
Interim report
to the shareholders
for the nine months
ended June 30, 2000

TO OUR SHAREHOLDERS:

Nine Months Ended
June 30, 2000 June 30, 1999
(\$ in thousands except per share amounts)

Sales	\$84,928	\$89,547
Net income	\$7,788	\$8,459
Cash Flow	\$17,711	\$17,198
EBITDA	\$21,956	\$23,905
Basic earnings per share	\$0.39	\$0.43
Fully diluted earnings per share	\$0.38	\$0.41
Fully diluted cash flow per share	\$0.84	\$0.83
Shares outstanding	19,999,000	19,816,000

Net income for the nine months ended June 30, 2000 was \$7.8 million. In fiscal 1999, net income included a profit on the sale of fixed assets of \$700 thousand (after tax). Accordingly, net income from operations is unchanged from the prior year period. Sales for the nine month period of \$84.9 million were 5% lower than the prior year and reflect the sale of the Canalloys division. In addition, timing in the release of new mould programs resulted in lower sales in Exco's die-cast mould operations. Cash flow for the period was \$17.7 million, an increase of 3% over fiscal 1999. Exco continues to be net cash flow positive (after capital expenditures) and further increased its cash reserves. Gross margin for the nine month period was 40% and consistent with the prior year.

We are pleased to announce the award of several new significant die-cast mould programs for Ford, General Motors and Daimler-Chrysler. These include continuously variable transmissions, magnesium instrument panels (3 programs) and rear wheel drive transmissions respectively. Delivery of moulds under these contracts commences in fiscal 2001. In addition, a number of significant programs are still pending.

The automakers are re-designing powertrain at a rapid pace. Exco is well positioned to take advantage of this new opportunity and its leadership in die-cast mould technology ensures the award of many more programs.

On June 16, 2000, Exco announced its intention to acquire TecSyn International Inc. for \$49 million cash. TecSyn is the world's largest supplier of automotive restraint and convenience netting products and an advanced manufacturer of powdered metal cylinder liners. Exco believes that the continued growth of TecSyn's netting business and the opportunity to introduce the cylinder liners to Exco's automotive customers is exciting. The purchase is subject to TecSyn shareholder approval and is expected to close August 31, 2000.

Effective July 10, 2000, Exco received approval to buy back up to 1.2 million of its outstanding shares for cancellation over the next year. The Company believes that, at certain times, the market value of Exco shares is such that they represent an attractive opportunity to realize additional shareholder value. To date, Exco has not repurchased any shares.

July 19, 2000

"Brian A. Robbins"
Brian A. Robbins
President and
Chief Executive Officer

EXCO TECHNOLOGIES LIMITED
INTERIM FINANCIAL REPORT
(unaudited)
FOR THE NINE MONTHS ENDED JUNE 30, 2000
(\$ in thousands except per share amounts)

CONSOLIDATED INCOME STATEMENT (unaudited)

	3 Months ended		9 Months ended	
	June 30		June 30	
	<u>2000</u>	<u>1999</u>	<u>2000</u>	<u>1999</u>
Sales:	\$ 26,270	\$ 28,715	\$ 84,928	\$ 89,547
Cost of sales and operating expenses before the following:	16,557	17,321	51,293	54,341
Depreciation and amortization	3,033	3,101	9,499	9,726
Selling, general and administrative	3,432	4,055	11,593	12,382
Loss (gain) on sale of fixed assets	45	-195	86	-1,081
Interest on long-term debt	17	37	52	120
Other interest	-87	100	-139	449
	<u>22,997</u>	<u>24,419</u>	<u>72,384</u>	<u>75,937</u>
Income before income taxes	3,273	4,296	12,544	13,610
Provision for income taxes	1,196	1,589	4,756	5,151
Net income for the period	\$ 2,077	\$ 2,707	\$ 7,788	\$ 8,459
Earnings per common share - Basic	\$ 0.10	\$ 0.14	\$ 0.39	\$ 0.43
- Fully Diluted	\$ 0.10	\$ 0.13	\$ 0.38	\$ 0.41

CONSOLIDATED STATEMENTS OF CASH FLOW (unaudited)

	3 Months ended		9 Months ended	
	June 30		June 30	
	<u>2000</u>	<u>1999</u>	<u>2000</u>	<u>1999</u>
OPERATING ACTIVITIES:				
Net income for the period	\$ 2,077	\$ 2,707	\$ 7,788	\$ 8,459
Add items not involving a current outlay of cash				
Depreciation and amortization	3,033	3,101	9,499	9,726
Future income taxes	190	-4	338	94
Loss (gain) on sale of fixed assets	73	-195	86	-1,081
	<u>5,373</u>	<u>5,609</u>	<u>17,711</u>	<u>17,198</u>
Net change in non-cash working capital balances related to operations	-1,185	3,489	-3,171	5,489
Cash provided by operating activities	4,188	9,098	14,540	22,687
FINANCING ACTIVITIES:				
Decrease in bank indebtedness	-	-6,762	-	-17,997
Decrease in long-term debt	-74	-176	-201	-498
Issue of share capital	336	18	1,114	1,038
Cash (used in) provided by financing activities	262	-6,920	913	-17,457
INVESTING ACTIVITIES:				
Investment in fixed assets	-2,153	-2,591	-9,624	-8,610
Proceeds on sale of fixed assets and other (net)	-	413	293	3,380
Cash used in investing activities	-2,153	-2,178	-9,331	-5,230
Increase in cash during the period	2,297	0	6,122	0
Cash, beginning of the period	6,669	0	2,844	0
Cash, end of the period	\$ 8,966	\$ 0	\$ 8,966	\$ 0

EXCO TECHNOLOGIES LIMITED

BALANCE SHEETS (unaudited)

	Jun 30	Sept 30
	<u>2000</u>	<u>1999</u>
ASSETS		
Current		
Cash	\$ 8,966	\$ 2,844
Accounts receivable	24,699	20,939
Inventories	13,440	13,049
Prepaid expenses and deposits	<u>127</u>	<u>340</u>
Total Current Assets	47,232	37,172
Fixed assets	<u>77,216</u>	<u>77,322</u>
	<u>\$ 124,448</u>	<u>\$ 114,494</u>
 LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	\$ 9,745	\$ 11,770
Income taxes payable	57	1,329
Customer advance payments	9,470	5,406
Current portion of long-term debt	<u>32</u>	<u>195</u>
Total Current Liabilities	<u>19,304</u>	<u>18,700</u>
Long-term debt	603	641
Future income taxes	<u>5,193</u>	<u>4,855</u>
Total Liabilities	<u>25,100</u>	<u>24,196</u>
 Shareholders' Equity		
Share capital	26,211	25,097
Retained earnings	72,343	64,555
Currency translation adjustment	<u>794</u>	<u>646</u>
Total Shareholders' Equity	<u>99,348</u>	<u>90,298</u>
	<u>\$ 124,448</u>	<u>\$ 114,494</u>

EXCO TECHNOLOGIES LIMITED

Exco Technologies Limited is North America's premier tool maker specializing in large and precision-engineered tooling, primarily for automotive and industrial markets.

The Toronto Stock Exchange Listing
XTC

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U.S. Subsidiaries:

Edco, Inc.
Toledo, Ohio

Exco Extrusion Dies, Inc.
Chesterfield, Michigan
