TO OUR SHAREHOLDERS

	9 Months Ended June 30		3 Months Ended June 30	
	2003	2002	**2003**	2002
Sales	**$168,618**	$155,748	**$58,054**	$54,192
Net income	**$12,171**	$11,743	**$3,686**	$5,276
Basic earnings per share	**$0.30**	$0.30	**$0.09**	$0.14
Diluted earnings per share	**$0.29**	$0.29	**$0.08**	$0.13
EBITDA	**$31,793**	$31,361	**$10,172**	$12,541
Cash flow from operations	**$23,441**	$22,913	**$7,645**	$9,133
Diluted cash flow per share	**$0.57**	$0.57	**$0.19**	$0.22
Common shares outstanding	**40,137,272**	39,376,118	**40,137,272**	39,376,118

For the nine month period, sales increased 8% to $168.6 million and net income increased 4% to $12.2 million. The increase in sales and net income in the period reflect the very strong growth of the Automotive Solutions segment, largely offset by the financial results of the Casting & Extrusion Technology segment.

Despite Exco's outstanding performance over the previous eight quarters, economic, timing and start-up issues caused the Company's growth to slow in the third quarter. These issues are described in the Management Discussion & Analysis section included in this report. Nevertheless, we believe the third quarter results do not reflect a trend.

Automotive Solutions

NeoCon, acquired at the beginning of the fiscal year, has been a solid performer. It manufactures rigid storage units for automotive interiors. For the year preceding our acquisition, NeoCon's sales were approximately $14 million. Based on current orders and estimated volumes, we expect NeoCon's revenue to reach $30 million in fiscal 2004. Clearly, this represents outstanding growth for NeoCon.

Bantech, acquired in February 2003, produces painted, laser etched plastic buttons for automotive interiors. Bantech is a start-up operation, manufacturing a product with a significant growing market. Operating losses have been somewhat higher than expected, however, the issues have been identified and are being addressed.

The Automotive Solutions group achieved internal growth, pre-acquisitions, of 8% for the year. Although OEM production volumes declined, our market share steadily increased. The European market represents a significant opportunity and should provide strong internal growth for the 2004 fiscal year.

Casting and Extrusion Technology

Significant developments have taken place in this segment. In December 2002, we announced engine tooling contracts and prototype tooling contracts for new transmissions. The programs are progessing well. Exco's involvement in the early stages of the prototype transmission programs significantly improves our chances of being selected to produce the production tooling. In total, it is expected that North American OEM's will launch up to 15 new transmissions over the next several years. Given Exco's leadership position, this fundamental change in the industry should have a significant positive impact.

The extrusion tooling business grew for the first six months of the fiscal year but declined in the third quarter reflecting the slow-down in the North American economy. Our market share, however, continues to grow as our customer base consolidates. Economic recovery should provide a significant boost for this business.

In summary, we are very pleased with our progress over the past two years. We have successfully developed a strong and growing automotive parts business and at the same time maintained our tooling/capital goods business in extremely difficult markets. We are positioned to continue to provide strong growth and a healthy return to our shareholders.

Brian A. Robbins

July 23, 2003

President and Chief Executive Officer

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

	June 30, 2003	September 30, 2002
ASSETS		
Current		
Accounts receivable	**$41,367**	$46,075
Inventories	**31,689**	27,272
Prepaid expenses and deposits	**2,580**	2,086
Total Current Assets	**75,636**	75,433
Fixed assets	**92,029**	90,535
Goodwill (note 2)	**43,937**	36,025
	$211,602	$201,993
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Bank indebtedness	**$33,028**	$23,265
Accounts payable and accrued liabilities	**25,710**	28,731
Income taxes payable	**1,356**	5,220
Customer advance payments	**9,573**	8,671
Current portion of long-term debt	**201**	117
Total Current Liabilities	**69,868**	66,004
Long-term debt	**2,208**	856
Future income taxes	**3,184**	4,723
Total Liabilities	**75,260**	71,583
Shareholders' Equity		
Share capital (note 3)	**30,355**	26,707
Retained earnings	**110,794**	99,626
Currency translation adjustment	**(4,807)**	4,077
Total Shareholders' Equity	**136,342**	130,410
	$211,602	$201,993

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

	3 Months ended June 30		9 Months ended June 30	
	2003	2002	**2003**	2002
Sales	**$58,054**	$54,192	**$168,618**	$155,748
Cost of sales and operating expenses before the following	**38,770**	32,835	**110,082**	99,129
Depreciation and amortization	**3,708**	3,718	**10,987**	11,097
Selling, general and administrative	**9,117**	8,727	**26,926**	25,321
Gain on sale of fixed assets	**(5)**	89	**(183)**	(63)
Interest on long-term debt	**44**	16	**152**	65
Other interest	**422**	294	**1,154**	969
	52,056	45,679	**149,118**	136,518
Income before income taxes	**5,998**	8,513	**19,500**	19,230
Provision for income taxes	**2,312**	3,237	**7,329**	7,487
Net income for the period	**$3,686**	$5,276	**$12,171**	$11,743
Retained earnings, beginning of period	**107,609**	89,051	**99,626**	84,584
Dividends (note 3)	**(501)**	-	**(1,003)**	
Goodwill impairment	-	-	**-**	(2,000)
Retained earnings, end of period	**$110,794**	$94,327	**$110,794**	$94,327
Earnings per common share				
- Basic	**$0.09**	0.14	**$0.30**	$0.30
- Diluted	**$0.08**	0.13	**$0.29**	$0.29

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

	3 Months ended June 30		9 Months ended June 30	
	2003	2002	**2003**	2002
OPERATING ACTIVITIES:				
Net income for the period	**$3,686**	$5,276	**$12,171**	$11,743
Add items not involving a current outlay of cash:				
Depreciation and amortization	**3,708**	3,718	**10,987**	11,097
Future income taxes	**256**	50	**466**	136
Gain on sale of fixed assets	**(5)**	89	**(183)**	(63)
	7,645	9,133	**23,441**	22,913
Net change in non-cash working capital balances related to operations	**(873)**	1,124	**(11,140)**	1,017
Cash provided by operating activities	**6,772**	10,257	**12,301**	23,930
FINANCING ACTIVITIES:				
Increase (decrease) in bank indebtedness	**(4,218)**	(3,838)	**9,763**	(9,411)
Decrease in long-term debt	**(179)**	(75)	**(5,199)**	(183)
Dividends (note 3)	**(501)**	-	**(1,003)**	-
Issue of share capital (note 3)	**2**	224	**868**	359
Cash provided by (used in) financing activities	**(4,896)**	(3,689)	**4,429**	(9,235)
INVESTING ACTIVITIES:				
Acquisitions (note 2)	**-**	-	**(9,800)**	-
Cash acquired on acquisitions	**-**	-	**60**	-
Investment in fixed assets	**(1,897)**	(6,578)	**(7,198)**	(14,946)
Proceeds on sale of fixed assets and other	**21**	10	**208**	251
Cash used in investing activities	**(1,876)**	(6,568)	**(16,730)**	(14,695)
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)
June 30, 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. ACQUISITIONS

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 $961 and incurred costs relating to its share capital of $93. 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 and increased Exco's outstanding common shares from 20,068,136 to 40,136,272.

Cash Dividend
During the period, the Company paid two quarterly cash dividends totalling $1,003. The dividend rate per quarter was $0.0125 per common share.

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 nine months ended June 30, 2003:

	3 Months Ended June 30, 2003	9 Months Ended June 30, 2003
Net income	$3,686	$12,171
Pro forma compensation expense	$86	$258
Pro forma net income	$3,600	$11,913
Basic earnings per share		
As reported	$0.09	$0.30
Pro forma	$0.09	$0.30
Diluted earnings per share		
As reported	$0.08	$0.29
Pro forma	$0.08	$0.28

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 4.46%, expected dividend yield of 0.026%, expected volatility of 0.273 and expected option life of 4.23 years. The weighted average fair value of the options granted and shares issuable under the ESPP during the year is $1.56.

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 June 30, 2003	**Casting and Extrusion Technology**	**Automotive Solutions**	**Total**
Sales	**$36,043**	**$22,011**	**$58,054**
Depreciation & amortization	**$2,851**	**$857**	**$3,708**
Segment Income	**$3,634**	**$2,830**	**$6,464**
Interest expense			**$466**
Income before income taxes			**$5,998**
Fixed asset additions	**$1,726**	**$171**	**$1,897**
Total fixed assets, net	**$70,440**	**$21,589**	**$92,029**
Goodwill	**$8,345**	**$35,592**	**$43,937**
Total assets	**$129,377**	**$82,225**	**$211,602**

3 Months ended June 30, 2002	Casting and Extrusion Technology	Automotive Solutions	Total
Sales	$36,376	$17,816	$54,192
Depreciation & amortization	$3,134	$584	$3,718
Segment Income	$5,428	$3,395	$8,823
Interest expense			$310
Income before income taxes			$8,513
Fixed asset additions	$3,961	$2,617	$6,578
Total fixed assets, net	$76,497	$14,230	$90,727
Goodwill	$8,345	$27,680	$36,025
Total assets	$138,061	$58,208	$196,269

9 Months ended June 30, 2003	**Casting and Extrusion Technology**	**Automotive Solutions**	**Total**
Sales	**$101,459**	**$67,159**	**$168,618**
Depreciation & amortization	**$8,661**	**$2,326**	**$10,987**
Segment Income	**$10,103**	**$10,703**	**$20,806**
Interest expense			**$1,306**
Income before income taxes			**$19,500**
Fixed asset additions	**$5,978**	**$1,220**	**$7,198**
Total fixed assets, net	**$70,440**	**$21,589**	**$92,029**
Goodwill	**$8,345**	**$35,592**	**$43,927**
Total assets	**$129,377**	**$82,225**	**$211,602**

9 Months ended June 30, 2002	Casting and Extrusion Technology	Automotive Solutions	Total
Sales	$103,850	$51,898	$155,748
Depreciation & amortization	$9,456	$1,641	$11,097
Segment Income	$12,343	$7,921	$20,264
Interest expense			$1,034
Income before income taxes			$19,230
Fixed asset additions	$8,940	$6,006	$14,946
Total fixed assets, net	$76,497	$14,230	$90,727
Goodwill	$8,345	$27,680	$36,025
Total assets	$138,061	$58,208	$196,269

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

For the nine months ended June 30, 2003, sales were $168.6 million, an increase of $12.9 million (8%) as compared to the same period in fiscal 2002. For the quarter ended June 30, 2003, sales were $58.1 million, an increase of $3.9 million (7%) as compared to the three month period ended June 30, 2002.

The Automotive Solutions segment reported sales of $67.2 million in the nine month period and $22.0 million for the quarter, an increase of 29% for the nine month period and 24% for the quarter. The increase in revenue for 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 $14.4 million in the nine month period and $5.9 million for the quarter. Internal growth for the nine month period of $900 thousand (2%) accounts for the remainder. Internal growth achieved in this segment in U.S. dollars was offset when translated to Canadian dollars by the effect of an appreciating Canadian dollar. In U.S. dollars, internal growth for the nine month period was 8% and 1% for the quarter.

The Casting and Extrusion Technology segment reported sales of $101.5 million in the nine month period and $36.0 million for the quarter, decreases of $2.4 million (2%) for the nine month period and $300 thousand (1%) for the quarter. The decline was attributable to lower die-cast mould sales for both periods and lower extrusion tooling sales in the quarter, partly offset by higher sales of die-cast machines manufactured by Techmire. Orders announced in December 2002, for initial moulds for new transmissions and engines, should buoy this segment's activities in 2004 and later years. In addition, economic recovery in North America should support growth of extrusion tooling and die-cast machine sales.

Net income for the nine month period of $12.2 million increased 4% over the nine month period in the prior year. For the quarter, net income of $3.7 million declined by 30% as compared to the third quarter in the prior year.

In the quarter, profit in the Automotive Solutions segment declined as a result of start-up losses incurred at Bantech and the effect of translating Polytech's U.S. dollar profits. Bantech was acquired in February 2003 and is in the early stages of production. Polytech, a U.S./Mexican operation, earns its income in U.S. dollars. Profits translated to Canadian dollars are lower as a result of the strengthening of the Canadian dollar in relation to the U.S. dollar. Profits earned at NeoCon, acquired at the beginning of the fiscal year, partly offset Bantech's losses and the aforementioned translation effect.

As a result of lower die-cast mould sales, profit in the Casting and Extrusion Technology segment also declined. In addition, the North American economic slow-down affected the demand for extrusion tooling in the quarter. Further, the impact of

SARS slowed Techmire's progress in Asia. Die-cast mould sales are expected to improve in 2004 and later years as new engines and transmissions are introduced.

The gross margin was 33% for the quarter as compared to 39% in the prior year quarter and 35% for the nine month period, compared to 36% in the prior year. Losses at Bantech and lower die-cast mould and extrusion tooling sales resulted in lower margins in the periods.

The increases in selling, general and administrative costs for the nine month period and the quarter are a result of the acquisition of NeoCon at the beginning of the fiscal year.

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

Interest expenses for the nine month period and for the quarter were higher by approximately $272 thousand and $156 thousand respectively, reflecting financing of the NeoCon acquisition.

Financial Resources, Liquidity and Capital Resources

Cash flow from operations for the nine month period was $23.4 million as compared to $22.9 million, an increase of 2%, and $7.6 million in the quarter compared to $9.1 million in the prior year quarter, a decrease of 16%. The decline in the quarter reflects the decrease in net income as compared to the prior year quarter.

The investment in fixed assets for the nine month period totalled $7.2 million as compared to $14.9 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 .26:1 with total borrowings of $35.4 million as compared to .19:1 with borrowings of $24.2 million at year end. Exco was cash flow positive in the quarter and, therefore, since March 31, 2003 was able to reduce its total debt by $4.4 million.

Outlook

Although Exco's financial results in the nine month period are ahead of last year, the third quarter was weaker. A combination of economic, timing and start-up costs, as described above, affected the results.

We believe, however, that Exco's mid and long-term outlook remains strong. 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.

As well, the high degree of customer interest in Exco's Moroccan facility raises expectations for contracts and growth in 2004.

In the Casting and Extrusion Technology segment, initial tooling for new transmissions and engines should result in significant growth commencing in the 2004 fiscal year.

As the North American recovery takes hold, this should further enhance Exco's prospects. We feel confident that Exco's business strategy is very sound and will continue to provide strong earnings growth over the coming years.

CAUTIONARY STATEMENT

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 condition, causing decreases in automobile production volumes 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 2002 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 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.

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TORONTO STOCK EXCHANGE LISTING

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