Interim report
to the shareholders
for the six months
ended March 31, 2002

TO OUR SHAREHOLDERS:

	Six Months Ended	
	Mar 31, 2002	Mar 31, 2001
	($ in thousands except per share amounts)	
Sales	**$101,556**	$85,629
Net income	**$6,467**	$3,968
Cash flow	**$13,780**	$12,445
EBITDA	**$18,820**	$16,341
Basic earnings per share	**$0.33**	$0.20
Diluted earnings per share	**$0.32**	$0.20
Diluted cash flow per share	**$0.69**	$0.63
Shares outstanding	**19,662,000**	19,645,000

Earnings per share of $0.20 for the quarter sets a new record for the Company and is 67% higher than the prior period quarter. For the six month period, earnings per share of $0.32 is 60% higher than the prior year. These are outstanding results, particularly in view of the current economic environment. Exco's broad technological product line and strong customer base provide product and geographic diversification. These factors have supported Exco's significant earnings growth.

Sales in the quarter increased by 20% over the prior year quarter to $55.3 million and by 19% for the six month period to $101.6 million. Sales in both of Exco's business segments increased.

Construction of the Company's facility in Morocco to supply the European market with component and systems for automotive interiors is essentially complete and manufacturing has commenced. The European market offers Exco an exciting growth opportunity.

Exco recently announced a contract to supply a North American OEM with components and systems for automotive interiors. This contract, $11 million annually, demonstrates Exco's ability to diversify its product line for automotive interiors and opens substantial growth opportunities.

In addition to these opportunities, the trend toward the installation of barrier nets in open cargo area vehicles such as SUVs and station wagons presents significant growth potential for Exco. Barrier nets prevent cargo from becoming a dangerous projectile in a collision. Effective September 2002, European standards will require that new open cargo area vehicles be equipped with barrier nets. Considering these developments, we are pleased that we were recently awarded a contract to supply barrier nets to a North American OEM. This contract is largely a function of our engineering strength, our expanded facilities and our ability to compete in this product area. Given the number of open cargo area vehicles manufactured in North America and Europe, the market potential is thought to be considerable.

The desirable attributes of magnesium, particularly its lightness, strength and radio frequency shielding properties, make it attractive to the electronics industry. In recognition of this potential, we have developed a magnesium die-cast machine, employing our patented die-cast technology, and are working with a customer to refine it. We expect to embark on a worldwide rollout of this technology in the near future. The anticipated volume should result in exponential growth for this product line.

Economic recovery appears to be underway and we expect to be a significant beneficiary. Investment in manufacturing capacity and technology, and a unique management structure, position Exco for continuous strong growth.

"Brian A. Robbins"

Brian A. Robbins
April 30, 2002 President and Chief Executive Officer

The following is management's interim discussion and analysis of operations and financial position and should be used in conjunction with the consolidated financial statements and Management's Discussion and Analysis included in the Company's 2001 Annual Report.

Management's Discussion and Analysis

Operating Results

Sales were $101.6 million for the six months ended March 31, 2002, an increase of $15.9 million as compared to the same period in fiscal 2001. Sales for the quarter ended March 31, 2002 were $55.3 million, an increase of $9.2 million as compared to the three month period ended March 31, 2001.

The Automotive Systems segment reported sales of $34.1 million in the six month period and $18.0 million for the quarter, an increase of 44% and 53% respectively for the same periods in the prior fiscal year. The increase in revenue in this segment is attributable to both new contract awards and more stable OEM production volumes. The Casting and Extrusion Technology segment reported sales of $67.5 million in the six month period and $37.3 million for the quarter, an increase of 9% for both the six month period and for the quarter. Tooling sales were higher during the period. In addition, Techmire's revenues were included for six months as compared to three months in the prior year period. It was acquired effective for the second quarter in the prior year.

For the quarter and for the six month period, gross margin was 35% and is consistent with the prior year periods.

The increase in selling, general and administrative costs is a result of higher profit sharing costs and higher selling and promotion costs, reflective of the increase in sales. In addition, the prior year period did not include the Company's start-up operation in Morocco and included Techmire for three months as compared to six months in the current period.

Depreciation expense was lower by 10% for the quarter and 9% for the six month period. This reduction reflects the change in accounting policy regarding the amortization of goodwill, as described in note 1 to the consolidated financial statements and lower depreciation expense in certain of Exco's more mature operations. These changes were partly offset by the inclusion of Techmire's depreciation expense.

In conjunction with the above mentioned accounting policy change, the Company recorded an impairment loss of $2 million, charged to retained earnings, with respect to goodwill associated with the Company's investment in TecSyn PMP, Inc.

Interest expense for the six month period of $724 thousand has declined from $1.6 million in the prior year as a result of a reduction in Exco's total debt and a decline in interest rates as compared to the prior year period. Exco's total debt at quarter end was $33.9 million as compared to $47.1 million in the comparative prior year period.

Financial Resources, Liquidity and Capital Resources

Cash flow from operations for six months, before changes in non-cash working capital, was $13.8 million as compared to $12.4 million in the prior year period and $7.6 million in the quarter compared to $6.8 million in the prior year quarter. The increase reflects higher net income offset by a decline in non-cash charges (depreciation and future income taxes).

The net investment in fixed assets for six months totalled $8.1 million as compared to $5.5 million in the prior year period. Fixed asset additions in the current period include $2.5 million relating to construction costs and equipment for the new Moroccan facility. Cash flow from operations exceeded the net investment in fixed assets by $5.7 million and the Company was net cash flow positive.

Exco's financial position remains strong and, at quarter end, the total debt to equity ratio was .28:1 with total borrowings of $33.9 million as compared to .35:1 with borrowings of $39.6 million at year end.

Outlook

As described in Management's Discussion and Analysis included in Exco's 2001 Annual Report, the Company believes that its unique technical capabilities, broad product line and strong customer base coupled with its strong financial position, will likely mitigate the effects of any economic slowdown. More recently, economic data suggests that the economy is improving. As a result of these factors, the Company remains optimistic for the balance of the year.

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.

EXCO TECHNOLOGIES LIMITED

BALANCE SHEETS (unaudited)

	Mar 31, 2002	Sept 30, 2001
ASSETS		
Current		
Accounts receivable	**$ 42,194**	$ 44,004
Inventories	**26,777**	25,452
Prepaid expenses and deposits	**1,615**	2,135
Total Current Assets	**70,586**	71,591
Fixed assets	**89,458**	88,333
Goodwill	**36,025**	38,025
	$ 196,069	$ 197,949
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Bank indebtedness	**$ 32,873**	$ 38,446
Accounts payable and accrued liabilities	**23,491**	25,922
Income taxes payable	**4,221**	1,770
Customer advance payments	**10,780**	12,087
Current portion of long-term debt	**128**	177
Total Current Liabilities	**71,493**	78,402
Long-term debt	**911**	970
Future income taxes	**4,213**	4,127
Total Liabilities	**76,617**	83,499
Shareholders' Equity		
Share capital	**25,978**	25,843
Retained earnings	**89,051**	84,584
Currency translation adjustment	**4,423**	4,023
Total Shareholders' Equity	**119,452**	114,450
	$ 196,069	$ 197,949

EXCO TECHNOLOGIES LIMITED
CONSOLIDATED STATEMENTS OF INCOME AND RETAINED EARNINGS
(unaudited)
($ in thousands except per share amounts)

	3 Months ended March 31		6 Months ended March 31	
	2002	2001	2002	2001
Sales	$ **55,338**	$ 46,118	$ **101,556**	$ 85,629
Cost of sales and operating expenses before the following	**36,005**	29,902	**66,294**	55,998
Depreciation and amortization	**3,709**	4,143	**7,379**	8,078
Selling, general and administrative	**8,761**	7,009	**16,594**	13,250
Loss (gain) on sale of fixed assets	**(152)**	40	**(152)**	40
Interest on long-term debt	**25**	20	**49**	62
Other interest	**295**	844	**675**	1,502
	48,643	41,958	**90,839**	78,930
Income before income taxes	**6,695**	4,160	**10,717**	6,699
Provision for income taxes	**2,688**	1,730	**4,250**	2,731
Net income for the period	$ **4,007**	$ 2,430	$ **6,467**	$ 3,968
Retained earnings, beginning of period	**87,044**	76,403	**84,584**	74,865
Goodwill impairment loss (Note1)	**(2,000)**		**(2,000)**	
Excess of redemption price over stated value of common shares acquired and cancelled.	**0**	(925)	**0**	(925)
Retained earnings, end of period	**89,051**	77,908	**89,051**	77,908
Earnings per common share				
- Basic	$ **0.20**	$ 0.12	$ **0.33**	$ 0.20
- Diluted	$ **0.20**	$ 0.12	$ **0.32**	$ 0.20

EXCO TECHNOLOGIES LIMITED
CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)
($ in thousands except per share amounts)

	3 Months ended March 31 2002	3 Months ended March 31 2001	6 Months ended March 31 2002	6 Months ended March 31 2001
OPERATING ACTIVITIES:				
Net income for the period	$ **4,007**	$ 2,430	$ **6,467**	$ 3,968
Add items not involving a current outlay of cash:				
Depreciation and amortization	**3,709**	4,143	**7,379**	8,078
Future income taxes	**36**	182	**86**	359
Loss (gain) on sale of fixed assets	**(152)**	40	**(152)**	40
	7,600	6,795	**13,780**	12,445
Net change in non-cash working capital balances related to operations	**(1,532)**	(5,348)	**(107)**	509
Cash provided by operating activities	**6,068**	1,447	**13,673**	12,954
FINANCING ACTIVITIES:				
Increase (decrease) in bank indebtedness	**(2,660)**	2,755	**(5,573)**	8,762
Decrease in long-term debt	**(58)**	(112)	**(108)**	(182)
Issue of (purchase of) share capital	**135**	(1,262)	**135**	(1,262)
Cash provided by financing activities	**(2,583)**	1,381	**(5,546)**	7,318
INVESTING ACTIVITIES:				
Acquisition of subsidiary	**-**	-	-	(17,393)
Cash acquired on acquisition of subsidiary	**-**	-	-	2,641
Investment in fixed assets	**(3,714)**	(2,882)	**(8,368)**	(5,610)
Proceeds on sale of fixed assets	**229**	54	**241**	90
Cash used in investing activities	**(3,485)**	(2,828)	**(8,127)**	(20,272)
Decrease in cash during the period	**0**	0	**0**	0
Cash, beginning of the period	**0**	0	**0**	0
Cash, end of the period	$ **0**	$ 0	$ **0**	$ 0
Cash per common share provided by operating activities before giving effect to net change in non-cash working capital - Basic	$ **0.39**	$ 0.35	$ **0.70**	$ 0.63
- Diluted	$ **0.38**	$ 0.35	$ **0.69**	$ 0.63

EXCO TECHNOLOGIES LIMITED
NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS
($ 000's except per share amounts)
March 31, 2002

1. ACCOUNTING POLICIES

Basis of Presentation

These interim consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles and follow the same accounting principles and methods of application as the most recent annual consolidated financial statements with the exception of the change in accounting for goodwill described below. The interim consolidated financial statements should be read in conjunction with the Company's annual consolidated financial statements included in the 2001 Annual Report.

Accounting Policy Change

(i) Goodwill Amortization

In September 2001, the Canadian Institute of Chartered Accountants issued new accounting recommendations requiring that goodwill not be amortized. Instead, it must be tested annually for recording of an impairment loss if required. Effective October 1, 2001, the Company is following the guidelines with respect to the adoption of the new recommendations. Goodwill was not amortized in the period. As a result, net income is higher by $249 and earnings per share by $0.01 for the quarter and $498 and $0.02 respectively for the six month period as compared to net income and earnings per share that would have been recorded before the change in accounting policy. The prior period has not been restated and, accordingly, net income and earnings per share in the prior period quarter are lower by $249 and $0.01 respectively and by $445 and $0.02 for the six month period.

(ii) Goodwill Impairment Tests

During the quarter, the Company completed the impairment tests for goodwill and concluded that an impairment loss be recorded with respect to its subsidiary, TecSyn PMP, Inc., a manufacturer of powdered metal cylinder liners and included in the Automotive Systems segment. Impairment tests of the Company's other operations concluded that no other impairment losses have occurred. The Company's total investment in this subsidiary was $5 million and an impairment loss of $2 million has been recorded as a reduction in the carrying value of goodwill and a charge to retained earnings.

(ii) Goodwill Impairment Tests (cont'd)
Goodwill in the Automotive Systems segment has been reduced by $2 million to $27,680 as a result of recording the impairment loss. Goodwill recorded in the Casting and Extrusion Technology segment is $8,345 and is unchanged from September 30, 2001.

2. SEGMENTED INFORMATION

Business Segments
The Company operates in two business segments: Casting and Extrusion Technology and Automotive Systems. 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). The accounting policies followed in the operating segments are consistent with those outlined in Note 1 of the Annual Consolidated Financial Statements except as described in Note 1 above.

3 Months ended
March 31, 2002

	Casting & Extrusion Technology	Automotive Systems	Total
Sales	$37,370	$17,968	$55,338
Depn & amort	$3,166	$543	$3,709
Segment Income	$4,070	$2,945	$7,015
Interest expense			$320
Income before income taxes			$6,695
Fixed asset additions	$2,393	$1,321	$3,714
Total fixed assets, net	$76,928	$12,530	$89,458
Goodwill	$8,345	$27,680	$36,025
Total assets	$135,750	$60,319	$196,069

3 Months ended
March 31, 2001

	Casting & Extrusion Technology	Automotive Systems	Total
Sales	$34,394	$11,724	$46,118
Depn & amort	$3,418	$725	$4,143
Segment Income	$4,903	$121	$5,024
Interest expense			$864
Income before income taxes			$4,160
Fixed asset additions	$2,201	$681	$2,882
Total fixed assets, net	$78,084	$8,994	$87,078
Goodwill	$8,449	$30,920	$39,369
Total assets	$129,220	$58,570	$187,790

	6 Months ended March 31, 2002		
	Casting & Extrusion Technology	Automotive Systems	Total
Sales	$67,474	$34,082	$101,556
Depn & amort	$6,322	$1,057	$7,379
Segment Income	$6,915	$4,526	$11,441
Interest expense			$724
Income before income taxes			$10,717
Fixed asset additions	$4,979	$3,389	$8,368
Total fixed assets, net	$76,928	$12,530	$89,458
Goodwill	$8,345	$27,680	$36,025
Total assets	$135,750	$60,319	$196,069

	6 Months ended March 31, 2001		
	Casting & Extrusion Technology	Automotive Systems	Total
Sales	$61,997	$23,632	$85,629
Depn & amort	$6,602	$1,476	$8,078
Segment Income	$7,830	$433	$8,263
Interest expense			$1,564
Income before income taxes			$6,699
Fixed asset additions	$4,585	$1,025	$5,610
Total fixed assets, net	$78,084	$8,994	$87,078
Goodwill	$8,449	$30,920	$39,369
Total assets	$129,220	$58,570	$187,790

3. 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 August 8, 2001. The Company's Board of Directors authorized the purchase of up to 982,198 common shares, representing approximately 5% of the Company's outstanding shares, less any common shares purchased pursuant to the Company's deferred profit sharing plan. To March 31, 2002, the Company has not purchased any shares for cancellation.

5 YEAR FINANCIAL HIGHLIGHTS

As at September 30,

	2001	2000	1999	1998	1997
	($ in thousands except per share amounts)				
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	0:01	.26:1	.15:1
Capital Expenditures	**$14,065**	$11,691	$8,669	$26,155	$21,469
Acquisitions	**$14,752**	$48,625	$0	$0	$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.

DIRECTORS

Helmut Hofmann
Chairman

Geoffrey F. Hyland

Richard D. McGraw

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

Brian J. Steck

Ralph Zarboni

EXCO TECHNOLOGIES LIMITED

Exco Technologies Limited is a world-leading manufacturer of highly engineered tools and machinery for the die-casting and extrusion industries. The Company also designs and supplies precision components and systems for automotive interiors. Exco employs 1,800 skilled employees at 12 facilities in Canada, United States, Mexico and Morocco.

The Toronto Stock Exchange Listing
XTC

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EXCO