TO OUR SHAREHOLDERS

	6 Months Ended March 31		3 Months Ended March 31	
	2003	2002	**2003**	2002
Sales	**$110,564**	$101,556	**$55,933**	$55,338
Net income	**$8,485**	$6,467	**$4,898**	$4,007
Basic earnings per share	**$0.21**	$0.16	**$0.12**	$0.10
Diluted earnings per share	**$0.21**	$0.16	**$0.12**	$0.10
EBITDA	**$21,621**	$18,820	**$11,978**	$10,724
Cash flow from operations	**$15,796**	$13,780	**$8,513**	$7,600
Diluted cash flow per share	**$0.38**	$0.35	**$0.20**	$0.19
Common shares outstanding	**40,136,000**	39,324,000	**40,136,000**	39,324,000

Despite current market conditions, Exco's financial performance continued to improve and this quarter represented the eighth consecutive quarter where net income was higher than the prior year quarter. At $0.12, earnings per share were 20% higher than the comparative quarter in the prior year. For the six month period, at $0.21, earnings per share were 31% higher. This improvement is attributable to the Automotive Solutions segment where both strong organic growth and the NeoCon acquisition, at the beginning of the fiscal year, resulted in higher profits.

Automotive Solutions

During the quarter, the Company further improved its growth prospects. Bantech Lasing, located in London, Ontario, was acquired February 3, 2003. Bantech specializes in the production of painted, laser etched plastic buttons for automotive interiors. This is a relatively new, European technology that enables backlit buttons. There is a significant growing market for this product, and it adds another component to Exco's Automotive Solutions business. Bantech's operating results since acquisition are according to plan and the anticipated production ramp is on schedule.

NeoCon, our manufacturer of rigid storage units for automotive interiors was acquired at the beginning of the fiscal year and since its acquisition has won contracts totalling $12 million annually. These contracts reflect growth in excess of 85%.

The Automotive Solutions segment continues to win business in North America and Europe. Although industry forecasts for automotive production reflect a softening market, Exco's internal growth in the current year will more than offset the impact of potentially lower vehicle production.

Casting and Extrusion Technology
With respect to our Casting and Extrusion Technology segment, we announced in December that we had secured initial tooling contracts on a number of programs for transmissions and engines. These programs are progressing well and the engineering and building of initial tools is in process. The ultimate size of these programs, however, has not been finalized. Further, it is expected that automakers will launch other new transmissions and we are well positioned to secure related tooling contracts. Long anticipated industry changes to engines and transmissions are now well underway and this bodes well for Exco.

Turning to our announcement in January, the Company issued a stock dividend during the quarter, which had the same effect as a 2 for 1 stock split. We believe that the investment community will find the larger float attractive. In addition, the Company adopted a cash dividend policy and the first payment was made March 31, 2003. This policy demonstrates the Company's confidence in the future and its continuing ability to generate sufficient cash flow.

The economic and political environment remains difficult and uncertain, yet Exco continues to demonstrate significant growth. We believe that current initiatives and developments will benefit Exco. For the current year, growth should continue and the outlook for 2004 appears even more promising.

Brian A. Robbins
President and Chief Executive Officer

April 28, 2003

EXCO TECHNOLOGIES LIMITED
BALANCE SHEETS
(Unaudited)
($ in thousands)

	March 31, 2003	September 30, 2002
ASSETS		
Current		
Accounts receivable	**$42,352**	$46,075
Inventories	**34,470**	27,272
Prepaid expenses and deposits	**2,317**	2,086
Total Current Assets	**79,139**	75,433
Fixed assets	**96,141**	90,535
Goodwill (note 2)	**43,937**	36,025
	$219,217	$201,993
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Bank indebtedness	**$37,246**	$23,265
Accounts payable and accrued liabilities	**26,593**	28,731
Income taxes payable	**1,828**	5,220
Customer advance payments	**10,044**	8,671
Current portion of long-term debt	**247**	117
Total Current Liabilities	**75,958**	66,004
Long-term debt	**2,341**	856
Future income taxes	**2,928**	4,723
Total Liabilities	**81,227**	71,583
Shareholders' Equity		
Share capital (note 3)	**30,535**	26,707
Retained earnings	**107,609**	99,626
Currency translation adjustment	**(154)**	4,077
Total Shareholders' Equity	**137,990**	130,410
	$219,217	$201,993

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	
	2003	2002	**2003**	2002
Sales	**$55,933**	$55,338	**$110,564**	$101,556
Cost of sales and operating expenses before the following	**35,676**	36,005	**71,312**	66,294
Depreciation and amortization	**3,740**	3,709	**7,279**	7,379
Selling, general and administrative	**8,455**	8,761	**17,809**	16,594
Gain on sale of fixed assets	**(176)**	(152)	**(178)**	(152)
Interest on long-term debt	**49**	25	**108**	49
Other interest	**365**	295	**732**	675
	48,109	48,643	**97,062**	90,839
Income before income taxes	**7,824**	6,695	**13,502**	10,717
Provision for income taxes	**2,926**	2,688	**5,017**	4,250
Net income for the period	**$4,898**	$4,007	**$8,485**	$6,467
Retained earnings, beginning of period	**103,213**	87,044	**99,626**	84,584
Dividends (note 3)	**(502)**	-	**(502)**	-
Goodwill impairment	**-**	(2,000)	**-**	(2,000)
Retained earnings, end of period	**$107,609**	$89,051	**$107,609**	$89,051
Earnings per common share				
- Basic	**$0.12**	0.10	**$0.21**	0.16
- Diluted	**$0.12**	0.10	**$0.21**	0.16

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

	3 Months ended March 31		6 Months ended March 31	
	2003	2002	**2003**	2002
OPERATING ACTIVITIES:				
Net income for the period	**$4,898**	$4,007	**$8,485**	$6,467
Add items not involving a current outlay of cash:				
Depreciation and amortization	**3,740**	3,709	**7,279**	7,379
Future income taxes	**51**	36	**210**	86
Gain on sale of fixed assets	**(176)**	(152)	**(178)**	(152)
	8,513	7,600	**15,796**	13,780
Net change in non-cash working capital balances related to operations	**(5,821)**	(1,532)	**(10,449)**	(107)
Cash provided by operating activities	**2,692**	6,068	**5,347**	13,673
FINANCING ACTIVITIES:				
Increase (decrease) in bank indebtedness	**4,107**	(2,660)	**13,981**	(5,573)
Decrease in long-term debt	**(4,228)**	(58)	**(5,020)**	(108)
Dividends (note 3)	**(502)**	-	**(502)**	-
Issue of share capital (note 3)	**157**	135	**1,048**	135
Cash provided by financing activities	**(466)**	2,583	**9,507**	(5,546)
INVESTING ACTIVITIES:				
Acquisitions (note 2)	**(189)**	-	**(9,800)**	-
Cash acquired on acquisitions	**19**	-	**60**	-
Investment in fixed assets	**(2,238)**	(3,714)	**(5,301)**	(8,368)
Proceeds on sale of fixed assets and other	**182**	229	**187**	241
Cash used in investing activities	**(2,226)**	(3,485)	**(14,854)**	(8,127)
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:	**$0.21**	$0.19	**$0.39**	$0.35
Diluted:	**$0.20**	$0.19	**$0.38**	$0.35

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

($ 000's except per share amounts)
March 31, 2003

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. The interim consolidated financial statements should be read in conjunction with the Company's annual consolidated financial statements included in the 2002 Annual Report.

2. ACQUISITION OF SUBSIDIARIES

NeoCon International Inc.

On October 1, 2002, the Company purchased 100% of the outstanding shares of NeoCon International Inc. ("NeoCon"). NeoCon designs and manufactures plastic thermoformed automotive cargo management systems. These systems are supplied to the original equipment manufacturers and their Tier 1 suppliers and are primarily used in the trunk of passenger cars and the cargo area of SUVs and CUVs.

The purchase price of the common shares, including transaction costs of $362, was $10,391. In addition, the Company assumed debt, net of cash, of $4,205. The debt assumed includes $1,839, which is interest free. This transaction was financed using the Company's operating lines and by the issuance of 130,000 (post stock dividend) Exco common shares valued at $780 ($6.00 per share). 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 October 1, 2002.

Net assets acquired at their assigned values are as follows:

Non-cash working capital	$2,465
Fixed assets	5,197
Future income taxes	24
Cash	41
Long term debt (including current portion)	(4,246)
Net identifiable assets purchased	3,481
Goodwill upon acquisition	6,910
Purchase price for common shares	$10,391

Bancroft Lasing Technologies Limited

On February 3, 2003, the Company purchased 100% of the outstanding shares of Bancroft Lasing Technologies Limited ("Bantech") and certain debt held by shareholders of Bantech. Bantech, founded in 1999, specializes in the production of painted, precision moulded, laser etched plastic parts for automotive interiors. Bantech Lasing utilizes a relatively new technology that enables backlit parts.

The purchase price of Bantech, including transaction costs of $189, was $2,189. In addition, the Company assumed debt, net of cash of $2,371. This transaction was financed by the issuance of 256,746 (post stock dividend) shares valued at $2,000 ($7.79 per share). 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 February 3, 2003.

Net assets acquired at their assigned values are as follows:

Non-cash working capital	$(2,972)
Fixed assets	4,549
Future income tax assets	1,981
Cash	18
Long-term debt (including current portion)	(2,389)
Net identifiable assets purchased	1,187
Goodwill upon acquisition	1,002
Purchase price	$2,189

3. **SHARE CAPITAL**

Shares Issued
During the period, the Company issued common shares for cash under its Stock Option Plan and Employee Stock Purchase Plan totalling $1,048. In addition, common shares were issued to the vendors of NeoCon and Bantech, as set out in note 2, totalling $2,780.

Stock Dividend
On February 19, 2003, the Company paid a stock dividend to shareholders of record February 12, 2003, one additional share for each share held. This stock dividend had the same effect as a 2 for 1 stock split.

The stock dividend increased Exco's outstanding common shares from 20,068,136 to 40,136,272.

Cash Dividend
On March 31, 2003, the Company paid its first quarterly cash dividend of $0.0125 per common share totalling $502.

4. **PRO FORMA STOCK-BASED COMPENSATION EXPENSE**

The Company does not recognize compensation expense for stock options granted to employees and directors nor on shares issuable under the Employee Stock Purchase Plan ("ESPP"). The table below presents pro forma net income and basic and diluted earnings per common share as if stock options granted to employees and shares issuable under the ESPP had been determined based on the fair value method. The table includes all stock options granted and shares issuable under the ESPP during the six months ended March 31, 2003:

	3 Months Ended March 31, 2003	6 Months Ended March 31, 2003
Net income	$4,898	$8,485
Pro forma compensation expense	$ 87	$ 172
Pro forma net income	$4,811	$8,313
Basic earnings per share		
As reported	$0.12	$0.21
Pro forma	$0.12	$0.21
Diluted earnings per share		
As reported	$0.12	$0.21
Pro forma	$0.11	$0.20

The fair value of the options granted was estimated at the date of grant using the Black-Scholes option pricing model with the following weighted average assumptions: risk free interest rate of 4.45%, expected dividend yield of 0.025%, expected volatility of 0.273 and expected option life of 4.22 years. The weighted average fair value of the options granted and shares issuable under the ESPP during the year is $1.54.

5. **SEGMENTED INFORMATION**

Business Segments
The Company operates in two business segments: Casting and Extrusion Technology and Automotive Solutions. 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 Solutions segment produces automotive restraint, storage and other automotive interior components, 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.

3 Months ended March 31, 2003	**Casting and Extrusion Technology**	**Automotive Solutions**	**Total**
Sales	**$33,614**	**$22,319**	**$55,933**
Depreciation & amortization	**$2,898**	**$842**	**$3,740**
Segment Income	**$3,981**	**$4,257**	**$8,238**
Interest expense			**$414**
Income before income taxes			**$7,824**
Fixed asset additions	**$2,191**	**$47**	**$2,238**
Total fixed assets, net	**$72,861**	**$23,280**	**$96,141**
Goodwill	**$8,345**	**$35,592**	**$43,937**
Total assets	**$147,400**	**$71,817**	**$219,217**

3 Months ended March 31, 2002	Casting and Extrusion Technology	Automotive Solutions	Total
Sales	$37,370	$17,968	$55,338
Depreciation & amortization	$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

6 Months ended March 31, 2003	**Casting and Extrusion Technology**	**Automotive Solutions**	**Total**
Sales	**$65,416**	**$45,148**	**$110,564**
Depreciation & amortization	**$5,810**	**$1,469**	**$7,279**
Segment Income	**$6,469**	**$7,873**	**$14,342**
Interest expense			**$840**
Income before income taxes			**$13,502**
Fixed asset additions	**$4,252**	**$1,049**	**$5,301**
Total fixed assets, net	**$72,861**	**$23,280**	**$96,141**
Goodwill	**$8,345**	**$35,592**	**$43,937**
Total assets	**$147,400**	**$71,817**	**$219,217**

6 Months ended March 31, 2002	Casting and Extrusion Technology	Automotive Solutions	Total
Sales	$67,474	$34,082	$101,556
Depreciation & amortization	$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

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 2002 Annual Report.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Operating Results

Sales were $110.6 million for the six months ended March 31, 2003, an increase of $9 million (9%) as compared to the same period in fiscal 2002. Sales for the quarter ended March 31, 2003 were $55.9 million, an increase of $600 thousand (1%) as compared to the three month period ended March 31, 2002.

The Automotive Solutions segment reported sales of $45.1 million in the six month period and $22.3 million for the quarter, increases of 32% and 24%, respectively, as compared to the same periods in the prior fiscal year. The increase in revenue in this segment is attributable to a number of factors including the acquisition of NeoCon at the beginning of the fiscal year, the acquisition of Bantech Lasing ("Bantech") on February 3, 2003 and an increase in market penetration of Exco's flexible restraint and storage system product line. These acquisitions contributed sales of $8.5 million in the six month period and $4.5 million for the quarter. Internal growth for the six month period of $2.5 million (7%) accounts for the remainder.

The Casting and Extrusion Technology segment reported sales of $65.4 million in the six month period and $33.6 million for the quarter, decreases of $2.1 million (3%) for the six month period and $3.8 million (11%) for the quarter. The decline was attributable to lower die-cast mould sales. Orders announced in December 2002, for initial moulds for new transmissions and engines, should buoy this segment's activities, although significant revenues will not be realized until 2004 and later years.

Net income for the six month period of $8.5 million and $4.9 million for the quarter, increased 31% and 22%, respectively, as compared to the prior year periods, reflecting strong growth in the Automotive Solutions segment.

The gross margin was 36% for the quarter as compared to 35% in the prior year quarter and 35% for the six month period, consistent with the prior year.

The increase in selling, general and administrative costs for the six month period is a result of the acquisition of NeoCon at the beginning of the fiscal year and higher selling costs.

Depreciation expense is consistent with the prior year, reflecting the maturity of assets in the Casting and Extrusion Technology segment. The acquisition of NeoCon had little impact as it is not a capital-intensive business. Depreciation expense associated with Bantech is included for two months of the second quarter.

Interest expenses for the six month period and for the quarter were higher by approximately $100 thousand reflecting financing of the NeoCon acquisition.

Financial Resources, Liquidity and Capital Resources

Cash flow from operations for the six month period was $15.8 million as compared to $13.8 million, an increase of 15%, and $8.5 million in the quarter compared to $7.6 million in the prior year quarter, an increase of 12%.

The investment in fixed assets for the six month period totalled $5.3 million as compared to $8.4 million in the prior year period. In addition, Exco acquired two companies in the period. On October 1, 2002, Exco acquired NeoCon for $14.6 million inclusive of debt assumed and transaction costs. The acquisition was financed through Exco's operating lines and by the issuance of 130,000 Exco common shares to NeoCon's founder at a price of $6.00 per share ($780,000). The debt assumed includes $1.8 million, which is interest free. Further, on February 3, 2003, Exco acquired Bantech for $4.6 million inclusive of debt assumed and transaction costs. The acquisition was financed by the issuance of 265,746 Exco common shares at $7.53. The number and price of the common shares issued in these acquisitions has been adjusted to reflect the 2 for 1 stock dividend issued in February 2003.

Despite these investments, Exco's financial position remains strong and, at quarter end, the total debt to equity ratio was .29:1 with total borrowings of $39.8 million as compared to .19:1 with borrowings of $24.2 million at year end.

Outlook

Exco's outlook remains strong. Its technological leadership, broad customer and product base and geographic diversification comprise the foundation that fuels growth. The acquisitions of NeoCon and Bantech broaden Exco's Automotive Solutions product line and demonstrate the Company's continuing strategy to further develop this segment. In the Casting and Extrusion technology division, initial tooling for new transmissions and engines should result in significant growth commencing in the 2004 fiscal year.

While we are extremely pleased with the Company's performance in the period, we are mindful of the current economic and political situation. Exco believes that its resources, strategic plan and strength of execution will allow it to continue to succeed.

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.

5 YEAR FINANCIAL HIGHLIGHTS
(as at September 30)

($ in thousands except per share amounts)	2002	2001	2000	1999	1998
Sales	**$213,141**	$184,133	$118,070	$118,295	$118,045
Net Income	**$17,042**	$10,985	$10,310	$12,036	$11,115
Diluted Earnings per Share	**$0.84**	$0.55	$0.51	$0.61	$0.55
Cash flow from Operations	**$31,998**	$29,072	$24,216	$24,208	$21,238
Diluted Cash Flow per Share	**$1.58**	$1.47	$1.21	$1.22	$1.06
EBITDA	**$43,433**	$36,970	$29,398	$32,617	$29,572
Total Net Debt to Equity	**.19:1**	.35:1	.37:1	0:021	.36:1
Capital Expenditures	**$16,549**	$14,065	$11,691	$8,669	$26,155
Acquisitions	**$0**	$14,752	$48,625	$0	$0

CORPORATE INFORMATION

Exco Technologies Limited is a global supplier of innovative technologies servicing the die-cast, extrusion and automotive industries. Through our 15 strategic locations, we employ 2,200 people and service a diverse and broad customer base.

TORONTO STOCK EXCHANGE LISTING

XTC

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