	**(110)**	(79)	**(687)**	(432)
Proceeds from disposal of property, plant and equipment	**299**	110	**368**	343
Cash used in investing activities	**(83,831)**	(5,120)	**(99,557)**	(12,899)
Effect of exchange rate changes on cash	**(66)**	(686)	**(279)**	3,537
Net increase (decrease) in cash during the period	**(79,641)**	174	**(5,482)**	(5,751)
Cash, beginning of period	**109,155**	25,310	**34,996**	31,235
Cash, end of period	**$29,514**	$25,484	**$29,514**	$25,484

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 its 18 strategic locations in 10 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. For more detailed corporate information, refer to the 2015 Annual Report.

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 nine- month periods ended June 30, 2016 and have been prepared in accordance with International Accounting Standard ("IAS") 34, *Interim Financial Reporting*. The accounting policies used in preparing these unaudited condensed interim financial statements are consistent with those used in preparation of the 2015 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, 2015.

These unaudited condensed interim consolidated financial statements should be read in conjunction with the Company's 2015 audited annual consolidated financial statements. The unaudited condensed interim consolidated financial statements and accompanying notes for the three- and nine- month periods ended June 30, 2016 were authorized for issue by the Board of Directors on July 27, 2016.

Basis of consolidation
The unaudited 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 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.

Accounting standards issued but not yet applied
The following standards are not yet effective for the period ended June 30, 2016. The Company is in the process of reviewing the standards to determine the impact on the condensed interim 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. 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. The Company is in the process of reviewing the standard to determine the impact on the consolidated financial statements.

($ in thousands, except per share amounts)

IFRS 15 *Revenue from Contracts with Customers* ("IFRS 15")
In May 2014, the IASB issued IFRS 15 – Revenue from Contracts with Customers, 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. On July 22, 2015, the IASB confirmed a one-year deferral of the effective date of the Revenue Standard to annual periods beginning on or after January 1, 2018 which will be October 1, 2018 for the Company. Earlier application is permitted. The Company is in the process of reviewing the standard to determine the impact on the consolidated financial statements.

IFRS 16 *Leases* ("IFRS 16")
In January 2016, the IASB issued IFRS 16 – Leases, which requires lessees to recognise assets and liabilities for most leases. Lessees will have a single accounting model for all leases, with certain exemptions and lessor accounting is substantially unchanged. IFRS 16 is effective for annual periods beginning on or after January 1, 2019, which will be October 1, 2019 for the Company. Earlier application is permitted, provided the new revenue standard, IFRS 15, has been applied, or is applied at the same date as IFRS 16. The Company is in the process of reviewing the standard to determine the impact on the consolidated financial statements.

3. CASH DIVIDEND

During the nine-month period ended June 30, 2016, the Company paid quarterly cash dividends totaling $8,503 (2015 - $7,191). The quarterly dividend rate in the third quarter was $0.07 per common share (2015 - $0.06).

4. PROPERTY, PLANT AND EQUIPMENT

	Machinery and equipment	**Tools**	**Buildings**	**Land**	**Assets under construction**	**Total**
Cost						
Balance as at September 30, 2015	$180,335	$21,279	$60,487	$9,564	$7,339	$279,004
Additions						
Assets acquired	3,076	684	364	-	12,996	17,120
Assets acquired from business acquisition	2,617	235	67	-	-	2,919
Reclassifications	9,192	400	6,408	77	(16,077)	-
Less: disposals	(11,911)	(1,505)	(174)	-	-	(13,590)
Foreign exchange movement	(1,619)	(435)	(543)	(36)	(182)	(2,815)
Balance as at June 30, 2016	**$181,690**	**$20,658**	**$66,609**	**$9,605**	**$4,076**	**$282,638**

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
($ in thousands, except per share amounts)

	Machinery and equipment	Tools	Buildings	Land	Assets under construction	Total
Accumulated depreciation and impairment losses						
Balance as at September 30, 2015	$130,529	$15,732	$28,492	$-	$-	$174,753
Depreciation for the period	7,414	1,353	1,850	-	-	10,617
Less: disposals	(11,584)	(1,420)	(173)	-	-	(13,177)
Foreign exchange movement	(1,536)	(299)	(425)	-	-	(2,260)
Balance as at June 30, 2016	**$124,823**	**$15,366**	**$29,744**	**$-**	**$-**	**$169,933**
Carrying amounts						
As at September 30, 2015	$49,806	$5,547	$31,995	$9,564	$7,339	$104,251
As at June 30, 2016	**$56,867**	**$5,292**	**$36,865**	**$9,605**	**$4,076**	**$112,705**

5. INTANGIBLE ASSETS

	Computer software and other*	Acquisition intangibles**	Total intangible assets	Goodwill
Cost				
Balance as at September 30, 2015	$24,212	$3,500	$27,712	$23,852
Additions				
Assets acquired	687	-	687	-
Assets acquired from business acquisition	526	34,312	34,838	46,271
Less: disposals	(5,602)	-	(5,602)	-
Foreign exchange movement	(84)	(185)	(269)	(247)
Balance as at June 30, 2016	**$19,739**	**$37,627**	**$57,366**	**$69,876**

	Computer software and other	Acquisition intangibles	Total intangible assets	Goodwill
Accumulated amortization and impairment losses				
Balance as at September 30, 2015	$22,829	$1,114	$23,943	$-
Amortization for the period	636	1,171	1,807	-
Less: disposals	(5,602)	-	(5,602)	-
Foreign exchange movement	(112)	1	(111)	-
Balance as at June 30, 2016	**$17,751**	**$2,286**	**$20,037**	**$-**
Carrying amounts				
As at September 30, 2015	$1,383	$2,386	$3,769	$23,852
As at June 30, 2016	**$1,988**	**$35,341**	**$37,329**	**$69,876**

* Computer software and other are mainly computer software and an immaterial amount of patents.

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

($ in thousands, except per share amounts)

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.

Due to their short-term nature, the fair value of cash and short-term deposits, trade accounts receivable, trade accounts payable and customer advance payments is assumed to approximate their carrying value.

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 June 30, 2016 there were no transfers between Level 1 and Level 2 fair value measurements.

The fair value of bank indebtedness and long term debt were determined using the discounted cash flow method, a generally accepted valuation technique. The discounted factor is based on market rates for debt with similar terms and remaining maturities and based on the Company's credit risk. The Company has no plans to prepay these instruments prior to maturity. The valuation is determined using Level 2 inputs which are observable inputs or inputs which can be corroborated by observable market data for substantially the full term of the asset or liability.

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

	June 30, 2016		September 30, 2015	
	Carrying Amount of Asset (Liability)	**Fair Value of Asset (Liability)**	Carrying Amount of Asset (Liability)	Fair Value of Asset (Liability)
Cash	**$29,514**	**$29,514**	**$34,996**	**$34,996**
Trade accounts receivable	**109,898**	**109,898**	**98,823**	**98,823**
Prepaid expenses and deposits	**3,573**	**3,573**	**2,397**	**2,397**
Trade accounts payable	**(54,384)**	**(54,384)**	**(46,421)**	**(46,421)**
Bank indebtedness	**(11,438)**	**(11,438)**	**(9,973)**	**(9,973)**
Customer advance payments	**(2,711)**	**(2,711)**	**(3,013)**	**(3,013)**
Accrued liabilities	**(10,569)**	**(10,569)**	**(21,567)**	**(21,567)**
Derivative instruments	**(2,586)**	**(2,586)**	**(2,486)**	**(2,486)**
Long-term debt	**($77,514)**	**($77,514)**	**($528)**	**($528)**

7. LONG-TERM DEBT

On February 18, 2016, the Company closed an agreement for a new CAD $100,000 Committed Revolving Credit Facility with JP Morgan Chase Bank N.A., of which CAD $65,000 was used as at June 30, 2016. The facility has a 3 year term and is secured by a general security agreement covering all assets of the Company and its Canadian and U.S. subsidiaries with the exception of real property.

The Credit Facility is available to fund working capital, capital expenditures and other general corporate purposes of the Company and its subsidiaries, including acquisitions. Interest rates vary based on prime, bankers' acceptance, CDOR or LIBOR base rates plus a relevant margin depending on the level of the Company's net leverage ratio.

($ in thousands, except per share amounts)

Pursuant to the terms of the credit agreement, the Company is required to maintain compliance with certain financial covenants. The Company was in compliance with these covenants as at June 30, 2016.

On April 4, 2016, the Company entered into promissory Term Notes amounting to US$9,307 in conjunction with the acquisition of AFX Industries (see Note 12). 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 components of Long Term Debt are as follows:

	June 30, 2016	September 30, 2015
Bank Debt	**$65,000**	$ -
Term Notes	**12,024**	-
Finance Leases	**38**	67
Promissory Note	**452**	461
Less: current portion	**(4,123)**	(119)
Long-term debt, long-term portion	**$73,391**	$409

8. SEGMENTED INFORMATION

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 annual 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 seat covers, interior components and assemblies primarily for cargo storage and restraint for sale to automotive manufacturers and Tier 1 suppliers (suppliers to automakers).

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

($ in thousands, except per share amounts)

8. SEGMENTED INFORMATION (continued)

	Three Months Ended June 30, 2016			
	Casting and Extrusion	**Automotive Solutions**	**Corporate**	**Total**
Sales	**$48,259**	**$115,374**	**$ -**	**$163,633**
Intercompany sales	**(1,671)**	**($291)**	**-**	**(1,962)**
Net sales	**46,588**	**115,083**	**-**	**161,671**
Depreciation (note 4)	**2,903**	**770**	**5**	**3,678**
Amortization (note 5)	**116**	**908**	**-**	**1,024**
Segment income (loss) before interest and income taxes	**5,696**	**13,412**	**(545)**	**18,563**
Non operating income	**-**	**3,440**	**-**	**3,440**
Net interest expense				**(520)**
Income before income taxes				**21,483**
Property, plant and equipment additions (note 4)	**1,405**	**410**	**87**	**1,902**
Property, plant and equipment acquired through business acquisition (note 4)	**-**	**2,919**	**-**	**2,919**
Property, plant and equipment, net (note 4)	**90,392**	**21,128**	**1,185**	**112,705**
Intangible asset additions (note 5)	**83**	**22**	**-**	**105**
Intangible asset acquired through business acquisition (note 5)	**-**	**34,842**	**-**	**34,842**
Intangible assets, net (note 5)	**1,358**	**35,971**	**-**	**37,329**
Goodwill acquired through business acquisition (note 5)	**-**	**46,271**	**-**	**46,271**
Goodwill, net (note 5)	**286**	**69,590**	**-**	**69,876**
Total assets	**182,539**	**260,924**	**2,921**	**446,384**
Total liabilities	**$21,160**	**$64,820**	**$91,692**	**$177,672**

	Three Months Ended June 30, 2015			
	Casting and Extrusion	**Automotive Solutions**	**Corporate**	**Total**
Sales	**$48,643**	**$75,767**	**$ -**	**$124,410**
Intercompany sales	**(2,265)**	**(215)**	**-**	**(2,480)**
Net sales	**46,378**	**75,552**	**-**	**121,930**
Depreciation	**2,529**	**835**	**5**	**3,369**
Amortization	**186**	**224**	**-**	**410**
Segment income (loss) before interest and income taxes	**6,351**	**9,996**	**(1,883)**	**14,464**
Net interest expense				**(212)**
Income before income taxes				**14,252**
Property, plant and equipment additions	**4,834**	**308**	**9**	**5,151**
Property, plant and equipment, net	**80,412**	**18,771**	**1107**	**100,290**
Intangible asset additions	**221**	**1**	**-**	**222**
Intangible assets, net	**1,231**	**2,786**	**-**	**4,017**
Goodwill, net	**296**	**23,571**	**-**	**23,867**
Total assets	**178,071**	**131,574**	**1,524**	**316,169**
Total liabilities	**$24,483**	**$53,021**	**$6,257**	**$83,761**

($ in thousands, except per share amounts)

	Nine Months Ended June 30, 2016			
	Casting and Extrusion	Automotive Solutions	Corporate	Total
Sales	$151,494	$279,722	$ -	$431,216
Intercompany sales	(4,576)	(685)	-	(5,261)
Net sales	146,918	279,037	-	425,955
Depreciation (note 4)	8,468	2,133	16	10,617
Amortization (note 5)	472	1,335	-	1,807
Segment income (loss)	20,811	33,587	(5,648)	48,750
Non operating income	-	3,440	-	3,440
Net interest expense				(758)
Income before income taxes				51,432
Property, plant and equipment additions (note 4)	15,323	1,689	108	17,120
Property, plant and equipment acquired through business acquisition (note 4)	-	2,919	-	2,919
Property, plant and equipment, net (note 4)	90,392	21,128	1,185	112,705
Intangible assets acquired (note 5)	642	41	-	683
Intangible asset acquired through business acquisition (note 5)	-	34,842	-	34,842
Intangible assets, net (note 5)	1,358	35,971	-	37,329
Goodwill acquired through business acquisition (note 5)	-	46,271	-	46,271
Goodwill, net	286	69,590	-	69,876
Total assets	182,539	260,924	2,921	446,384
Total liabilities	$21,160	$64,820	$91,692	$177,672

	Nine Months Ended June 30, 2015			
	Casting and Extrusion	Automotive Solutions	Corporate	Total
Sales	$150,102	$225,219	$ -	$375,321
Intercompany sales	(7,458)	(552)	-	(8,010)
Net sales	142,644	224,667	-	367,311
Depreciation (note 4)	7,237	2,652	18	9,907
Amortization (note 5)	439	765	-	1,204
Segment income (loss)	22,852	26,461	(5,358)	43,955
Net interest expense				(765)
Income before income taxes				43,190
Property, plant and equipment additions(note 4)	11,600	1,151	59	12,810
Property, plant and equipment, net(note 4)	80,412	18,771	1,107	100,290
Intangible assets acquired (note 5)	431	30	-	461
Intangible assets, net (note 5)	1,231	2,786	-	4,017
Goodwill, net	296	23,571	-	23,867
Total assets	178,071	136,574	1,524	316,169
Total liabilities	$24,483	$53,021	$6,257	$83,761

($ in thousands, except per share amounts)

9. OTHER INCOME

On April 7, 2016, the Company concluded a commercial arbitration which it initiated in 2015. As a result, the Company received compensation of $3.44 million during the third quarter of this fiscal year.

10. NET CHANGE IN NON-CASH WORKING CAPITAL

The net change in non-cash working capital balances related to operations consists of the following:

	Nine Months Ended June 30	
	2016	2015
Accounts receivable	**$2,935**	($12,369)
Unbilled revenue	**(494)**	(9,920)
Inventories	**3,182**	(5,059)
Prepaid expenses and deposits	**(4,227)**	1,113
Trade accounts payable	**(2,260)**	(1,334)
Accrued payroll and taxes	**(419)**	(313)
Other accrued liabilities	**(1,340)**	939
Provisions	**(1,024)**	40
Customer advance payments	**(268)**	1,081
Income taxes payable	**(4,941)**	3,027
	($8,856)	($22,795)

11. INCOME TAXES

Consolidated effective income tax rate for the nine-month period ended June 30, 2016 was 28.0% (nine-month period ended June 30, 2015 – 29.5%). The effective tax rate in the current period was favourably impacted by the tax impact of the non-operating income and adversely impacted by the lower proportion of earnings from low tax jurisdictions.

12. BUSINESS ACQUISITION

The Company accounts for acquisitions using the acquisition method of accounting with the results of operations included in the Company's consolidated financial statements from the respective date of the acquisition.

On April 4, 2016, the Company completed the acquisition of 100% of the ownership interest in AFX Industries L.L.C. ("AFX") for consideration of US$73,390 excluding US$4,420 of assumed debt. A portion of the consideration amounting to US$9,307 is deferred and payable over three years. Subsequent to closing, the acquisition price was reduced by US$1.07 million to reflect changes in the AFX balance sheet in accordance with the acquisition agreement. AFX is based in Port Huron, Michigan with manufacturing operations in Matamoros, Mexico. AFX is a tier 2 supplier of leather and leather-like interior trim components to the North American automotive market. AFX supplies die cut leather sets for seating and many other interior trim applications as well as injection-molded, hand-sewn, machine-sewn and hand-wrapped interior components of all types.

($ in thousands, except per share amounts)

The purchase cost was allocated to the underlying assets acquired and liabilities assumed based upon the estimated fair values at the date of acquisition. The Company determined the fair values based on discounted cash flows, market information, and using independent valuations and management's best estimates. Final valuations of intangible assets and certain assets are not yet complete due to the inherent complexity associated with valuations. Therefore, the purchase price allocation is preliminary and is subject to adjustment upon completion of the valuation process and analysis of resulting tax effects.

The preliminary allocation of the purchase price at fair value is as follows:

Cash	$ 86
Trade accounts receivable and other	17,013
Inventories	10,542
Property, plant and equipment	2,924
Deferred tax assets	355
Investment in Joint Venture	2,326
Bank indebtedness	(3,383)
Trade accounts payable, accrued liabilities and other	(14,668)
Long-term debt	(2,010)
Net identifiable assets	13,185
Intangible assets	34,838
Residual purchase price allocation to Goodwill	46,271
	$94,294

Acquisition funded as follows:	
Cash	$ 82,204
Term notes, payable over 3 years	12,090
	$94,294

Costs related to the AFX acquisition amounted to CAD $1.4 million and were expensed under selling, general and administrative expenses on the consolidated statements of income and comprehensive income. Subsequent to closing, the integration costs have been immaterial to date.

The fair value of the trade accounts receivable equals the gross amount of the trade accounts receivable less allowance for bad debts and amounts to $16,734. The net contractual amount is collectible.

AFX's investment in a joint venture has been accounted for using the equity method of accounting and AFX has recorded its proportionate share of income from the joint venture. As such, $378 thousand has been recorded for the three months ended June 30, 2016 and is reflected on the condensed interim consolidated statements of income and comprehensive income as a reduction in selling, general and administrative expenses.

The primary factors that contributed to the residual purchase price allocation and resulted in the recognition of goodwill and intangible assets are: the existing AFX business; the acquired workforce; access to growth opportunities with existing customers; and the combined strategic value to the Company's growth plan.

CORPORATE INFORMATION

Exco Technologies Limited is a global supplier of innovative technologies servicing the die-cast, extrusion and automotive industries. Through our 18 strategic locations in 10 countries, we employ 6,515 people and service a diverse and broad customer base.

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