TO OUR SHAREHOLDERS

	6 Months Ended March 31		3 Months Ended March 31	
	2004	2003	2004	2003
Sales	$107,469	$110,564	$54,033	$55,933
Net income	$5,057	$8,285	$2,714	$4,790
Basic earnings per share	$0.13	$0.21	$0.07	$0.12
Diluted earnings per share	$0.12	$0.20	$0.06	$0.11
EBIDTA	$15,235	$21,421	$7,744	$11,870
Cash flow from operations	$12,112	$15,586	$6,065	$8,462
Diluted cash flow per share	$0.29	$0.38	$0.15	$0.19
Common shares outstanding	40,432,000	40,136,000	40,432,000	40,136,000

Exco's second quarter results do not differ greatly from those of our first quarter. The greatest difference we are seeing is in the level of economic activity. We believe we are witnessing a distinct revival in the U.S. economy. The capital goods sector of this economy, which was moribund for 2 to 3 years, finally appears to be rebounding.

Our Techmire division which designs and builds die casting machines has a current backlog, which exceeds historic norms. Not all but certainly part of this is a result of an improved U.S. economy. As well in our tooling sector both casting and extrusion, we are witnessing heightened activity. Extrusion tool orders impact the top line within 30 days whereas casting tool orders take at least 180 days to impact sales. Our backlog in both areas continues to grow. Our engineering departments are currently extremely busy expediting orders to the manufacturing stage, so as to fill the pipeline.

The situation has been somewhat different in our Automotive Solutions segment. First off Exco Lasing (formerly Bantech Lasing) continues to generate losses albeit at a lesser amount as new programs enter the production phase. We have found the technical challenges formidable and are currently in discussions with joint venture partners possessing the necessary technical strength. We continue to be focused on this situation and are reviewing all options.

With respect to our other division in this sector, business continues vibrant, with heightened activity in both North America and Europe. Our Moroccan facility is building a backlog and generating modest operating profits. Additional business, which is pending, will be incremental to the bottom line. NeoCon located in Dartmouth, Nova Scotia has booked significant new business and is expediting its expansion into our Huntsville, Alabama facility. It plans to commence production there in June 2004.

Thus we enter the second half of 2004 with a substantially larger backlog along with greater economic activity. We expect the second half of 2004 to yield improved results over the first half and look forward to 2005.

Brian A. Robbins
April 27, 2004 President and Chief Executive Officer

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

	March 31, 2004	September 30, 2003
ASSETS		
Current		
Accounts receivable	**$43,122**	$45,552
Inventories	**33,455**	30,177
Prepaid expenses and deposits	**2,031**	2,823
Total Current Assets	**78,608**	78,552
Fixed assets	**87,117**	90,449
Goodwill	**44,430**	44,430
Future income tax assets	**3,224**	3,054
	$213,379	$216,485
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Bank indebtedness	**$28,013**	$28,066
Accounts payable & accrued liabilities	**25,813**	30,050
Income taxes payable	**927**	3,303
Customer advance payments	**6,073**	5,036
Current portion of long-term debt	**418**	494
Total Current Liabilities	**61,244**	66,949
Long-term debt	**1,499**	1,825
Future income taxes	**6,983**	7,033
Total Liabilities	**69,726**	75,807
Shareholders' Equity		
Share capital	**31,201**	30,945
Contributed surplus (note 1)	**887**	643
Retained earnings (note 1)	**118,620**	114,573
Currency translation adjustment	**(7,055)**	(5,483)
Total shareholders' equity	**143,653**	140,678
	$213,379	$216,485

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	
	2004	2003	**2004**	2003
Sales	**$54,033**	$55,933	**$107,469**	$110,564
Cost of sales and operating expenses before the following	**37,583**	35,676	**74,609**	71,312
Depreciation and amortization	**3,235**	3,740	**6,780**	7,279
Selling, general and administrative (note 1)	**8,716**	8,563	**17,601**	18,009
Loss (gain) on sale of fixed assets	**(10)**	(176)	**24**	(178)
Interest on long-term debt	**17**	49	**36**	108
Other interest	**293**	365	**617**	732
	49,834	48,217	**99,667**	97,262
Income before income taxes	**4,199**	7,716	**7,802**	13,302
Provision for income taxes	**1,485**	2,926	**2,745**	5,017
Net income for the period	**$2,714**	$4,790	**$5,057**	$8,285
Retained earnings, beginning of period (note 1)	**116,412**	102,895	**114,573**	99,400
Dividend	**(506)**	(502)	**(1,010)**	(502)
Retained earnings, end of period	**$118,620**	$107,183	**$118,620**	$107,183
Earnings per common share				
- Basic	**$0.07**	$0.12	**$0.13**	$0.21
- Diluted	**$0.06**	$0.11	**$0.12**	$0.20

EXCO TECHNOLOGIES LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
(Unaudited)
($ in thousands)

	3 Months ended March 31		6 Months ended March 31	
	2004	2003	**2004**	2003
OPERATING ACTIVITIES:				
Net income for the period	**$2,714**	$4,790	**$5,057**	$8,285
Add items not involving a current outlay of cash:				
Depreciation	**3,235**	3,740	**6,780**	7,279
Stock option expense (note 1)	**126**	108	**251**	200
Loss (gain) on sale of fixed assets	**(10)**	(176)	**24**	(178)
	6,065	8,462	**12,112**	15,586
Net change in non-cash working capital balances related to operations	**(4,595)**	(5,770)	**(6,327)**	(10,239)
Cash provided by operating activities	**1,470**	2,692	**5,785**	5,347
FINANCING ACTIVITIES:				
Increase (decrease) in bank indebtedness	**1,189**	4,107	**(338)**	13,981
Decrease in long-term debt	**(74)**	(4,228)	**(351)**	(5,020)
Dividends	**(506)**	(502)	**(1,010)**	(502)
Issue of share capital	**232**	157	**249**	1,048
Cash provided by financing activities	**841**	(466)	**(1,450)**	9,507
INVESTING ACTIVITIES:				
Acquisitions	**-**	(189)	**-**	(9,800)
Cash acquired on acquisitions	-	19	-	60
Investment in fixed assets	**(2,428)**	(2,238)	**(4,452)**	(5,301)
Proceeds on sale of fixed assets and other	**117**	182	**117**	187
Cash used in investing activities	**(2,311)**	(2,226)	**(4,335)**	(14,854)
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

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS
($ 000's except per share amounts)
March 31, 2004

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 2003 Annual Report.

Accounting Policy Change
Effective October 1, 2003, the Company elected to follow the fair value based method of accounting for stock-based compensation in accordance with recommendations of the Canadian Institute of Chartered Accountants concerning Stock-Based compensation and Other Stock-Based Payments to options granted after October 1, 2001. This change in accounting policy has been applied retroactively and prior periods have been restated. The retroactive impact of adopting the new recommendations include a reduction in retained earnings and an addition to contributed surplus of $643 at September 30, 2003. In addition, for the six-month period ended March 31, 2003, opening retained earnings was reduced $226 and compensation expense increased $200. For the six-month period ended March 31, 2004, compensation expense increased $251. For the three-month period ended March 31, 2004, compensation expense was $126 (March 31, 2003 - $108).

The fair value of the options granted during the six months ended March 31, 2004 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 4.25% (March 31, 2003 – 4.45%), expected dividend yield of 0.314% (March 31, 2003 – 0.025%), expected volatility of 0.273 (March 31, 2003 – 0.273) and expected option life of 5.45 years (March 31, 2003 – 4.22 years). The weighted average fair value of the options granted and shares issuable under the Employee Share Purchase Plan during the year is $1.68 (March 31, 2003 – $1.54).

2. **SEGMENTED INFORMATION**

The Company operates in two business segments: Casting and Extrusion Technology and Automotive Solutions. The accounting policies followed in the operating segments are consistent with those outlined in Note 1 of the Annual 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 Solutions segment produces automotive interior components and assemblies primarily for storage and restraint for sale to automotive manufacturers and Tier 1 suppliers (suppliers to automakers).

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS
($ 000's except per share amounts)
March 31, 2004

	3 Months ended March 31, 2004		
	Casting and Extrusion Technology	**Automotive Solutions**	**Total**
Sales	**$30,101**	**$23,932**	**$54,033**
Depreciation	**$2,456**	**$779**	**$3,235**
Segment income	**$1,779**	**$2,730**	**$4,509**
Interest expense			**$310**
Income before income taxes			**$4,199**
Fixed asset additions	**$1,170**	**$1,258**	**$2,428**
Total fixed assets, net	**$65,907**	**$21,210**	**$87,117**
Goodwill	**$8,345**	**$36,085**	**$44,430**
Total assets	**$114,946**	**$98,433**	**$213,379**

	3 Months ended March 31, 2003		
	Casting and Extrusion Technology	Automotive Solutions	Total
Sales	$33,614	$22,319	$55,933
Depreciation	$2,898	$842	$3,740
Segment income	$3,917	$4,213	$8,130
Interest expense			$414
Income before income taxes			$7,716
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

	6 Months ended March 31, 2004		
	Casting and Extrusion Technology	**Automotive Solutions**	**Total**
Sales	**$60,835**	**$46,634**	**$107,469**
Depreciation	**$5,239**	**$1,541**	**$6,780**
Segment income	**$3,240**	**$5,215**	**$8,455**
Interest expense			**$653**
Income before income taxes			**$7,802**
Fixed asset additions	**$2,727**	**$1,725**	**$4,452**
Total fixed assets, net	**$65,907**	**$21,210**	**$87,117**
Goodwill	**$8,345**	**$36,085**	**$44,430**
Total assets	**$114,946**	**$98,433**	**$213,379**

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS
($ 000's except per share amounts)
March 31, 2004

	6 Months ended March 31, 2003		
	Casting and Extrusion Technology	Automotive Solutions	Total
Sales	$65,416	$45,148	$110,564
Depreciation	$5,810	$1,469	$7,279
Segment income	$6,350	$7,792	$14,142
Interest expense			$840
Income before income taxes			$13,302
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

3. **SUBSEQUENT EVENT**

Effective April 2, 2004, the Company entered into an interest rate swap agreement whereby the rate of interest on a portion of amounts outstanding under its demand credit facility be at 3.88% plus applicable margin. The notional principal amount of the swap agreement is $20,000 on the date of the agreement and declines by $714 quarterly to $6,400 in April 2009 at which time the balance is absorbed into our demand credit facility. The Company has designated this interest rate swap agreement as a hedge of the underlying debt and accordingly defers gains and losses.

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 2003 Annual Report.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Operating Results

Exco experienced a 3.4% reduction in revenues for the second quarter ended March 31, 2004 of $1.9 million to $54.0 million. This flat performance partly reflected the strengthening of the average Canadian dollar of $1.33 during the quarter as compared to an average of $1.49 in the same quarter of the previous year. While the Canadian dollar has pulled back from its high of $1.57 in the first quarter it impacted the firm's sales by $3.4 million in this period.

During the period under review the Automotive Solutions segment reported sales of $23.9 million versus $22.3 million in the comparable quarter of the previous year. While the adverse impact of foreign exchange largely offset sales growth at Polytech, this segment continued to execute its growth program with Neocon increasing sales by more than 40%, Exco's Moroccan facility tripling it sales and Bantech Lasing (now Exco Lasing) more than doubling sales volumes from last year.

The Casting and Extrusion Technology segment reported sales of $30.1 million in the quarter compared to $33.6 million in the prior year quarter. Once again, the adverse impact of foreign exchange depressed sales at Edco (Exco's US die cast tool operation) and Techmire. There continued to be weak demand for products and services in this sector during the quarter, however, there is a marked improvement in demand for these goods and services as the US economy has begun to show tangible signs of improvement.

Overall net income for the quarter declined by 44% to $2.7 million or $0.06 per share compared to $4.8 million or $0.11 per share in the same quarter last year. Foreign exchange losses moderated to slightly over $0.02 per share with losses at Exco Lasing, although declining, accounting for an additional $0.02 per share.

The gross margin for the quarter was 30.4% compared to 36.2% in the prior year quarter. For the six month period, gross margin was 30.6% compared to 35.5% last year. The financial results of Exco Lasing have eroded the gross margin in both the quarter and six month period by 2%. Considering the low capacity utilization in the Casting and Extrusion segment, Management is pleased with the Company's overall gross margin performance this year.

This is the second quarter Exco has expensed stock options granted under its Employee Stock Purchase Plan (ESPP), which is offered to all employees of the company, and the Stock Option Plan. Expense for the quarter was $126 thousand versus $108 thousand restated in the prior year quarter.

Financial Resources, Liquidity and Capital Resources

Cash flow from operations declined to $6 million as compared to $8.5 million in the same period of the prior year. Capital expenditures rose to $2.4 million for the quarter from $2.2 million primarily to support growth in Morocco. Exco's bank indebtedness remained constant at $28 million. The increase in non-cash working capital of $6.3 million was occasioned primarily by buildup in work in process at our casting operations and a reduction in our accounts and taxes payable.

In order to take advantage of record low borrowing costs, Exco on April 2, 2004 fixed the interest rate on $20 million of its current debt by entering into an interest rate swap for five years at 3.88%, excluding applicable margin. This notional amount of this swap reduces in equal quarterly increments to $6.4 million over 5 years at which time the balance is absorbed into our demand credit facility.

Outlook

For the third quarter of 2004, management anticipates improvement in the performance of its businesses. Second quarter sales and profit in both the Casting and Extrusion segment and the Automotive Solutions segment have improved over the first quarter. Management expects this trend to continue in the last half of the year with prospects particularly good for the extrusion businesses, Techmire and Polytech's Morocco operation. While the die cast tooling operation has booked significant business over the next several years the remainder of this fiscal year is expected to continue operating well below capacity.

Progress at Exco Lasing is slow but steady. Operating losses are declining as month over month sales volumes steadily increase with the launch of new programs. Management is focusing on this situation which continues to be problematic. Management is reviewing all options and is, among other things, in discussions with numerous strategic industry players to explore a variety of partnering relationships that will advance this business as expeditiously and effectively as possible while mitigating financial risk to Exco.

As the improving economic environment in North America works its way through the automotive and capital goods sectors, Exco continues to believe that it is well positioned given its operating leverage and capacity to participate in this upswing.

Margins are expected to improve due to contracts previously announcement in the Casting and Extrusion segment, new product launches in the Automotive Solutions group, moderating losses at Bantech, stabilization of the Canadian dollar and our dedication to continuous improvement throughout all of our businesses.

The Company continues to be lean, disciplined and capable of exercising its technological strengths on a global basis.

Information in this document relating to projected growth, improvements in productivity and future results constitutes forward-looking statements.

Readers are cautioned not to place undue reliance on forward-looking statements, as there can be no assurance that the plans, intentions or expectations upon which such statements are based will occur. Forward-looking statements include known and unknown risks, uncertainties, assumptions and other factors which may cause actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such statements. These risks, uncertainties and assumptions include, among other things: industry cyclicality; global economic conditions, causing decreases in automobile production volume and demand for capital goods; price reduction pressures; pressure to absorb certain fixed costs; dependence on major customers; technological changes; fluctuations in currency exchange and interest rates; employee work stoppages; dependence on key employees; the competitive nature of the automotive and capital goods industries, product supply and demand; and other risks, uncertainties and assumptions as described in the Company's 2003 Annual Information Form and, from time to time, in other reports and filings made by the Company with securities regulatory authorities.

While the company believes that the expectations represented by such forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct. Readers are cautioned that the foregoing list of important factors is not exhaustive. Furthermore, the Company disclaims any obligations to update any such factors or publicly announce the result of any such revisions to any of the forward-looking statements contained herein to reflect future events or developments.

5 YEAR FINANCIAL HIGHLIGHTS

(as of September 30)

($ in thousands except per share amounts)	2003	2002	2001	2000	1999
Sales	$230,555	$213,141	$184,133	$118,070	$118,295
Net Income	$16,682	$16,816	$10,985	$10,310	$12,036
Diluted Earnings per share	$0.40	$0.42	$0.27	$0.26	$0.30
Cash flow from operations	$32,255	$31,998	$29,072	$24,216	$24,208
Diluted Cash Flow per Share	$0.78	$0.79	$0.73	$0.61	$0.61
EBITDA	$43,541	$43,207	$36,970	$29,398	$32,617
Total Net Debt to Equity	0.21:1	0.19:1	0.35:1	0.37:1	0:1
Capital Expenditures	$9,295	$16,549	$14,065	$11,691	$8,669
Acquisitions	$9,740	$0	$14,752	$48,625	$0

CORPORATE INFORMATION

Exco Technologies Limited is a global supplier of innovative technologies servicing the die-cast, extrusion and automotive industries. Through our 13 strategic locations, we employ 1,950 people and service a diverse and broad customer base.

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TORONTO STOCK EXCHANGE LISTING

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