



EXCO TECHNOLOGIES LIMITED

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Interim report
to the shareholders
for the three months ended
December 31, 2012

Note to reader:

The presentation for the Interim Consolidated Statements of Changes in Shareholders' Equity has been revised to conform to regulatory requirement by including the comparative information for the period from October 1, 2011 to December 31, 2011. Note 2 - Summary of Significant Accounting Policies to the interim report to the shareholders for the three months period ended December 31, 2012 has also been revised to include an unreserved statement of compliance with IAS 34 *Interim Financial Reporting*. There are no other changes in these financial statements.

EXCO TECHNOLOGIES LIMITED**INTERIM CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME**

(Unaudited)

(\$ in thousands, except for earnings per share)

	Three Months ended	
	December 31	
	2012	2011
Sales	\$58,686	\$58,486
Cost of sales before the following	41,137	41,794
Selling, general and administrative (notes 3 & 7)	7,236	7,151
Depreciation and amortization	2,065	2,093
Loss on disposal of property, plant and equipment	76	8
Interest (income) expense	(26)	18
	50,488	51,064
Income before income taxes	8,198	7,422
Provision for income taxes	2,411	2,136
Net income for the period	5,787	5,286
Other comprehensive income (loss)		
Net unrealized gain on derivatives designated as cash flow hedges (1) (note 7)	8	-
Unrealized gain (loss) on foreign currency translation (note 3)	1,254	(2,361)
	1,262	(2,361)
Comprehensive income	\$7,049	\$2,925
Earnings per common share		
Basic	\$0.14	\$0.13
Diluted	\$0.14	\$0.13
Weighted average number of common shares outstanding		
Basic	40,645	40,948
Diluted	40,972	41,080

(1) Cash flow hedges are comprised of MXP/USD collars, and are net of income tax payable of \$3 (2011 - nil) for the three months ended December 31, 2012.

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

