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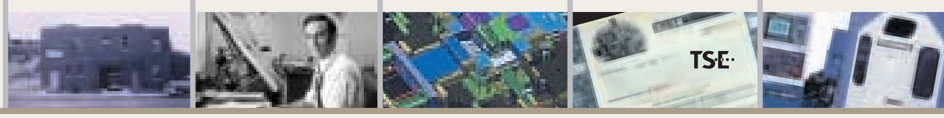

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50 YEARS OF EXCELLENCE

EXCO

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EXCO TECHNOLOGIES LIMITED ANNUAL REPORT 2001

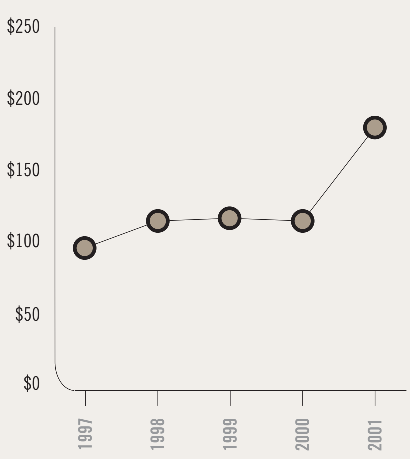
HIGHLIGHTS

EXCO TECHNOLOGIES LIMITED IS A GLOBAL SUPPLIER OF CASTING AND EXTRUSION TECHNOLOGY, PRIMARILY FOR AUTOMOTIVE AND OTHER INDUSTRIAL MARKETS. IN ADDITION, EXCO DESIGNS AND SUPPLIES AUTOMOTIVE SYSTEMS THAT INCLUDE POWDERED METAL CYLINDER LINERS AND AUTOMOTIVE RESTRAINT SYSTEMS.

($ in thousands except per share amounts)

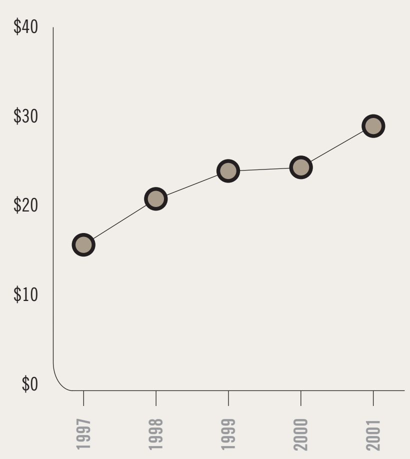
	2001	2000	1999	1998	1997
Sales	**$ 184,133**	$ 118,070	$ 118,295	$ 118,045	$ 99,579
Net Income	**$ 10,985**	$ 10,310	$ 12,036	$ 11,115	$ 8,388
Diluted Earnings Per Share	**$ 0.55**	$ 0.51	$ 0.61	$ 0.55	$ 0.43
Cash Flow from Operations	**$ 29,072**	$ 24,216	$ 24,208	$ 21,238	$ 16,355
Diluted Cash Flow Per Share	**$ 1.47**	$ 1.21	$ 1.22	$ 1.06	$ 0.83
EBITDA	**$ 36,970**	$ 29,398	$ 32,617	$ 29,572	$ 21,688
Total Net Debt to Equity	**.35:1**	.37:1	0:1	.26:1	.15:1
Capital Expenditures	**$ 14,065**	$ 11,691	$ 8,669	$ 26,155	$ 21,469
Acquisitions	**$ 14,752**	$ 48,625	–	–	$ 1,522

Fiscal 2001 was a successful year for Exco. Sales, EBITDA and cash flow set new records while two acquisitions were completed and successfully integrated into the Company. Exco's financial position remained strong and its margins continued to exceed industry norms. Coupled with Exco's investment in technology and capacity, the Company established a solid foundation for further growth. Given the economic uncertainty that prevailed throughout fiscal 2001, these are significant accomplishments.



Sales *Millions of Dollars*

Net Income *Millions of Dollars*



Cash Flow from Operations *Millions of Dollars*

Helmut Hofmann Chairman **Brian A. Robbins** President and C.E.O.

Message to Shareholders

As Exco Technologies celebrates its fiftieth anniversary, the Company looks to its past with pride and to its future with confidence. Founded by Harry Robbins in the basement of his Scarborough, Ontario home in 1952, the Company began operations as Extrusion Machine Company, a custom producer of aluminum extrusion dies. In the years that followed, the Company grew in size and technical sophistication, evolving from a small, family-owned business to a public corporation with global reach.

Throughout its history, Exco Technologies has demonstrated a willingness and capacity to adapt constantly to changing market conditions. As a result, it has maintained steady profitability while becoming the dominant, low-cost producer in North America in its core businesses of extrusion and die-cast tooling.

CHANGING DEMAND

During the past several years, the major North American automobile manufacturers have responded to strong consumer demand by concentrating on trucks and sport utility vehicles rather than introducing new passenger car models and other product lines. Since the automakers were able to employ existing mature technologies to produce these types of vehicles, Exco experienced reduced demand for its die-casting products and technologies.

The net effect of these trends has been that sales in Exco's traditional businesses have levelled over the past three years, although the Company remains highly profitable and growth-oriented.

In sharp contrast, the Company's extrusion tooling business has, over the last five years, achieved an average annual compound growth rate of 11%, as a result of the consolidation, expansion and growing technical sophistication of its strong customer base.

MARKET RENEWAL

As fuel economy, vehicle size and foreign competition in the passenger car market become issues of increasing concern to automobile manufacturers, they are expected to refocus on developing new products to generate consumer interest and stimulate market demand. In fact, one of North America's leading auto manufacturers recently stated that it intends to launch more than a dozen new passenger-car models annually over the next several years. The introduction of new passenger car models will require the application of innovative technologies to achieve the style changes, weight reduction and fuel efficiency that consumers demand.

Toolmaking is an essential element in implementing industrial change. Exco's tools are focused specifically on light alloys, such as aluminum and magnesium, that lead to weight reduction and help reduce costs. As a result, the prospects for Exco's die-casting business, over the next few years, are bright.

Exco has the existing capacity to double revenue in this core business with virtually no significant capital investment.

STRATEGIC GROWTH

Exco Technologies has achieved its outstanding profitability and stability by constantly focusing on three pillars of performance: close customer relationships, solid financial strength and a firm commitment to increasing shareholder value. In the years to come, the Company intends to enhance its profitability even further by increasing market share, supporting organic growth and making carefully targeted acquisitions with complementary strengths and capabilities.

In 2000, for example, Exco acquired two public companies, Techmire Limited and TecSyn International. Techmire has an international reputation for excellence in the design and manufacture of die-casting machines and systems for small precision zinc components that are widely used in the electronics, hardware and automotive industries. Techmire shares much of the same technology and many of the same markets as Exco. It is currently developing a magnesium-casting system to serve the global telecommunication and automotive industries.

TecSyn is a successful automotive parts producer and the world's leading supplier of flexible storage and restraint systems to OEMs and their Tier 1 suppliers, through its Polytech division, TecSyn also produces powdered metal cylinder liners for aluminum engine blocks in its PMP division. This acquisition will assist Exco in responding to the peaks and valleys of tooling equipment sales through participation in a business that follows a different cycle.

In addition to the core design and manufacturing expertise that Exco has obtained through these acquisitions, the Company also gained access to skills and resources that complement its toolmaking capabilities. Both acquisitions were successfully integrated into Exco's operations during the year. Each has supported Exco's successful financial and operational performance by contributing additional earnings and creating significant growth opportunities in global markets.

TecSyn's Polytech division, for example, is currently constructing a new facility in Tangier, Morocco to supply the European market with restraint and storage systems. Production is scheduled to begin in January 2002 and will permit a major increase of sales into a market that is larger than that of North America.

OUTLOOK

Despite the major changes that have clearly impacted its customers worldwide in recent years, Exco achieved outstanding results in the 2001 fiscal year. With revenues approaching $200 million and a product line well positioned to accommodate future change, Exco has the strength and depth to enhance profitability and implement its growth strategies.

As Exco enters its sixth decade, the Company's employees remain its key strategic asset. They are the source of its many achievements and will lead the Company to even greater success in the future. Their energy and dedication, combined with the steady support of Exco's shareholders, have been the foundation of our strong global performance. In today's volatile markets, this enthusiasm and commitment provide Exco Technologies with an enduring competitive advantage.

1952

Foundation for Success...

Brian Robbins Jan Tesar Gabriel Piccinin Paul Robbins Lawrence Robbins

Brian A. Robbins
President and C.E.O.

Helmut Hofmann
Chairman

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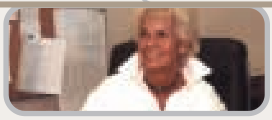
Doug Ryfa

George Davidson

Chi Pin Liao



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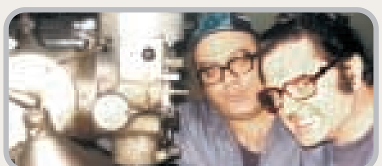
What creates enduring success

Over the past 50 years, Exco has succeeded in consistently achieving its operational and financial goals by bringing together excellent people and leading-edge technology to fulfill – and frequently surpass – customer expectations. This operating principle transcends time, providing the Company with the flexibility and determination to adapt quickly to customer needs in a dynamic business environment.

Employee Commitment

Achieving the status of industry leader can only be accomplished through the steady support and strong commitment of the Company's most important asset: its employees. A great enterprise recognizes the skills, talents and ambitions of its people and applies them with pinpoint precision to the challenge of maintaining customer satisfaction.

For this reason, Exco Technologies devotes significant resources to recruiting and retaining employees of the highest calibre. The Company's staff members receive wage and benefit packages that are among the highest in the industry. Exco is committed to providing a safe, healthy and stimulating work environment and encourages every staff member to be an active partner in the pursuit of excellence.



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HIGH PERFORMANCE

Employees are offered many opportunities to upgrade their skills through company-sponsored continuing education programs. Not only do such programs keep Exco personnel up to date regarding the latest technological advances but they also serve to motivate and inspire them to achieve even higher levels of job performance.

Every Exco employee is a shareholder in the Company. Through its Deferred Profit Sharing Plan, the Company directs a percentage of annual profits to employees in the form of Exco stock. Many employees purchase additional Exco shares through the Employee Stock Purchase Plan.

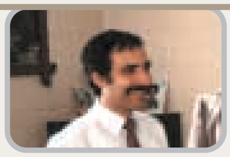
Rene Bomben Plant Manager, Exco Engineering

Brian and Craig Volkmann have followed in the footsteps of their father, Peter, who recently retired after 42 years with Exco Engineering.

Strong Endorsement

A testament to the success of these initiatives is that the average length of employment of Exco staff members is approximately eight years. More than 15 percent have been employed with the company for 15 years or more. Exco takes pride in the fact that many of its employees are members of the same families. That a staff member would encourage his or her son, daughter or sibling to choose a career with Exco is the strongest endorsement that it can achieve as an employer.

Exco Technologies provides its employees with the best possible guarantee of job security: employment with a strong, competitive and profitable company.



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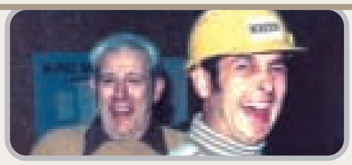

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MANAGEMENT STRENGTH

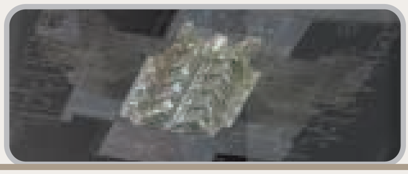
The organizational structure at Exco is flat, with each business segment reporting directly to the CEO. All Exco divisions are run autonomously, relying on the expertise and talent of divisional management to achieve their individual targets.

Exco's acquisitions of TecSyn International Inc. and Techmire Limited have further enhanced the Company's human resources and management strengths. For this reason and many others, Exco Technologies looks forward to the next half-century with confidence in its ability to deliver continuing growth and increasing shareholder value.

Growing a Knowledge-Based Company

Fifty years ago, Exco began operations in the basement of its founder as a one-person tool and die making business. Since that modest beginning, the company has evolved into a global solutions provider for many of the world's largest and most successful companies. During that time, Exco's product lines have grown from simple machined steel pieces to advanced technologies that meet the most sophisticated customer needs.

In today's market, exceptional product quality is a minimum requirement. Product innovation that saves time, money or solves problems is the factor that distinguishes highly successful companies from the mediocre performers.



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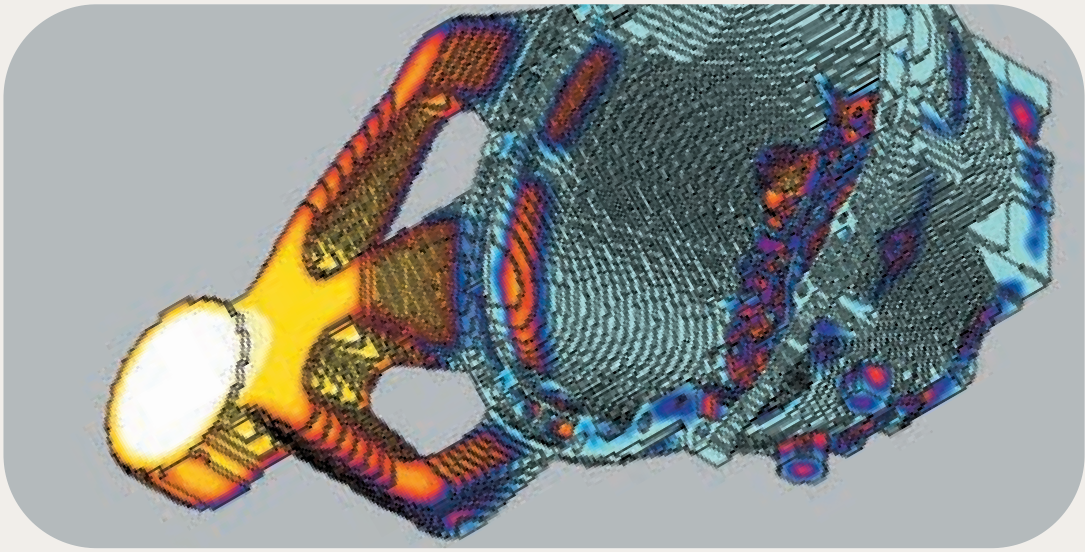
Exco's R&D Department has developed a Die Temperature Control System that automatically controls die temperature during the casting process.



Restraint Systems are engineered and prototyped in our Detroit Engineering Centre.

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Carlo Rinaldi

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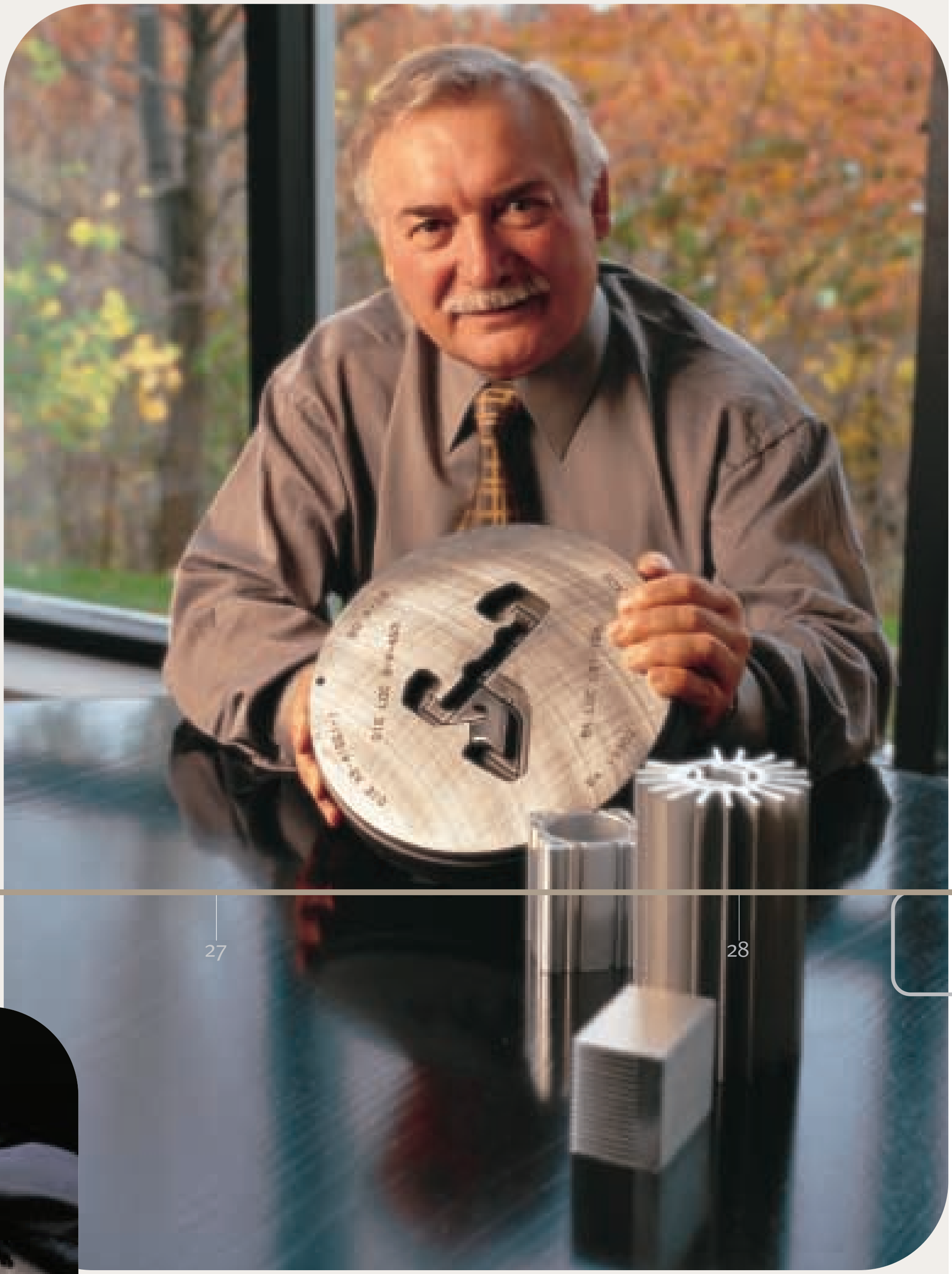
Mario Robidoux

INDUSTRY LEADERSHIP

Exco has always looked to the future by actively supporting research and development initiatives throughout the company. As a result, the Company has developed many patented solutions that have helped it to attain the status of an industry leader.

Many of Exco's customers rely on the Company as a single-source supplier capable of bringing their products to market faster and at a more competitive cost. Through these win\win relationships, Exco helps its customers to achieve greater success by enabling them to perform as low-cost producers in their markets.



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Gabriel Piccinin President, Exco extrusion Dies Division

Dexter Bryan

Don Gill

Product Diversification

In recent years, Exco has not only enhanced its core products of die-cast and aluminum extrusion dies, but has also diversified into a wide range of additional product offerings. For example, over the next few years automobile manufacturers intend to increase their use of aluminum to three times the current average of 250 pounds per vehicle, creating a much larger market for Exco's technologies in this sector.

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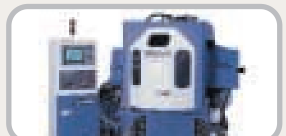

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Exco's aluminum extrusion tool divisions have traditionally focused on marketing their products for construction applications. Exco, through its customers, is now able to provide another option to the auto industry, which has opened up another market for extrusion products. The Castool division provides precision tooling that supports and services die casters and extruders. The division's capabilities enable Exco to provide more vertically integrated solutions to its customers, based on an expanded range of product offerings, to meet their changing needs.

Market Reach

Similarly, the acquisition of Techmire earlier this year expands Exco's market reach to include die-casting machines. Although Exco has embarked on a new initiative in becoming involved in the manufacture of machinery to serve the die-casting industry, the Company is familiar with both the technology and the market Techmire serves.

Techmire is actively pursuing research and development on a magnesium die-cast machine to further increase the size of its market. In automobile manufacturing, the use of magnesium, which is 35 percent lighter than aluminum, has tripled over the past decade.

Similar increased usage rates are expected in other applications, including telecommunications, where magnesium products can double as RF shields. Continuing double-digit growth in sales of magnesium products presents an exciting growth prospect for both Techmire and Exco.

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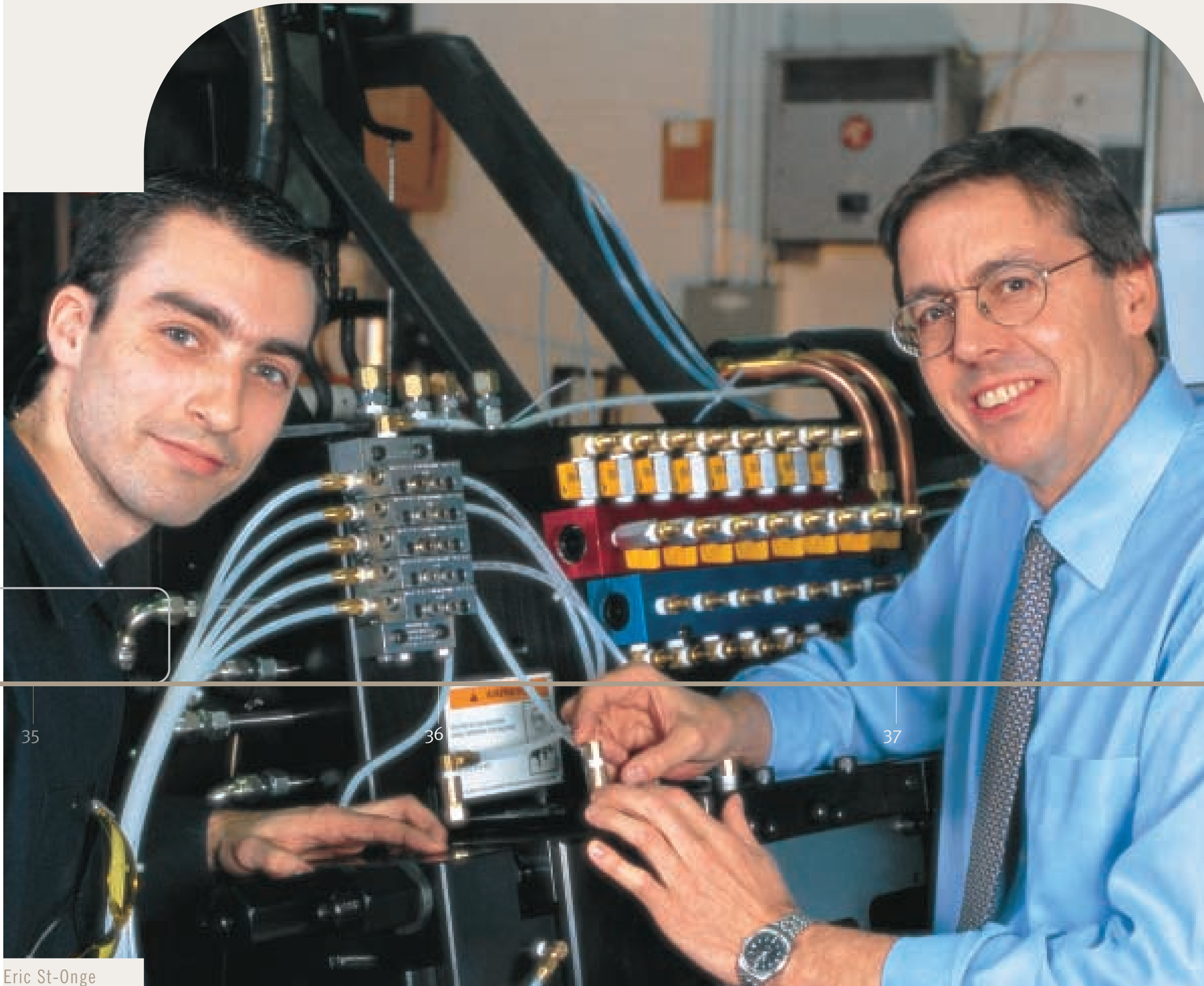
A CULTURE OF CHANGE

Another recent acquisition, Polytech, further enhances Exco's product range by supplying the automotive industry with flexible storage and restraint systems. Again, although these products are new to Exco, the industry and customers are well known to the Company. Because Polytech's products must change as new car models are introduced, the division's success is based primarily on its ability to be innovative and responsive to new customer needs. This culture of change provides Polytech with the opportunity to demonstrate creativity and flexibility in delivering the broad range of solutions demanded by today's automakers.



Eric St-Onge

Stephen May President, Techmire

Michael Tabah Leela Hardat Alex Pollak

Building Partnerships

Exco believes that working as closely as possible with customers is the best way to build the expertise and sensitivity to exceed their expectations. For this reason, the Company often participates in the initial development and design stages of its customers' new products and continues to work them right through to project completion. By applying vision, innovation and leadership in helping them to meet new challenges, Exco has built solid relationships with many of the world's largest and most respected companies.

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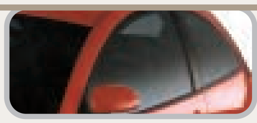

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STRONG REPUTATION

In today's business environment, building effective customer partnerships are equally as important as cost competitiveness in maximizing the success of the organization. By listening to its customers and working closely with them, Exco has developed a strong reputation worldwide as a low cost, dependable provider of quality solutions that increase their competitiveness.

Bill Schroers President, Polytech

Laurie Caylen

Brian Bateman

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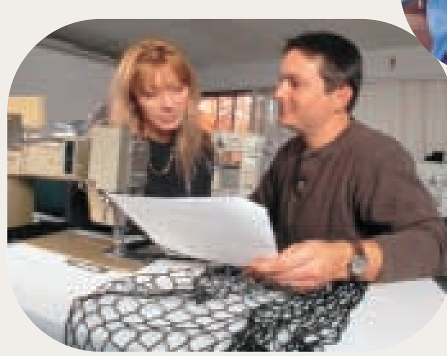
Maria de Jesus Rodriguez

Laura Bateman David Kunz



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Jan Tesar President, Casting Technologies

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A MATTER OF TRUST

These close relationships are founded on trust that can only be earned by providing high-quality innovative products better, faster and more consistently than the competition. Exco knows that if it doesn't get close to its customer...someone else will!

Several Exco customers have acknowledged the depth of their relationships with the company. Exco Engineering, for example, has received the coveted Chrysler PENTASTAR Award, as well as the GM Saturn Corporation Award for Outstanding Achievement.

The company's Polytech division has received numerous awards in recognition of outstanding performance with the automakers such as, The Toyota Partnership in Excellence Golden Award and the Nissan Quality Master Award.

Although customer awards are gratifying, the greatest recognition that a company can receive is long-standing, firm customer loyalty. The support and confidence of its customers, acquired over 50 years of steady growth and achievement, are the foundation upon which the Company is building a prosperous and dynamic future.

Scott E. Bond Vice-President, Finance and Chief Financial Officer

"As a result of its strong financial position and unique capabilities, Exco is confident that it can succesfully weather an economic slowdown and that it is well positioned to achieve future profitable growth".

Financial Report

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following is management's discussion and analysis of operations and financial position and should be used in conjunction with the consolidated financial statements. It is intended to provide additional information on the Company's performance, financial position and outlook.

OVERVIEW

Fiscal 2001 was a successful year for Exco. Despite the impact of increased economic uncertainty on business activities, the benefits accruing from the successful integration of two acquisitions as well as the Company's technological strengths, resulted in Exco achieving record levels for sales, EBITDA and cash flow.

OPERATING RESULTS

The following table sets out certain financial information for each of the eight fiscal quarters up to and including the fiscal year ended September 30, 2001:

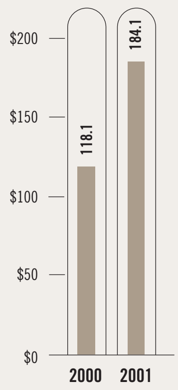
2001 Quarterly Earnings
Millions of Dollars

($ thousands except per share amounts)

2001	**Sept/01**	**June/01**	**Mar/01**	**Dec/00**	**Total**
Sales	**$ 50,750**	**$ 47,754**	**$ 46,118**	**$ 39,511**	**$ 184,133**
Net Income	**$ 3,835**	**$ 3,182**	**$ 2,430**	**$ 1,538**	**$ 10,985**
Earnings Per Share					
Basic	**$ 0.19**	**$ 0.16**	**$ 0.12**	**$ 0.08**	**$ 0.55**
Diluted	**$ 0.19**	**$ 0.16**	**$ 0.12**	**$ 0.08**	**$ 0.55**

($ thousands except per share amounts)

2000	**Sept/00**	**June/00**	**Mar/00**	**Dec/99**	**Total**
Sales	$ 33,142	$ 26,270	$ 30,141	$ 28,517	$ 118,070
Net Income	$ 2,522	$ 2,077	$ 3,005	$ 2,706	$ 10,310
Earnings Per Share					
Basic	$ 0.13	$ 0.10	$ 0.15	$ 0.14	$ 0.52
Diluted	$ 0.13	$ 0.10	$ 0.15	$ 0.13	$ 0.51



Sales
Millions of Dollars

As indicated in the preceding table, there were no extraordinary items during the period. Fluctuations in quarterly earnings were largely the result of differences in volume and product mix as well as two acquisitions that occurred in the previous two years. Because TecSyn was acquired on September 1, 2000, the Company's operating results, beginning with the quarter ended September 2000, include TecSyn. Techmire was acquired in late December 2000 and, accordingly, the Company's operating results, beginning with the period ended March 2001, also include Techmire.

For the year ended September 30, 2001, new acquisitions accounted for an additional $68.3 million of sales helping Exco achieve record sales of $184.1 million, an increase of 56% over fiscal 2000 sales of $118.1 million. TecSyn was acquired in the fourth quarter of fiscal 2000 and has become Exco's Automotive Systems segment. Techmire was acquired at the end of the first quarter of fiscal 2001, and, accordingly, was included in Exco's results for three quarters of the fiscal year. Techmire is included in the Casting and Extrusion Technology segment.

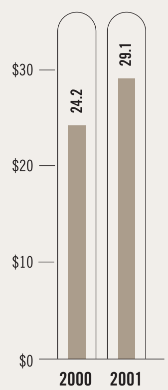
Gross margin for fiscal 2001 declined to 36% as compared to 39% in the prior year, largely due to delayed die-cast mould programs and the consequent impact on casting technology capacity. It is, nonetheless, noteworthy that in each successive quarter, Exco achieved improving margins climbing to 37% in the fourth quarter. Further improvement in gross margin is expected when capacity utilization of the casting technology operations improves.

Selling, general and administrative costs in fiscal 2001 rose to $28.9 million (15.7% of sales), as compared to $16.2 million (13.7% of sales) in the prior fiscal year. Again, the increase reflects the impact of the acquisitions. It should be noted that with the inclusion of Techmire for four quarters in fiscal 2002, overall costs could rise further.

Depreciation and amortization expense increased to $16.0 million, as compared to $12.7 million in fiscal 2000, reflecting the growth of Exco's consolidated assets. As a result of changes to Canadian generally accepted accounting principles, particularly regarding goodwill amortization, management anticipates a decline in depreciation and amortization expense in fiscal 2002. During this past fiscal year, amortization of goodwill totalled $943 thousand.

As a result of both the TecSyn and Techmire purchases, Exco's interest expense rose to $3.0 million as compared to a negligible amount in fiscal 2000. With the expectation of some debt repayment in 2002, and lower interest rates, we expect declining interest costs.

FINANCIAL RESOURCES, LIQUIDITY AND CAPITAL RESOURCES

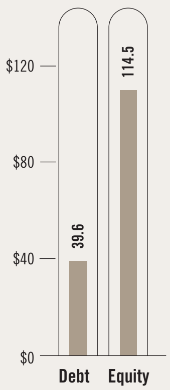


Cash Flow from Operations
Millions of Dollars

Cash flow from operations, before changes in non-cash working capital, was $29.1 million, an increase of 20% over the prior year cash flow of $24.2 million. The increase reflects higher income before non-cash charges, and reflects the contribution of the aquisitions.

The net change in Exco's non-cash working capital was not significant. Techmire had $4.2 million of non-cash working capital at the time it was acquired, which has been reflected in Investing Activities in the Consolidated Cash Flow Statements.

Cash utilized in 2001 in investing activities totalled $28.8 million. The net investment in Techmire totalled $14.7 million. A further $14.2 million was invested in fixed assets. This investment included the addition of magnesium die-cast capability to Exco's casting technology facility in Newmarket, Ontario. This will enable Exco to produce sample magnesium castings in order to test moulds prior to shipment. As automakers strive to reduce vehicle weight, the Company anticipates an increase in the use of magnesium. In addition, it has replaced and upgraded certain equipment and computer-aided design and manufacturing (CAD/CAM) systems to maintain Exco's technological edge. In the automotive systems segment, the Company incurred initial construction costs for a new automotive restraint system facility in Morocco to supply the European market.



Debt to Equity
Millions of Dollars

At September 30, 2001, Exco had total debt of $39.6 million, representing a debt to equity ratio of 0.35:1. Accordingly, Exco's financial position remained strong. Further, the Company's cash flow from operations of $29.1 million exceeded the net investment in fixed assets by $15.0 million.

In 2002, Exco plans to invest approximately $19 million in capital assets. Expenditures will include the completion of the facility in Morocco. In addition, construction will begin on the expansion of one of the Company's extrusion technology facilities located in Newmarket, Ontario, with completion scheduled for fiscal 2003. This project will provide additional capacity for future growth.

Additional plastic injection moulding equipment will be added to Exco's automotive restraint system facility in Mexico. This equipment will be used to manufacture various fasteners required for the installation of these products.

Expenditures will also include the replacement and upgrade of equipment and CAD/CAM systems.

Exco believes that its operating cash flow will exceed its capital expenditures in fiscal 2002 and the Company's financial position will remain strong. For this reason, Exco's current credit facilities totalling $82.6 million, of which $32.4 million is available, will be sufficient to meet its operating requirements in fiscal 2002.

Financing activities include $1.7 million reflecting the cost of repurchasing 354,700 Exco shares for cancellation pursuant to the Company's normal course issuer bid. This bid has been renewed to August 7, 2002 and authorizes Exco to purchase up to 5% of its outstanding shares.

The Company's Canadian operations negotiate sales contracts with its customers in both Canadian and U.S. dollars. In addition, Exco purchases material in both currencies. Together, U.S. dollar sales and U.S. dollar purchases provide a natural hedge for the Company's Canadian operations. Exco constantly reviews its net foreign currency exposure and believes that the range within which the value of the Canadian dollar trades relative to the U.S. dollar does not pose significant financial risk to the Company. However, the Company entered into contracts to sell U.S. dollars in the event of weakness in the Canadian dollar to further reduce currency risk.

Exco's automotive systems segment has a manufacturing facility in Mexico that incurs some operating expenses, primarily labour, in Mexican pesos. Significant long-term fluctuations in the relative value of the peso against the U.S. dollar could affect Exco's operating results.

OUTLOOK

Casting and Extrusion Technology

Exco's purchase of Techmire during the year provided the Company with a new product line to complement its Casting and Extrusion Technology segment. Techmire designs and manufactures zinc die-casting machines for high precision components and services a variety of industries in several countries. More recently, Techmire has been developing a magnesium die-cast machine primarily focused on the electronics and computer industries. Magnesium's light weight and its shielding properties make it particularly attractive for hand-held devices and computers. Customer interest in this new machine is high, suggesting it has strong market potential.

Given the current economic environment, the demand for capital goods has softened and Techmire's normal sales level has fallen by approximately 20%. Techmire's technology continues to be aggressively marketed worldwide. Management is confident that when the demand for capital goods improves, Techmire's growth will resume.

In recent years, Exco has experienced lower revenue in its casting technology business as a result of a decline in the number of new powertrain products introduced to the North American market. Over the last several years, North American vehicle sales reached record levels. In addition, OEMs reorganized and consolidated on a worldwide basis. The development of re-engineered, more fuel efficient engines and transmissions was not considered to be a priority by the automakers. Exco had anticipated the re-engineering of powertrains several years ago and added manufacturing capacity in response. Although these programs have been delayed, Exco is confident that new engines and transmissions will be introduced and that this capacity will be in place once the OEMs' plans are finalized. In the past, lower automotive production volumes have frequently precipitated changes to powertrain. Exco, a technology leader in the production of die-cast moulds, is in an excellent position to win this business.

The extrusion technology business continued to grow during fiscal 2001. The trend towards consolidation among many of the Company's customers has created larger corporations that prefer to work with sophisticated, experienced suppliers such as Exco. These developments have helped to drive the Company's growth.

In addition to tooling, Exco now supplies peripheral extrusion equipment. These new complementary products provide manufacturing solutions to the Company's extrusion customers, whose most significant market is the construction industry. This market remained relatively strong through fiscal 2001 and the first quarter of fiscal 2002. Although a weaker economic environment often results in lower construction activity, Exco believes that by broadening its customer and product base it will be able to mitigate the impact of an economic slowdown on its extrusion technology business.

Automotive Systems

Exco's automotive systems segment supplies flexible restraint and storage systems and powdered metal cylinder liners. Several major contracts for flexible restraint and storage systems were awarded during the last half of fiscal 2001. This new business offset the reduction in volume experienced earlier in the year as the OEMs adjusted their inventory levels. It comprises both products for new vehicles and an increase in market share. Accordingly, we anticipate an increase in sales in fiscal 2002. Although there is no certainty as to future levels of North American automotive production, many industry observers are forecasting approximately 15 million vehicles in the current year, which should result in continued growth for Exco.

During fiscal 2001, Exco began construction of a facility in Morocco to supply flexible restraint and storage systems to the European market. Production will commence in January 2002. The potential market in Europe for these products is similar in size to that of North America, offering significant growth potential to the Company.

Barrier systems, which are installed between the passenger and cargo areas of sport utility vehicles and station wagons, prevent loose items from becoming dangerous projectiles during collisions. Exco is aggressively marketing these new products and anticipates strong demand in future years.

Conclusion

Exco's broad product line and strong customer base provide significant product and geographic diversification. The Company employs leading-edge technologies and is a world leader in its niche markets. As a result of its strong financial position and unique capabilities, Exco is confident that it can successfully weather an economic slowdown and that it is well positioned to achieve future profitable growth.

Information in the previous discussion relating to projected growth, changing market conditions, improvements in productivity and future results constitutes forward-looking statements. Actual results in future periods may differ materially from the forward-looking statements because of a number of risks and uncertainties, including but not limited to economic factors, industry cyclicality and the demand for the Company's technology, products and services. The Company disclaims any obligations to update any such factors or publicly announce the result of any revisions to any of the forward-looking statements contained herein to reflect future events or developments.

REPORTS TO SHAREHOLDERS

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying consolidated financial statements of Exco Technologies Limited and all the information in this annual report are the responsibility of management and have been approved by the Board of Directors.

The consolidated financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. Financial statements are not precise since they include certain amounts based on estimates and judgements. Management has determined such amounts on a reasonable basis in order to ensure that the consolidated financial statements are presented fairly, in all material respects. Management has prepared the financial information presented elsewhere in the annual report and has ensured that it is consistent with that in the consolidated financial statements.

The Company maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and that the Company's assets are appropriately accounted for and adequately safeguarded.

The Board of Directors is responsible for ensuring that management fulfils its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the consolidated financial statements. The Board carries out this responsibility principally through its Audit Committee. The Audit Committee is appointed by the Board, and a majority of its members are outside directors. The Committee meets periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy itself that each party is properly discharging its responsibilities and to review the annual report, the financial statements and the external auditors' report. The Committee reports its findings to the Board for consideration when approving the financial statements for issuance to the shareholders. The Committee also considers, for review by the Board and approval by the shareholders, the engagement or re-appointment of external auditors.

The consolidated financial statements have been audited by Ernst & Young LLP, the external auditors, in accordance with Canadian generally accepted auditing standards on behalf of the shareholders. Ernst & Young LLP has full and free access to the Audit Committee.

November 9, 2001
Exco Technologies Limited

AUDITORS' REPORT

We have audited the consolidated balance sheets of Exco Technologies Limited as at September 30, 2001 and 2000 and the consolidated statements of income and retained earnings and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at September 30, 2001 and 2000 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

Ernst & Young LLP

Chartered Accountants
Toronto, Canada
November 9, 2001

CONSOLIDATED BALANCE SHEETS

($000s) As at September 30

	2001	2000
ASSETS		
Current		
Accounts receivable	$ 44,004	$ 36,907
Inventories *(note 3)*	25,452	20,880
Prepaid expenses and deposits	2,135	1,131
Total current assets	71,591	58,918
Fixed assets *(notes 4 and 6)*	88,333	85,867
Goodwill, net of amortization of $1,006 (2000 – $62) *(note 2)*	38,025	31,295
	$ 197,949	$ 176,080
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Bank indebtedness *(note 5)*	$ 38,446	$ 36,363
Accounts payable and accrued liabilities	25,922	20,225
Income taxes payable *(note 8)*	1,770	1,037
Customer advance payments	12,087	9,013
Current portion of long-term debt *(note 6)*	177	871
Total current liabilities	78,402	67,509
Long-term debt *(note 6)*	970	1,022
Future income tax liabilities *(note 8)*	4,127	4,873
Total liabilities	83,499	73,404
Shareholders' Equity		
Share capital *(note 7)*	25,843	26,310
Retained earnings	84,584	74,865
Currency translation adjustment	4,023	1,501
Total shareholders' equity	114,450	102,676
	$ 197,949	$ 176,080

Commitments and contingencies (note 10)

See accompanying notes

On behalf of the Board:

Brian A. Robbins
Director,
President and
Chief Executive Officer

Helmut Hofmann
Director,
Chairman of
the Board

CONSOLIDATED STATEMENTS OF INCOME AND RETAINED EARNINGS

($000s) except for earnings per share. Years ended September 30

	2001	2000
Sales	**$ 184,133**	$ 118,070
Cost of sales and operating expenses before the following:	**118,213**	72,390
Selling, general and administrative	**28,907**	16,198
Loss on sale of fixed assets	**43**	84
Depreciation and amortization	**15,955**	12,651
Interest on long-term debt	**171**	78
Other interest expense (income)	**2,818**	(69)
	166,107	101,332
Income before income taxes	**18,026**	16,738
Provision for income taxes *(note 8)*		
Current	**4,952**	5,257
Future income taxes	**2,089**	1,171
	7,041	6,428
Net income for the year	**10,985**	10,310
Retained earnings, beginning of year	**74,865**	64,555
Excess of redemption price over stated value of common shares acquired and cancelled *(note 7)*	**(1,266)**	–
Retained earnings, end of year	**$ 84,584**	$ 74,865
Earnings per common share *(note 11)*		
Basic	**$ 0.55**	$ 0.52
Diluted	**$ 0.55**	$ 0.51

See accompanying notes

CONSOLIDATED STATEMENTS OF CASH FLOW

($000s) except per share amounts. Years ended September 30

	2001	2000
OPERATING ACTIVITIES		
Net income for the year	$ 10,985	$ 10,310
Add items not involving a current outlay of cash		
Depreciation and amortization	15,955	12,651
Future income taxes	2,089	1,171
Loss on sale of fixed assets	43	84
	29,072	24,216
Net change in non-cash working capital balances related to operations *(note 9)*	384	(4,117)
Cash provided by operating activities	29,456	20,099
FINANCING ACTIVITIES		
Increase in bank indebtedness	2,083	36,363
Decrease in long-term debt	(989)	(203)
Issue (repurchase) of share capital	(1,733)	1,213
Cash provided by (used in) financing activities	(639)	37,373
INVESTING ACTIVITIES		
Acquisition of subsidiary *(note 2)*	(17,393)	(50,075)
Cash acquired on acquisition of subsidiary *(note 2)*	2,641	1,450
Investment in fixed assets	(14,237)	(12,179)
Proceeds from sale of fixed assets	172	488
Cash used in investing activities	(28,817)	(60,316)
Decrease in cash	–	(2,844)
Cash, beginning of year	–	2,844
Cash, end of year	$ –	$ –
Cash per common share provided by operating activities before giving effect to net change in non-cash working capital balances related to operations *(note 11)*		
Basic	$ 1.47	$ 1.21
Diluted	$ 1.47	$ 1.21

See accompanying notes

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

($000s) except per share amounts. September 30, 2001

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles and include the accounts of Exco Technologies Limited's (the Company's) wholly-owned subsidiaries. All significant intercompany balances and transactions have been eliminated.

Accounting Policy Change – Earnings Per Share and Cash Per Common Share Provided by Operating Activities

In December 2000, the Canadian Institute of Chartered Accountants issued new accounting recommendations for the presentation and disclosure of basic and diluted earnings per share. Effective October 1, 2000, the Company adopted these new recommendations on a retroactive basis. The most significant change under the new recommendations is the use of the 'treasury stock method' instead of the 'imputed earnings approach' in computing diluted weighted average number of shares outstanding. Under the treasury stock method:

- exercise of options are assumed at the beginning of the period (or at the time of issuance, if later);
- the proceeds from exercise are assumed to be used to purchase common stock at the average market price during the period; and
- the incremental shares (the difference between the number of shares assumed issued and the number of shares assumed purchased) are included in the denominator of the diluted earnings per share computation.

The retroactive impact of adopting the new recommendations for the year ended September 30, 2000 was to increase diluted earnings per share by $0.01 and to reduce the average number of diluted shares outstanding by 1,173,380.
The impact on the current year was to increase diluted earnings per share by $0.02 and to reduce the average number of diluted shares outstanding by 1,555,264.

Inventories

Inventories are valued at the lower of cost and net realizable value, with cost being determined substantially on a first-in, first-out basis. Cost includes the cost of materials plus direct labour and the applicable share of manufacturing overhead.

Fixed Assets

Fixed assets are recorded at historical cost, net of related investment tax credits and accumulated depreciation and amortization. Expenditures for maintenance and repairs are charged to income as incurred. Fixed assets retired or otherwise disposed of and the related accumulated depreciation and amortization are removed from the accounts with the net gain or loss being included in income.

Depreciation and amortization are provided over the estimated useful lives of the fixed assets as follows:

Buildings	4% declining balance
Machinery and equipment	20% to 30% declining balance
Tools	25% straight-line
Leasehold improvements	straight-line over the terms of the leases

Goodwill

Goodwill, which represents the excess of the purchase price of the Company's interest in subsidiary companies over the fair value of the underlying net identifiable assets arising on acquisitions, is amortized over periods not exceeding 40 years. Goodwill is evaluated in each reporting period to determine if there were events or circumstances which would indicate a possible inability to recover the carrying amount. In doing so, the Company evaluates whether there has been a permanent impairment in the value of unamortized goodwill based on the estimated undiscounted cash flows of each business to which the goodwill relates.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

($000s) except per share amounts. September 30, 2001

Financial Instruments

Financial instruments recognized in the consolidated balance sheets comprise accounts receivable, bank indebtedness, accounts payable and accrued liabilities, income taxes payable, customer advance payments and long-term debt. The fair value of these instruments approximates their carrying value.

The Company also has forward foreign exchange sale contracts denominated in U.S. dollars. These contracts are used to hedge the Company's foreign exchange exposure inherent in sales in U.S. dollars. Foreign exchange contracts are negotiated with Canadian banks with credit ratings of R1 (mid) as determined by the Dominion Bond Rating Service. The Company does not anticipate non-performance by the banks, which are counterparties to these contracts.

Foreign Currency Translation

Monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars at exchange rates prevailing at the balance sheet dates. Revenue and expense transactions denominated in foreign currencies are translated at the rates of exchange prevailing at the dates of the transactions. All of the Company's foreign operations are self-sustaining. The assets and liabilities of foreign subsidiaries are translated using the exchange rates in effect at the balance sheet dates. Gains and losses arising from the translation of the Company's net investment in its foreign subsidiaries are deferred as a separate component of shareholders' equity.

Other gains and losses resulting from movements in exchange rates are reflected in the consolidated statements of income and retained earnings except for gains and losses on foreign exchange forward contracts used to hedge specific future foreign currency transactions. Gains or losses on these contracts are accounted for as a component of the related hedged transaction.

Revenue Recognition

Revenue from the sale of manufactured products is recognized upon product completion as follows:

- For large die-cast moulds and die-cast machines, upon completion of manufacturing of the mould or machine; and
- For extrusion and other tooling, and automotive systems products, upon shipment to customers.

Research and Development Expenditures

Research and development expenditures are expensed as incurred unless they meet generally accepted accounting principles for deferral.

Income Taxes

The Company follows the liability method of tax allocation for accounting for income taxes. Under the liability method of tax allocation, future tax assets and liabilities are determined based on differences between the financial reporting and tax bases of assets and liabilities and are measured using the substantively enacted tax rates and laws that will be in effect when the differences are expected to reverse.

Stock-based Compensation

No compensation expense is recognized for stock options granted under the Company's Stock Option Plan. Consideration paid by employees, directors and senior officers on the exercise of stock options is credited to share capital.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting periods. Actual amounts could differ from those estimates.

2. ACQUISITION OF SUBSIDIARY

Year Ended September 30, 2001

During the year, the Company purchased 100% of the outstanding shares of Techmire Ltd. ("Techmire"). Techmire designs and manufactures multi-slide die-casting machines for high precision components and services a variety of industries. Techmire also supplies tooling and turnkey systems related to these machines.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

($000s) except per share amounts. September 30, 2001

The Company's net investment was $14,752, including transaction costs of $575. This transaction was financed using the Company's operating lines. The acquisition has been accounted for using the purchase method and the results of operations are included in the Company's consolidated financial statements from December 21, 2000.

Net assets acquired at their assigned values are as follows:

Non-cash working capital	$ 4,210
Fixed assets	2,131
Future income taxes	151
Cash	2,641
Long-term debt (including current portion)	(243)
Net identifiable assets purchased	8,890
Goodwill upon acquisition	8,503
Purchase price	17,393
Less cash acquired	(2,641)
Net investment	$ 14,752

Year Ended September 30, 2000

Effective September 1, 2000, the Company purchased 100% of the outstanding shares of TecSyn International Inc. ("TecSyn"). TecSyn is a supplier of automotive restraint systems and a manufacturer of powdered metal engine cylinder liners. It has operations in the United States and Mexico.

The purchase price was $50,075, including transaction costs of $980 and restructuring costs of $454. This transaction was financed with a combination of existing cash resources and the Company's operating lines. The acquisition has been accounted for using the purchase method and the results of operations are included in the Company's consolidated financial statements from September 1, 2000.

Net assets acquired at their assigned values are as follows:

Non-cash working capital	$ 8,705
Fixed assets	8,670
Future income taxes	1,153
Cash	1,450
Long-term debt (including current portion)	(1,260)
Net identifiable assets purchased	18,718
Goodwill upon acquisition	31,357
Purchase price	50,075
Less cash acquired	(1,450)
Net investment	$ 48,625

3. INVENTORIES

	2001	2000
Raw materials	**$ 11,642**	$ 9,386
Work in process and finished goods	**13,810**	11,494
	$ 25,452	$ 20,880

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

($000s) except per share amounts. September 30, 2001

4. FIXED ASSETS

2001	Cost	Accumulated Depreciation & Amortization	Net Book Value
Land	$ 5,655	$ –	$ 5,655
Buildings	31,609	8,498	23,111
Machinery and equipment	165,698	107,494	58,204
Tools	4,126	3,548	578
Leasehold improvements	1,489	704	785
	$ 208,577	$ 120,244	$ 88,333

2000	Cost	Accumulated Depreciation & Amortization	Net Book Value
Land	$ 5,585	$ –	$ 5,585
Buildings	30,407	7,225	23,182
Machinery and equipment	146,191	89,749	56,442
Tools	3,740	3,157	583
Leasehold improvements	102	27	75
	$ 186,025	$ 100,158	$ 85,867

5. BANK INDEBTEDNESS

At September 30, 2001, the Company has available lines of credit totalling $82,628 (2000 – $62,000), of which $32,432 (2000 – $25,637) was unused and available. These operating lines are available in both U.S. and Canadian dollars at variable rates not exceeding prime rate, are unsecured and are due on demand. The prime rate in Canada at September 30, 2001 was 5.25% (2000 – 7.5%) and in the United States was 6.0% (2000 – 9.5%). In addition, under the terms of these credit agreements, the Company is permitted to make use of banker's acceptances to borrow at effective interest rates which are usually lower than those charged under the banks' lines of credit.

6. LONG-TERM DEBT

	2001	2000
U.S. mortgage payable	$ 1,025	$ 1,045
U.S. capital lease obligations	50	221
Canadian capital leases	72	–
Canadian mortgage payable	–	627
	1,147	1,893
Less current portion	177	871
Long-term portion	$ 970	$ 1,022

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

($000s) except per share amounts. September 30, 2001

The U.S. mortgage, secured by land and a building, bears interest at 8.7% and matures June 1, 2005. The monthly principal and interest payments on this loan are approximately U.S. $9 and are based on an amortization period of 10 years.

The U.S. capital lease bears interest at 5.95% and matures January, 2002. The monthly principal and interest payments are $15 and are based on an amortization period of three years.

The Canadian capital leases bear interest at rates varying from 6.25% to 10.95% and mature in 2003. The monthly principal and interest payments are $5 and are based on amortization periods of four and five years.

Total principal repayment requirements are as follows:

2002	$ 177
2003	116
2004	98
2005	756
	$ 1,147

7. SHARE CAPITAL

Authorized

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

Issued

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

	Common Shares	
	Number of Shares	Stated Value
Issued and outstanding at September 30, 1999	19,815,866	$ 25,097
Issued for cash under the Stock Option Plan	182,803	1,213
Issued and outstanding at September 30, 2000	19,998,669	26,310
Purchased and cancelled pursuant to normal course issuer bid	(354,700)	(467)
Issued and outstanding at September 30, 2001	19,643,969	$ 25,843

Stock Option Plan

The Company has a Stock Option Plan under which common shares may be acquired by employees, officers and directors of the Company. The following table shows the changes to stock options outstanding:

	2001		2000	
	Number of Options	**Weighted Average Exercise Price**	Number of Options	Weighted Average Exercise Price
Balance, beginning of year	**1,314,329**	**$ 7.42**	1,195,912	$ 7.22
Granted during the year	**298,476**	**$ 5.99**	229,246	$ 8.27
Exercised during the year	**–**	**–**	(73,500)	$ 5.75
Cancelled during the year	**(46,000)**	**$ 7.32**	(37,329)	$ 8.33
Balance, end of year	**1,566,805**	**$ 7.15**	1,314,329	$ 7.42

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

($000s) except per share amounts. September 30, 2001

The following table summarizes information about stock options outstanding at September 30, 2001:

	Options Outstanding			Options Exercisable	
Range of Exercise Prices	Number Outstanding	Weighted Average Remaining Contractual Life	Weighted Average Exercise Price	Number Exercisable	Weighted Average Exercise Price
$ 4.85 – $ 8.00	1,133,961	6.1 years	$ 6.34	601,855	$ 6.02
$ 8.01 – $ 10.83	432,844	5.4 years	$ 9.39	117,133	$ 10.12

The number of shares available for option at September 30, 2001 is 79,195 (2000 – 331,671).

Employee Stock Purchase Plan

The Company has an Employee Stock Purchase Plan. The plan allows employees to purchase shares annually through payroll deductions at a predetermined price. During 2001, payroll deductions were made supporting the purchase of a maximum of 138,839 shares at $6.81 per share. The purchase and payroll deductions with respect to these shares will be completed in the first quarter of fiscal 2002. Employees must decide annually whether or not they wish to purchase their shares. During 2001 no shares (2000 – 109,303) were issued under the terms of this plan.

Normal Course Issuer Bid

The Company received approval from The Toronto Stock Exchange for a normal course issuer bid for a 12-month period beginning on July 10, 2000. The Company's Board of Directors authorized the purchase of up to 1,188,258 common shares, less any common shares purchased for the Company's deferred profit sharing plan, representing approximately 5% of the Company's outstanding shares. To expiry on July 9, 2001, the Company purchased 354,700 shares for cancellation at a cost of $1,733. The cost to purchase the shares exceeded their stated value by $1,266. This excess has been charged against retained earnings.

Upon expiry of the July 10, 2000 bid, The Toronto Stock Exchange approved a subsequent bid for a 12-month period beginning on August 8, 2001. The Company's Board of Directors authorized the purchase of 982,198 common shares, less any common shares purchased for the Company's deferred profit sharing plan, representing approximately 5% of the Company's outstanding shares. During fiscal 2001, the Company did not purchase any shares pursuant to the August 8, 2001 bid.

8. INCOME TAXES

The Company's effective income tax rate is as follows:

	2001	
Income before income taxes	**$ 18,026**	**100.0%**
Income taxes at Canadian statutory rates	**$ 7,810**	**43.3%**
Manufacturing and processing deduction	**(1,622)**	**(9.0)**
Non-deductible goodwill amortization	**327**	**1.8**
Foreign rate differential	**217**	**1.2**
Other	**309**	**1.7**
	$ 7,041	**39.0%**

	2000	
Income before income taxes	$ 16,738	100.0%
Income taxes at Canadian statutory rates	$ 7,398	44.2%
Manufacturing and processing deduction	(1,506)	(9.0)
Other	536	3.2
	$ 6,428	38.4%

Cash outflows during the year for income taxes were $4,821 (2000 – $7,031).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

($000s) except per share amounts. September 30, 2001

Future income tax assets and liabilities consist of the following temporary differences:

	2001	2000
Assets		
Tax benefit of loss carryforwards	$ (843)	$ (678)
Items not deductible for tax purposes	(1,783)	–
Research and development expenditures	(435)	–
Liabilities		
Tax depreciation in excess of book depreciation	7,188	5,551
Net future income tax liabilities	$ 4,127	$ 4,873

Research and development expenditures:

The Company has accumulated research and development expenditures of $2,200, which have not been deducted for federal income tax purposes. The tax benefit pertaining to these expenditures have been recognized in the consolidated financial statements. These expenditures are available to reduce future taxable income and have an unlimited carry-forward period.

9. NET CHANGE IN NON-CASH WORKING CAPITAL BALANCES

The net (increase) decrease in non-cash working capital balances related to operations consists of the following:

	2001	2000
Accounts receivable	$ (2,708)	$ (8,029)
Prepaid expenses and deposits	(350)	(51)
Inventory	(1,448)	(300)
Accounts payable and accrued liabilities	(368)	2,596
Income taxes payable	2,210	(664)
Customer advance payments	2,254	2,331
Translation adjustment allocated to working capital	794	–
	$ 384	$ (4,117)

10. COMMITMENTS

Leases

The Company has commitments under long-term lease agreements for plant facilities and other operating leases expiring at various dates up to 2006. Future minimum annual lease payments are as follows:

2002	$ 2,842
2003	2,401
2004	1,892
2005	834
2006	832
	$ 8,801

Foreign Exchange Contracts

The Company has contracts to sell U.S. $13,900 (2000 – U.S. $700) over the next 24 months at rates varying from 1.47 to 1.59 (2000 – 1.47 to 1.48) Canadian dollar for each U.S. dollar sold. Management estimates that the closure of these contracts on September 30, 2001 would result in a loss of $214 (2000 – $18).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

($000s) except per share amounts. September 30, 2001

11. EARNINGS AND CASH PER COMMON SHARE PROVIDED BY OPERATING ACTIVITIES

The basic earnings and cash flow per share are calculated using the monthly weighted average number of common shares outstanding of 19,799,977 (2000 – 19,938,343). The effect of outstanding stock options on diluted weighted average shares outstanding was to increase the weighted average number of shares outstanding by 11,541 shares (2000 – 140,949).

12. SEGMENTED INFORMATION

Business Segments

The Company operates in two business segments: Casting and Extrusion Technology and Automotive Systems. The accounting policies followed in the operating segments are consistent with those outlined in note 1 of the Consolidated Financial Statements.

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

The Automotive Systems segment produces automotive restraint systems and powdered metal cylinder liners for sale to automotive manufacturers and Tier 1 suppliers (suppliers to automakers). It was acquired September 1, 2000 and therefore sales, depreciation and amortization, income before income taxes and fixed asset additions for this segment, shown in the following table, reflect one month of operations for the prior year ended September 30, 2000.

	2001			2000		
	Casting & Extrusion Technology	**Automotive Systems**	**Total**	Casting & Extrusion Technology	Automotive Systems (1 month)	Total
Sales	**$ 126,850**	**$ 57,283**	**$ 184,133**	$ 113,873	$ 4,197	$ 118,070
Depreciation & amortization	**$ 13,117**	**$ 2,838**	**$ 15,955**	$ 12,413	$ 238	$ 12,651
Segment income	**$ 14,371**	**$ 6,644**	**$ 21,015**	$ 16,383	$ 364	$ 16,747
Interest expense			**$ 2,989**			$ 9
Income before income taxes			**$ 18,026**			$ 16,738
Fixed asset additions	**$ 11,443**	**$ 2,794**	**$ 14,237**	$ 11,970	$ 209	$ 12,179
Total fixed assets, net	**$ 78,360**	**$ 9,973**	**$ 88,333**	$ 77,243	$ 8,624	$ 85,867
Goodwill additions	**$ 8,503**		**$ 8,503**	–	$ 31,357	$ 31,357
Goodwill	**$ 8,345**	**$ 29,680**	**$ 38,025**	–	$ 31,295	$ 31,295
Total assets	**$ 136,902**	**$ 61,047**	**$ 197,949**	$ 119,284	$ 56,796	$ 176,080

Geographic and Customer Information	**2001**	2000
Sales		
Canada	**$ 34,054**	$ 30,816
United States	**123,164**	76,718
Other	**26,915**	10,536
	$ 184,133	$ 118,070
Fixed assets and goodwill, net		
Canada	**$ 66,933**	$ 56,820
United States	**52,683**	54,581
Mexico	**6,035**	5,761
Morocco	**707**	–
	$ 126,358	$ 117,162

In 2001, sales to the Company's largest customer were 19% (2000 – 28%) of total sales.

BOARD OF DIRECTORS AND OFFICERS

DIRECTORS

1) **Helmut Hofmann**
Chairman of the Board of the Company
Chairman, Héroux-Devtek

2) **Geoff Hyland, B. Eng (Chem), MBA**
President and Chief Executive Officer
ShawCor

3) **Richard D. McGraw, B. Comm.**
President and Chief Executive Officer,
Vitran Corporation

4) **Brian A. Robbins, P. Eng.**
President and Chief Executive Officer
of the Company

5) **Brian J. Steck, MBA, CFA**
President
St. Andrews Financial Corporation

6) **Ralph Zarboni, B. Comm., FIM**
President,
Rossiter Ventures Corporation

Audrey E. Robbins,
Honorary Director
Co-founder of the Company

CORPORATE OFFICERS

Helmut Hofmann
Chairman of the Board

Brian A. Robbins
President and Chief Executive Officer

Scott E. Bond
Vice-President, Finance and Chief Financial Officer

Bonnie M. Cartwright
Vice-President, Business Development

Anne Himelfarb
Corporate Secretary

Jan M.Tesar
President, Casting Technologies

Gabriel Piccinin
President, Exco Extrusion Dies Division

Lawrence C. Robbins
President, Alu-Die Division

Paul H. Robbins
Vice-President

Stephen J. May
President, Techmire Ltd.

William P. Schroers
President, Polytech

PRINCIPAL BANKERS

The Bank of Nova Scotia
Markham, Ontario

TRANSFER AGENT AND REGISTRAR

CIBC Mellon Trust Company
320 Bay Street
P.O. Box 1
Toronto, Ontario
M5H 4A6
Shareholder Inquiries:
(416) 643-5500 or 1-800-387-0825

AUDITORS

Ernst & Young LLP
Chartered Accountants

STOCK LISTING

Toronto Stock Exchange (XTC)

CORPORATE OFFICE

Exco Technologies Limited
130 Spy Court, 2nd Floor
Markham, Ontario L3R 5H6
Telephone: (905) 477-3065
Fax: (905) 477-2449
E-mail: general@excocorp.com
Web: www.excocorp.com

2001 ANNUAL MEETING

The 2001 Annual Meeting of the Shareholders will be held at the Design Exchange, 234 Bay Street, Toronto, on Wednesday, January 23, 2002 at 4:30 p.m.

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EXCO TECHNOLOGIES LIMITED

130 Spy Court, 2nd Floor, Markham, Ontario L3R 5H6