



EXCO TECHNOLOGIES LIMITED

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Unaudited Condensed Interim Report
to the shareholders
for the six months ended
March 31, 2015

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 six-month periods ended March 31, 2015 and 2014 have not been reviewed by the auditors of the Company.

EXCO TECHNOLOGIES LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Unaudited)
(\$ in thousands)

	As at March 31, 2015	As at September 30, 2014
ASSETS		
Current		
Cash	\$25,310	\$31,235
Accounts receivable	86,235	71,000
Unbilled revenue	19,941	11,113
Inventories	46,145	44,930
Prepaid expenses and deposits	2,602	2,745
Total current assets	180,233	161,023
Property, plant and equipment, net (note 4)	99,082	96,664
Intangible assets, net (note 5)	4,391	4,777
Goodwill	23,872	23,892
Deferred tax assets	4,553	4,276
	\$312,131	\$290,632
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Bank indebtedness	\$18,478	\$21,283
Trade accounts payable	36,591	37,301
Accrued payroll and taxes	6,598	7,181
Other accrued liabilities	9,462	9,529
Derivative instruments (note 6)	1,839	658
Provisions	1,527	1,733
Income taxes payable	3,389	1,258
Customer advance payments	1,833	894
Long-term debts - current portion	487	615
Total current liabilities	80,204	80,452
Long-term debts - long-term portion	1,010	1,504
Deferred tax liabilities	5,097	5,930
Total liabilities	86,311	87,886
Shareholders' Equity		
Share capital	49,821	48,788
Contributed surplus	3,071	3,138
Accumulated other comprehensive income	10,884	4,637
Retained earnings	162,044	146,183
Total shareholders' equity	225,820	202,746
	\$312,131	\$290,632

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

EXCO TECHNOLOGIES LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME
(Unaudited)

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

	Three months ended		Six months ended	
	March 31		March 31	
	2015	2014	2015	2014
Sales	\$125,484	\$82,437	\$245,381	\$146,382
Cost of sales before the following	96,121	60,966	189,350	106,662
Selling, general and administrative	9,493	9,040	19,272	16,321
Depreciation (note 4)	3,432	2,117	6,538	4,203
Amortization (note 5)	407	397	794	532
(Gain) loss on disposal of property, plant and equipment	(28)	22	(64)	(55)
Net interest expense	295	115	553	111
	109,720	72,657	216,443	127,774
Income before income taxes	15,764	9,780	28,938	18,608
Provision for income taxes (note 9)	4,892	2,327	8,428	4,415
Net income for the period	10,872	7,453	20,510	14,193
Other comprehensive income (loss)				
Items that may be reclassified to profit or loss in subsequent periods:				
Net unrealized (loss) gain on derivatives designated as cash flow hedges (1)	(267)	65	(824)	150
Unrealized gain on foreign currency translation	6,084	4,353	7,071	6,675
	5,817	4,418	6,247	6,825
Total comprehensive income	\$16,689	\$11,871	\$26,757	\$21,018
Earnings per common share				
Basic	\$0.26	\$0.18	\$0.49	\$0.34
Diluted	\$0.26	\$0.18	\$0.48	\$0.34
Weighted average number of common shares outstanding				
Basic	42,278	41,453	42,273	41,444
Diluted	42,622	41,904	42,615	41,851

(1) Net of income tax recoverable of \$92 and \$285 for the three- and six-month periods ended March 31, 2015, respectively (2014 - net of income tax payable of \$23 and \$52 for the three- and six-month periods ended March 31, 2014).

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

EXCO TECHNOLOGIES LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Unaudited)
(\$ in thousands)

	Accumulated other comprehensive income						
	Share capital	Contributed surplus	Retained earnings	Net unrealized loss on derivatives designated as cash flow hedges	Unrealized gain on foreign currency translation	Total accumulated other comprehensive income	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 (loss) income	-	-	-	(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 (loss) income	-	-	-	(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

	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, 2013	\$37,389	\$3,368	\$123,662	(\$388)	\$103	(\$285)	\$164,134
Net income for the period	-	-	6,740	-	-	-	6,740
Dividend paid (note 3)	-	-	(1,833)	-	-	-	(1,833)
Stock option expense	-	86	-	-	-	-	86
Issuance of share capital	219	(62)	-	-	-	-	157
Other comprehensive income	-	-	-	85	2,322	2,407	2,407
Balance, December 31, 2013	37,608	3,392	128,569	(303)	2,425	2,122	171,691
Net income for the period	-	-	7,453	-	-	-	7,453
Dividends paid (note 3)	-	-	(2,097)	-	-	-	(2,097)
Stock option expense	-	101	-	-	-	-	101
Issuance of share capital	9,324	(184)	-	-	-	-	9,140
Other comprehensive income	-	-	-	65	4,353	4,418	4,418
Balance, March 31, 2014	\$46,932	\$3,309	\$133,925	(\$238)	\$6,778	\$6,540	\$190,706

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

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

	Three months ended March 31		Six months ended March 31	
	2015	2014	2015	2014
OPERATING ACTIVITIES:				
Net income for the period	\$10,872	\$7,453	\$20,510	\$14,193
Add (deduct) items not involving a current outlay of cash				
Depreciation (note 4)	3,432	2,117	6,538	4,203
Amortization (note 5)	407	397	794	532
Stock-based compensation expense	451	164	683	444
Deferred income taxes	(345)	(137)	(998)	(69)
(Gain) loss on disposal of property, plant and equipment	(28)	22	(64)	(55)
	14,789	10,016	27,463	19,248
Net change in non-cash working capital (note 8)	(7,908)	6,239	(22,486)	2,340
Cash provided by operating activities	6,881	16,255	4,977	21,588
FINANCING ACTIVITIES:				
(Decrease) increase in bank indebtedness	(3,197)	14,028	(2,805)	19,713
Repayment of long-term debts	(265)	(464)	(622)	(464)
Dividend paid	(2,540)	(2,097)	(4,649)	(3,930)
Issuance of share capital	573	443	730	600
Cash (used in) provided by financing activities	(5,429)	11,910	(7,346)	15,919
INVESTING ACTIVITIES:				
Business acquisition, net of cash acquired	-	(17,348)	-	(17,348)
Purchase of property, plant and equipment (note 4)	(4,139)	(7,837)	(7,659)	(15,122)
Purchase of intangible assets (note 5)	(239)	(169)	(353)	(225)
Proceeds from disposal of property, plant and equipment	113	22	233	266
Cash used in investing activities	(4,265)	(25,332)	(7,779)	(32,429)
Effect of exchange rate changes on cash	3,193	620	4,223	2,517
Net increase (decrease) in cash during the period	380	3,453	(5,925)	7,595
Cash, beginning of period	24,930	30,214	31,235	26,072
Cash, end of period	\$25,310	\$33,667	\$25,310	\$33,667

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

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

(\$ in thousands, except per share amounts)

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 2014 Annual Report.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Company’s significant accounting policies are outlined below:

Statement of compliance

These unaudited condensed interim consolidated financial statements present the Company’s financial results of operations and financial position as at and for the three- and six-month periods ended March 31, 2015 and have been prepared in accordance with International Accounting Standard (“IAS”) 34, *Condensed Financial Reporting*. The accounting policies used in preparing these unaudited condensed interim consolidated financial statements are consistent with those used in the preparation of the 2014 audited annual consolidated financial statements.

These unaudited condensed interim consolidated financial statements should be read in conjunction with the Company’s 2014 audited annual consolidated financial statements. The unaudited condensed interim consolidated financial statements and accompanying notes for the three- and six-month periods ended March 31, 2015 were authorized for issue by the Board of Directors on April 22, 2015.

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 has the power, directly or indirectly, to govern the financial and operating policies of the entity so as to obtain benefits from its activities. 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 significant intercompany transactions and balances have been eliminated.

Accounting standards adopted in the current period

IAS 19 *Employee Benefits*

Defined Benefit Plans: Employee Contributions was issued in November 2013 to amend IAS 19. These amendments simplify the accounting for contributions to defined benefit plans and are effective for annual periods beginning on or after July 1, 2014; however, the Company has adopted them early starting October 1, 2014. The adoption of IAS 19 did not have an impact on the Company’s condensed interim consolidated financial statements.

IAS 32 *Financial Instruments: Presentation*

Amendments to IAS 32 were issued in December 2011 to clarify the existing requirements for offsetting financial assets and financial liabilities. These amendments became effective for annual periods beginning on or after January 1, 2014. The adoption of this standard did not have an impact on the Company’s condensed interim consolidated financial statements.

IFRS 9 *Financial Instruments*

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; however, the Company has adopted it early starting October 1, 2014. The adoption of IFRS 9 did not have an impact on the Company’s condensed interim consolidated financial statements.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

(\$ in thousands, except per share amounts)

International Financial Reporting Standards Interpretations Committee Interpretation 21 *Levies* (“IFRIC 21”) IFRIC 21 was issued in May 2013 to address various accounting issues relating to levies imposed by a government. This interpretation became effective for annual periods beginning on or after January 1, 2014. The adoption of this standard did not have an impact on the Company’s condensed interim consolidated financial statements.

Accounting standards issued but not yet applied

The following standards are not yet effective for the period ended March 31, 2015. The Company is in the process of reviewing the standards to determine the impact on the condensed interim consolidated financial statements.

IAS 16 *Property, Plant and Equipment* and IAS 38 *Intangibles*

In May 2014, the International Accounting Standards Board (“IASB”) issued amendments to IAS 16 and IAS 38, prohibiting the use of revenue based depreciation for property, plant and equipment and significantly limiting the use of revenue based amortization for intangible assets. These amendments are effective for annual periods beginning on or after January 1, 2016, which will be October 1, 2016 for the Company, and is to be applied prospectively.

IFRS 15 *Revenue from Contracts with Customers*

IFRS 15 was issued in May 2014, replacing IAS 11 *Construction Contracts*, IAS 18 *Revenue Recognition*, IFRIC 13 *Customer Loyalty Programmes*, IFRIC 15 *Agreements for the Construction of Real Estate*, IFRIC 18 *Transfer of Assets from Customers*, and Standard Interpretations Committee (“SIC”) 31 *Revenue – Barter Transactions Involving Advertising Services*. IFRS 15 provides a single, principles-based five-step model that will apply to all contracts with customers with limited exceptions. In addition to the five-step model, the standard specifies how to account for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. The incremental costs of obtaining a contract must be recognized as an asset if the entity expects to recover these costs. The standard’s requirements will also apply to the recognition and measurement of gains and losses on the sale of some non-financial assets that are not an output of the entity’s ordinary activities. IFRS 15 is required for annual periods beginning on or after January 1, 2017, which will be October 1, 2017 for the Company. Early adoption is permitted.

3. CASH DIVIDEND

During the six-month period ended March 31, 2015, the Company paid quarterly cash dividends of \$4,649 (2014 - \$3,930). The quarterly dividend rate increased in the second quarter to \$0.06 per common share from \$0.05 per common share (2014 - \$0.05).

4. PROPERTY, PLANT AND EQUIPMENT

	Machinery and equipment	Tools	Buildings	Land	Assets under construction	Total
Cost						
Balance as at September 30, 2014	\$164,932	\$18,364	\$57,318	\$8,976	\$5,965	\$255,555
Additions						
Assets acquired	1,483	790	525	-	4,861	7,659
Reclassifications	5,544	423	127	-	(6,094)	-
Less: disposals	(1,298)	(216)	-	-	-	(1,514)
Foreign exchange movement	3,913	843	1,305	109	(43)	6,127
Balance as at March 31, 2015	\$174,574	\$20,204	\$59,275	\$9,085	\$4,689	\$267,827

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, 2014	\$120,677	\$13,483	\$24,731	\$-	\$-	\$158,891
Depreciation for the period	4,508	909	1,121	-	-	6,538
Less: disposals	(1,212)	(133)	-	-	-	(1,345)
Foreign exchange movement	3,054	714	893	-	-	4,661
Balance as at March 31, 2015	\$127,027	\$14,973	\$26,745	\$-	\$-	\$168,745
Carrying amounts						
As at September 30, 2014	\$44,255	\$4,881	\$32,587	\$8,976	\$5,965	\$96,664
As at March 31, 2015	\$47,547	\$5,231	\$32,530	\$9,085	\$4,689	\$99,082

5. INTANGIBLE ASSETS

	Computer software and other	Customer relationships	Total
Cost			
Balance as at September 30, 2014	\$23,384	\$3,500	\$26,884
Additions			
Assets acquired	353	-	353
Foreign exchange movement	265	-	265
Balance as at March 31, 2015	\$24,002	\$3,500	\$27,502
Accumulated amortization and impairment losses			
Balance as at September 30, 2014	\$21,699	\$408	\$22,107
Amortization for the period	444	350	794
Foreign exchange movement	210	-	210
Balance as at March 31, 2015	\$22,353	\$758	\$23,111
Carrying amounts			
As at September 30, 2014	\$1,685	\$3,092	\$4,777
As at March 31, 2015	\$1,649	\$2,742	\$4,391

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

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

(\$ 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, receivables, unbilled revenue, payables, accrued liabilities 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 dates of the condensed interim consolidated statements of financial position. The following tables present the Company's fair value hierarchy for those financial assets and financial liabilities carried as at March 31, 2015 and September 30, 2014:

	March 31, 2015		September 30, 2014	
	Carrying Amount of Asset (Liability)	Fair Value of Asset (Liability)	Carrying Amount of Asset (Liability)	Fair Value of Asset (Liability)
Cash	\$25,310	\$25,310	\$31,235	\$31,235
Bank indebtedness	(\$18,478)	(\$18,478)	(\$21,283)	(\$21,283)
Derivative instruments	(\$1,839)	(\$1,839)	(\$658)	(\$658)
Long-term debts	(\$1,497)	(\$1,497)	(\$2,119)	(\$2,119)

	Carrying Amount of Asset (Liability) as at March 31, 2015	Fair Value Measurements at Reporting Date Using:		
		Quoted Market Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash	\$25,310	\$25,310	-	-
Bank indebtedness	(\$18,478)	(\$18,478)	-	-
Derivative instruments	(\$1,839)	-	(\$1,839)	-
Long-term debts	(\$1,497)	(\$1,497)	-	-

	Carrying Amount of Asset (Liability) as at September 30, 2014	Fair Value Measurements at Reporting Date Using:		
		Quoted Market Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash	\$31,235	\$31,235	-	-
Bank indebtedness	(\$21,283)	(\$21,283)	-	-
Derivative instruments	(\$658)	-	(\$658)	-
Long-term debts	(\$2,119)	(\$2,119)	-	-

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

(\$ in thousands, except per share amounts)

7. 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.

Three Months Ended March 31, 2015				
	Casting and Extrusion	Automotive Solutions	Corporate	Total
Sales	\$52,781	\$76,790	\$-	\$129,571
Intercompany sales	(3,904)	(183)	-	(4,087)
Net sales	48,877	76,607	-	125,484
Depreciation	2,585	840	7	3,432
Amortization	133	274	-	407
Segment income (loss) before interest and income taxes	9,073	8,678	(1,692)	16,059
Net interest expense				(295)
Income before income taxes				15,764
Property, plant and equipment additions	3,869	261	9	4,139
Property, plant and equipment, net	78,681	19,231	1,170	99,082
Intangible asset additions	210	29	-	239
Intangible assets, net	1,383	3,008	-	4,391
Goodwill, net	302	23,570	-	23,872
Total assets	178,970	131,236	1,925	312,131
Total liabilities	\$25,962	\$54,556	\$5,793	\$86,311

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

(\$ in thousands, except per share amounts)

Three Months Ended March 31, 2014				
	Casting and Extrusion	Automotive Solutions	Corporate	Total
Sales	\$40,298	\$42,653	\$-	\$82,951
Intercompany sales	(445)	(69)	-	(514)
Net sales	39,853	42,584	-	82,437
Depreciation	1,852	256	9	2,117
Amortization	55	342	-	397
Segment income (loss)	5,896	6,126	(2,127)	9,895
Net interest expense				(115)
Income before income taxes				9,780
Property, plant and equipment additions	7,554	212	71	7,837
Property, plant and equipment acquired through business acquisition	-	6,437	-	6,437
Property, plant and equipment, net	71,909	21,671	1,173	94,753
Intangible assets acquired	169	-	-	169
Intangible assets acquired through business acquisition	-	342	-	342
Intangible assets, net	955	413	-	1,368
Goodwill acquired through business acquisition	-	24,057	-	24,057
Goodwill, net	378	24,057	-	24,435
Total assets	143,222	90,854	47,986	282,062
Total liabilities	\$15,910	\$48,707	\$26,739	\$91,356

Six Months Ended March 31, 2015				
	Casting and Extrusion	Automotive Solutions	Corporate	Total
Sales	\$101,459	\$149,452	\$-	\$250,911
Intercompany sales	(5,193)	(337)	-	(5,530)
Net sales	96,266	149,115	-	245,381
Depreciation (note 4)	4,797	1,728	13	6,538
Amortization (note 5)	253	541	-	794
Segment income (loss)	16,501	16,465	(3,475)	29,491
Net interest expense				(553)
Income before income taxes				28,938
Property, plant and equipment additions (note 4)	6,766	843	50	7,659
Property, plant and equipment, net (note 4)	78,681	19,231	1,170	99,082
Intangible assets acquired (note 5)	324	29	-	353
Intangible assets, net (note 5)	1,383	3,008	-	4,391
Goodwill, net	302	23,570	-	23,872
Total assets	178,970	131,236	1,925	312,131
Total liabilities	\$25,962	\$54,556	\$5,793	\$86,311

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

(\$ in thousands, except per share amounts)

Six Months Ended March 31, 2014				
	Casting and Extrusion	Automotive Solutions	Corporate	Total
Sales	\$79,740	\$67,822	\$-	\$147,562
Intercompany sales	(923)	(257)	-	(1,180)
Net sales	78,817	67,565	-	146,382
Depreciation	3,491	696	16	4,203
Amortization	184	348	-	532
Segment income (loss)	11,770	10,551	(3,602)	18,719
Net interest expense				(111)
Income before income taxes				18,608
Property, plant and equipment additions	14,568	483	71	15,122
Property, plant and equipment acquired through business acquisition	-	6,437	-	6,437
Property, plant and equipment, net	71,909	21,671	1,173	94,753
Intangible assets acquired	225	-	-	225
Intangible assets acquired through business acquisition	-	342	-	342
Intangible assets, net	955	413	-	1,368
Goodwill acquired through business acquisition	-	24,057	-	24,057
Goodwill, net	378	24,057	-	24,435
Total assets	143,222	90,854	47,986	282,062
Total liabilities	\$15,910	\$48,707	\$26,739	\$91,356

8. NET CHANGE IN NON-CASH WORKING CAPITAL

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

Six Months Ended March 31		
	2015	2014
Accounts receivable	(\$15,077)	(\$2,676)
Unbilled revenue	(8,791)	(16)
Inventories	(1,169)	(3,394)
Prepaid expenses and deposits	421	1,327
Trade accounts payable	(755)	6,114
Accrued payroll and taxes	(612)	(1,083)
Other accrued liabilities	992	79
Derivative instruments	1,181	(202)
Provisions	(1,733)	(131)
Customer advance payments	927	296
Income taxes payable	2,130	2,026
	(\$22,486)	\$2,340

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

(\$ in thousands, except per share amounts)

9. INCOME TAXES

Consolidated effective income tax rate for the six-month period ended March 31, 2015 was 29.1% (six-month period ended March 31, 2014 - 23.7%). Higher effective tax rate in the current period was mainly impacted by proportionately higher earnings in high tax jurisdictions (Canada and USA) and withholding taxes paid on the repatriations of surpluses from subsidiaries.

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 5,202 people and service a diverse and broad customer base.

Telephone: 905-477-3065

Fax: 905-477-2449

Web: www.excocorp.com

TORONTO STOCK EXCHANGE LISTING

XTC

DIRECTORS

Laurie T.F. Bennett, Chairman

Edward H. Kernaghan

Nicole A. Kirk

Robert B. Magee

Philip B. Matthews

Brian A. Robbins, President and CEO

Peter van Schaik

CORPORATE OFFICERS

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President and CEO

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