	9 Months Ended June 30		3 Months ended June 30	
	2005	2004	2005	2004
Sales	$157,353	$162,288	$56,563	$57,014
Net income from continuing operation	$7,564	$11,418	$2,634	$4,794
Net loss from discontinued operations	-	($6,626)	-	($5,059)
Net income	$7,564	$4,792	$2,634	($265)
Diluted earnings per share from continuing operations	$0.18	$0.27	$0.06	$0.12
Diluted loss per share from discontinued operations	-	($0.16)	-	($0.13)
Diluted earnings (loss) per share	$0.18	$0.11	$0.06	($0.01)
Common shares outstanding	41,626,000	40,137,000	41,626,000	40,137,000

In the third quarter sales of $56.6 million were up over the second quarter by 8%. The impact of the strengthening Canadian dollar over the year has resulted in flat sales when compared to last year. Sales in the Casting and Extrusion segment were down 3% over the prior year driven largely by continued weakness at Techmire. Sales in the Automotive Solutions segment, however, increased 2% despite the impact of an 8% appreciation in the Canadian dollar. Polydesign is ramping up new programs in Morocco and Neocon is continuing to grow sales at its Alabama facility, albeit at a slower rate than expected.

Net income from continuing operations at $2.6 million for the quarter or $0.06 earnings per share is up over the second quarter by 20% yet well below prior year of $4.8 million. In the Casting and Extrusion segment, stronger earnings in the large mould businesses were offset by continued losses at Techmire and softer earnings in the Extrusion businesses. The impact of price increases in the Extrusion businesses have been mitigated in the quarter by continuing steel cost increases. In the Automotive Solutions segment, US dollar source currency earnings were impacted by exchange rates and rather soft earnings at Polydesign and Neocon USA. Both these businesses experienced costs associated with the introduction of new programs.

Inventory is higher as the large mould businesses work on their growing order book and the extrusion businesses stock more steel in this tight supply environment. Exco's bank debt net of cash remains stable at $23.6 million and its balance sheet remains strong with a debt to equity ratio of 0.16:1.

Results for the last quarter of the year are expected to continue the quarter over quarter improvement. While Techmire is not expected to return to profitability in the fourth quarter losses should moderate. The impact of pricing increases in the Extrusion businesses should improve their performance. Also stronger volumes in the large mould businesses and Neocon plus new product launches at Polydesign should improve capacity utilization.

(refer to Management Discussion and Analysis, Financial Statements and Notes, and the 2004 Annual Information Form)

The following is management's interim discussion and analysis of operations and financial position and should be read in conjunction with the consolidated financial statements and Management's Discussion and Analysis in the Company's 2004 Annual Report.

This MD&A has been prepared by reference to the new MD&A disclosure requirements established under National Instrument 51-102 "Continuous Disclosure Obligations" ("NI 51-102) of the Canadian Securities Administrators. Additional information regarding Exco, including copies of its continuous disclosure materials such as its annual information form, is available on its website at www.excocorp.com or through the SEDAR website at www.sedar.com.

In this MD&A, reference is made to gross margin which is not a measure of financial performance under Canadian generally accepted principles ("GAAP"). The Company calculates gross margin as sales less cost of sales. The Company included information concerning this measure because it is used by management as a measure of performance and management believes it is used by certain investors and analysts as a measure of the Company's financial performance. This measure is not necessarily comparable to similarly titled measures used by other companies.

MANAGEMENT DISCUSSION AND ANALYSIS

Operating Results

The financial results for the third quarter ended June 30, 2004 have been restated to reflect the classification of Exco's paint and lasing business as a discontinued operation. Results from this operation have been isolated and classified as 'Discontinued Operations'. This business was sold on August 30, 2004 and reported in the fourth quarter of the 2004 fiscal year ended September 30, 2004. In this third quarter there was no activity to report in Discontinued Operations.

Sales

Consolidated

Sales from continuing operations for the quarter ended June 30, 2005 were $56.6 million compared to $57.0 million in the previous year. Approximately 70% of sales were denominated in US dollars. The underlying average exchange rate of these US dollar sales was $1.25 compared to $1.35 last year. This weakening of the US dollar by 10 cents eroded sales this quarter by approximately $3.1 million or 5%.

Year-to-date sales of $157.4 million were $4.9 million or 3% lower than last year. This reduction includes the impact of an average year-to-date exchange rate of $1.23 compared to $1.33 last year, which lowered sales by $8.1 million or 3.1%. Despite the continuing rise of the Canadian dollar, sales are up 8% or $4 million over the second quarter of this year reflecting improved economic activity in all our businesses and greater market penetration at several business units.

Casting and Extrusion Segment

Third quarter sales in the Casting and Extrusion segment were $34.1 million, a reduction of 3% over the third quarter last year. The exchange rate accounted for $1.5 million of this reduction. Year-to-date sales for the segment were down 1% from the prior year at $94.8 million with foreign exchange depressing year-to-date sales this year by approximately $4.3 million.

Aside from exchange rates, the Techmire business has had the most dramatic impact on this segment's sales. Sales in the quarter at Techmire were down approximately 43% or $ 2.5 million over last year and year-to-date sales are down 50% or $ 8.1 million. We believe Techmire sales have bottomed out. Sales in the second and third quarter of this year have improved by more than 15% in each quarter. Techmire's sales have been impacted by generally weaker demand for its products and a relatively higher proportion of small machine sales, which generate lower sales.

Third quarter sales in the large mould businesses have decreased 5% over last year. However, third quarter sales increased over the second quarter by 15% as shipments of new moulds accelerated. Year-to-date sales are up over last year by 9%.

The extrusion businesses reported a quarterly sales increase of 14% over last year. Third quarter sales exceeded second quarter sales by 4% and year-to-date sales this year are up over last year by 7%. This increase reflects the impact of higher prices as the process of passing steel surcharges onto customers has begun and market share is expanding, particularly in the US market.

Automotive Solutions Segment
The Automotive Solutions segment reported sales of $22.4 million in the quarter, a slight increase of 2%. The stronger Canadian dollar dampened sales by approximately $1.6 million. Third quarter sales are up over the second quarter by 6% as Polydesign continues to launch new programs. Year-to-date this segment has reported sales of $62.6 million, a decrease of $3.8 million or 6%, with foreign exchange depressing sales in this segment by $4.8 million.

This segment was hit particularly hard in the first and second quarters of this year as the North American OEM's rebalanced their inventory levels. In the third quarter customer releases have returned to traditional levels and sales for the quarter are up approximately 7% over the second quarter.

Net Income
Consolidated
Consolidated net income from continuing operations declined 45% in the quarter to $2.6 million or $0.06 earnings per share fully diluted compared to $4.8 million or $0.12 earnings per share last year. Year-to-date net income from continuing operations declined 34% to $7.6 million or $0.18 earnings per share fully diluted compared to $11.4 million or $0.27 last year.

Casting and Extrusion Segment
Earnings in this segment for the quarter were down 71% at $1.0 million compared to $3.5 million last year. While the large mould businesses experienced a 22% increase in earnings, losses at Techmire of $0.02 per share more than offset this amount. Earnings in the extrusion businesses were also down as the timing of price increases to customers has not yet offset steel price rises experienced in the quarter. Year-to-date earnings are off 56% at $3.0 million compared to $6.8 million last year. Techmire's year-to-date losses account for approximately $0.05 per share.

Automotive Solutions
Income from the Automotive Solutions segment dropped in the quarter by 15% at $3.4 million from $4.0 million last year. Year-to-date earnings for this segment were down by 16% at $9.7

million compared to $11.6 million last year. Performance was affected by the strong Canadian dollar since earnings in this segment are almost all denominated in US dollars. In addition, lower volumes associated with OEM inventory rebalancing last December and January lowered throughput and earnings at all business units. Generally, resin and steel input costs in this segment are up over last year with little ability to increase pricing on existing programs. Polydesign's profitability has been impacted by costs associated with new product launches.

Consolidated gross margin in the third quarter was 28% compared to 33% in the prior year. Year-to-date gross margin is 29% this year, compared to 33% last year. Gross Margin has remained at 28% in the second and third quarter of this year. Techmire accounted for 2% of the year-to-date gross margin reduction. Rising input costs generally impacted consolidated gross margin. The Casting and Extrusion segment was relatively more affected by higher steel prices.

In the quarter, Exco expensed stock options of $119 thousand versus $126 thousand in the prior year quarter. Year-to-date, Exco expensed stock options of $342 thousand compared to $377 thousand in the prior year. This expense relates to the Employee Stock Purchase Plan, which is offered to all employees of Exco, and the Stock Option Plan. (See note 3 of the Financial Statements).

Financial Resources, Liquidity and Capital Resources

Exco's working capital has increased approximately $4.9 million since last year-end from $25.3 million to $30.2 million. While accounts receivable are down in keeping with sales, inventory is up significantly at $38.4 million. The increase is primarily caused by three factors. The Extrusion businesses have increased steel inventories in this quarter in order to take advantage of better availability of specialty steel. The large mould businesses are experiencing larger work in process inventories associated with stronger demand for new moulds. Lastly, Polydesign has been increasing both raw material and work in process as it continues to launch new programs.

Exco's bank debt net of cash is $23.6 million. This is up $4.3 million since last year-end and long-term debt is down $1.0 million as a mortgage against the Alabama facility was paid off in the quarter. The increase in debt is a result of generally lower profitability during this fiscal year and higher capital expenditures, which include payment for the Company's production facility in Montreal. Exco's debt to equity ratio on June 30, 2005 remains consistently strong at 0.16:1.

Cash flow from operating activities fell to $1.5 million for the quarter compared to $7.9 million last year. Year-to-date cash flow is down significantly to $7.5 million. The reason for this reduction is lower profitability during the year and higher inventory levels as discussed previously.

Exco currently has fixed the interest rate on a portion of its current debt at 3.88%, plus applicable margin, by entering into an interest rate swap agreement. The notional amount of this swap reduces in equal quarterly increments to $6.4 million at the end of 5 years at which time the balance is absorbed into our demand credit facility. At quarter end, the notional amount reduced to $16.4 million.

Quarterly Results

The following table sets out certain financial information for each of the eight fiscal quarters up to and including third quarter of fiscal 2005 ended June 30, 2005:

($ thousands except per share amounts)

	June/05	Mar./05	Dec./04	Sept./04
Sales	$56,563	$52,507	$48,283	$53,826
Net income from continuing operations	$2,634	$2,173	$2,757	$4,990
Earnings Per Share from continuing operations				
Basic	$0.06	$0.05	$0.07	$0.12
Diluted	$0.06	$0.05	$0.07	$0.12
Net Income	$2,634	$2,173	$2,757	$4,407
Earnings per share				
Basic	$0.06	$0.05	$0.07	$0.11
Diluted	$0.06	$0.05	$0.07	$0.11

	June/04	Mar./04	Dec./03	Sept./03
Sales	$57,014	$52,754	$52,250	$61,051
Net income from continuing operations	$4,794	$3,390	$3,233	$5,495
Earnings Per Share from continuing operations				
Basic	$0.12	$0.09	$0.08	$0.14
Diluted	$0.12	$0.08	$0.08	$0.13
Net Income	($265)	$2,714	$2,343	$4,817
Earnings per share				
Basic	($0.01)	$0.07	$0.06	$0.12
Diluted	($0.01)	$0.06	$0.06	$0.11

Exco typically experiences softer sales and profit in the first quarter. The first quarter coincides with reduced business activity associated with our customers' plant shutdown in North America during the Christmas season. Profits translated to Canadian dollars are generally lower as a result of the strengthening of the Canadian dollar in relation to the U.S. dollar. This impact was most acute in the last quarter of fiscal 2004 during which virtually all the Canadian dollar appreciation in fiscal 2004 took place. The impact of an 80 cent dollar is most discernable in the last three quarters of this year as exchange rates were consistently in the $1.20 to $1.26 range. These same three quarters also reflect the impact of Techmire's losses, which were as follows: first quarter

$0.01 per share, second quarter $0.02 per share and third quarter $0.02 per share. Performance in the third quarter was also impacted by those factors outlined in the above Operating Results section.

Outlook

Exco's sales throughout the upcoming quarter should continue to show improvement if exchange rates remain relatively stable in the 1.22 to 1.26 range. The Casting and Extrusion segment should improve both top line and bottom line performance as the large mould businesses continue to manufacture and ship new moulds. The extrusion businesses expect to realize the benefits of their efforts to recover rising steel costs, which are not expected to rise further in the fourth quarter. Techmire's sales, although not expected to be robust, should continue its slow and steady quarter over quarter improvement this year. Techmire is not expected to return to profitability in the fourth quarter. The Automotive Solutions segment should benefit from Polydesign growth and anticipated start up of its seat cover program in the first quarter of fiscal 2006.

The situation regarding raw material costs has not changed significantly from last quarter. Specialty steel prices are still high, however, they are showing signs of peaking and there does appear to be a larger supply on the market. Resin pricing, however, appears to remain firm and continues to be a factor affecting gross margins in the Automotive Solutions segment. Passing through these cost increases to our automotive customers will continue to be an incremental exercise, taking place when new business is launched or existing programs are redesigned or refreshed.

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 2004 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.

NOTICE TO READER

The attached consolidated financial statements have been prepared by management of the Company. The consolidated financial statements for the nine month periods ended June 30, 2005 and 2004 have not been reviewed by the auditors of the Company.

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

	As at June 30, 2005	As at September 30, 2004
ASSETS		
Current		
Cash	**$8,330**	$1,828
Accounts receivable	**43,877**	45,109
Inventories	**38,383**	30,230
Prepaid expenses and deposits	**3,038**	3,587
Total Current Assets	**93,628**	80,754
Fixed assets	**85,623**	83,447
Goodwill	**43,428**	43,428
Future tax assets	**2,462**	2,660
	$225,141	$210,289
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Bank indebtedness	**$31,893**	$21,035
Accounts payable & accrued liabilities	**26,607**	27,146
Income taxes payable	**1,082**	2,110
Customer advance payments	**3,464**	4,180
Current portion of long-term debt	**343**	974
Total Current Liabilities	**63,389**	55,445
Long-term debt	**442**	794
Future tax liabilities	**7,741**	7,591
Total Liabilities	**71,572**	63,830
Shareholders' Equity		
Share capital (note 3)	**35,703**	32,376
Contributed surplus (note 3)	**1,352**	1,128
Retained earnings	**127,754**	121,746
Currency translation adjustment	**(11,240)**	(8,791)
Total shareholders' equity	**153,569**	146,459
	$225,141	$210,289

See accompanying notes

EXCO TECHNOLOGIES LIMITED
INTERIM CONSOLIDATED STATEMENTS OF INCOME AND RETAINED EARNINGS
(Unaudited)
($ in thousands)

	3 Months ended June 30		9 Months ended June 30	
	2005	2004	**2005**	2004
Sales	**$56,563**	$57,014	**$157,353**	$162,288
Cost of sales and operating expenses before the following	**40,919**	38,065	**112,124**	108,761
Selling, general and administrative	**8,143**	8,221	**23,571**	25,628
Depreciation and amortization	**3,049**	3,192	**8,929**	9,564
Interest on long-term debt	**15**	5	**40**	36
Other interest	**245**	213	**756**	653
	52,371	49,696	**145,420**	144,642
Income from continuing operations before income taxes	**4,192**	7,318	**11,933**	17,646
Provision for income taxes	**1,558**	2,524	**4,369**	6,228
Net income from continuing operations	**2,634**	4,794	**7,564**	11,418
Net loss from discontinued operations, net of tax (note 2)	**-**	(5,059)	**-**	(6,626)
Net (loss) income for the period	**2,634**	(265)	**7,564**	4,792
Retained earnings, beginning of period	**125,640**	118,620	**121,746**	114,573
Dividends (note 3)	**(520)**	(506)	**(1,556)**	(1,516)
Retained earnings, end of period	**$127,754**	$117,849	**$127,754**	$117,849
Earnings per common share				
From continuing operations				
- Basic	**$0.06**	$0.12	**$0.18**	$0.28
- Diluted	**$0.06**	$0.12	**$0.18**	$0.27
Net income				
- Basic	**$0.06**	($0.01)	**$0.18**	$0.12
- Diluted	**$0.06**	($0.01)	**$0.18**	$0.11

See accompanying notes

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

	3 Months ended June 30		9 Months ended June 30	
	2005	2004	**2005**	2004
OPERATING ACTIVITIES:				
Net income from continuing operations	**$2,634**	$4,794	**$7,564**	$11,418
Add (deduct) items not involving cash flows:				
Depreciation and amortization	**3,049**	3,192	**8,929**	9,564
Stock option expense (note 3)	**119**	126	**342**	377
Loss (gain) on sale of fixed assets	**187**	(11)	**93**	13
	5,989	8,101	**16,928**	21,372
Net change in non-cash working capital balances related to operations	**(4,502)**	(163)	**(9,439)**	(5,440)
Cash provided by operating activities	**1,487**	7,938	**7,489**	15,932
FINANCING ACTIVITIES:				
Increase (decrease) in bank indebtedness	**5,728**	(5,731)	**10,886**	(9,924)
Decrease in long-term debt	**(537)**	(49)	**(947)**	(371)
Dividends	**(520)**	(506)	**(1,556)**	(1,516)
Issue of share capital (note 3)	**43**	216	**3,209**	465
Cash provided by (used in) financing activities	**4,714**	(6,070)	**11,592**	(11,346)
INVESTING ACTIVITIES:				
Investment in fixed assets	**(1,913)**	(2,030)	**(12,725)**	(6,127)
Proceeds on sale of fixed assets	**68**	140	**343**	257
Cash used in investing activities	**(1,845)**	(1,890)	**(12,382)**	(5,870)
Effect of exchange rate changes on cash	**131**	159	**(197)**	(158)
Increase (decrease) in cash during period	**4,487**	137	**6,502**	(1,442)
Cash, beginning of period	**3,843**	3,011	**1,828**	4,590
Cash, end of period	**$8,330**	$3,148	**$8,330**	$3,148

See accompanying notes

1. ACCOUNTING POLICIES

Basis of presentation
These unaudited interim consolidated financial statements of Exco Technologies Limited (the "Company") have been prepared in accordance with Canadian generally accepted accounting principles, except that certain disclosures required for annual financial statements have not been included. Accordingly, the unaudited interim consolidated financial statements should be read in conjunction with the Company's annual consolidated financial statements included in the 2004 Annual Report. The unaudited interim consolidated financial statements have been prepared on a basis that is consistent with the accounting policies set out in the Company's annual consolidated financial statements.

2. DISCONTINUED OPERATIONS

Effective August 30, 2004, the Company sold Exco Lasing which operated within the Company's Automotive Solutions segment. Management concluded that the technical requirements of the business and the need to vertically integrate the business were best left to industry players that were fully focused on and engaged in this segment of the automotive interior trim market.

In connection with the sale of Exco Lasing, the Company recorded non-cash charges in the order of $4,500 comprised of approximately $1,000 reduction in goodwill, approximately $1,000 reduction in future income tax assets and approximately $2,500 of non-cash charges related to fixed assets.

The revenue and pre-tax loss for the nine months ended June 30, 2004 was $4,184 and $3,296 respectively (three months ended June 30, 2004 was $1,989 and $770 respectively). The income tax benefit relating to discontinued operations for the nine months ended June 30, 2004 was $1,252 (three months ended June 30, 2004 was $293). Basic and diluted loss per share from discontinued operations for the nine months ended June 30, 2004 was $0.16 (three months ended June 30, 2004 was $0.13). There were no discontinued operations in the current year-to-date results ending June 30, 2005.

3. SHARE CAPITAL

Authorized
The Company's authorized share capital consists of an unlimited number of common shares, an unlimited number of non-voting preference shares issuable in one or more series and 275 special shares.

June 30, 2005 ($000's except per share amounts)

Issued

The Company has not issued any non-voting preference shares or special shares. Changes to the issued common shares are shown in the following table:

	Common Shares	
	Number of shares	Stated value
Issued and outstanding at September 30, 2003	40,351,872	$30,945
Issued for cash under Stock Option Plan	465,166	1,431
Issued and outstanding at September 30, 2004	40,817,038	32,376
Issued for cash under Stock Option Plan	386,832	1,209
Issued for cash under the Employee Share Purchase Plan	154,571	969
Contributed surplus on stock options exercised	-	113
Issued and outstanding at December 31, 2004	41,358,441	34,667
Issued for cash under Stock Option Plan	257,654	988
Contributed surplus on stock options exercised	-	5
Issued and outstanding at March 31, 2005	41,616,095	35,660
Issued for cash under Stock Option Plan	10,000	43
Contributed surplus on stock options exercised	-	-
Issued and outstanding at June 30, 2005	41,626,095	$35,703

Cash dividend

During the period ended June 30, 2005, the Company paid cash dividends as outlined in the table below. The dividend rate per quarter was $0.0125 per common share.

	Fiscal 2005	Fiscal 2004
December 31	**$517**	$504
March 31	**519**	506
June 30	**520**	506
Total dividends paid	**$1,556**	$1,516

Stock option plan

The Company has a stock option plan under which common shares may be acquired by employees, officers and directors of the Company. The following is a continuity schedule of options outstanding (numbers of options in the table on the following page are expressed in whole numbers and have not been rounded to the nearest thousand):

June 30, 2005 ($000's except per share amounts)

	Fiscal 2005			Fiscal 2004		
	Options outstanding			Options outstanding		
	Number of Options	**Weighted average exercise price**	**Options exercisable**	Number of Options	Weighted average exercise price	Options exercisable
Balance, September 30	**2,849,245**	**$4.06**	**1,890,784**	3,283,411	$3.89	1,913,459
Granted	**164,695**	**$7.15**	**-**	55,000	$6.55	-
Exercised	**(386,832)**	**$3.13**	**(386,832)**	(4,000)	$3.49	(4,000)
Vested	**-**	**-**	**346,905**	-	-	346,791
Cancelled	**-**	**-**	**-**	(15,000)	$3.85	(3,000)
Balance, December 31	**2,627,108**	**$4.01**	**1,850,857**	3,319,411	$3.92	2,253,250
Granted	**10,000**	**$7.60**	**-**	-	-	-
Exercised	**(257,654)**	**$3.83**	**(257,654)**	(76,500)	$3.08	(76,500)
Vested	**-**	**-**	**63,400**	-	-	74,300
Cancelled	**(12,000)**	**$4.38**	**(12,000)**	-	-	-
Balance, March 31	**2,367,454**	**$4.04**	**1,644,603**	3,242,911	$3.99	2,251,050
Granted	**-**	**-**	**-**	-	-	-
Exercised	**(10,000)**	**$4.38**	**(10,000)**	(65,666)	$3.26	(65,666)
Vested	**-**	**-**	**-**	-	-	27,000
Cancelled	**-**	**-**	**-**	(9,000)	$3.85	(9,000)
Balance, June 30	**2,357,454**	**$4.04**	**1,634,603**	3,168,245	$4.01	2,203,384

Stock-based compensation

The weighted average assumptions used in the nine months ended June 30 measuring the fair value of stock options and the weighted average fair value of options granted are as follows:

	June 30	
	Fiscal 2005	Fiscal 2004
Risk free interest rates	**4.50%**	4.25%
Expected dividend yield	**0.42%**	0.32%
Expected volatility	**26.90%**	27.30%
Expected time until exercise	**5 years**	4 years
Weighted average fair value of the options granted	**$1.84**	$1.69

Employee stock purchase plan

The Company has an employee stock purchase plan (ESPP). The ESPP allows employees to purchase shares annually through payroll deductions at a predetermined price. During fiscal 2005, payroll deductions will be made supporting the purchase of a maximum of 189,030 shares at $7.41 per share. The purchase and payroll deductions with respect to these shares will be completed in the first quarter of fiscal 2006. Employees must decide annually whether or not they wish to purchase their shares. During the nine months ended June 30, 2005, 154,571 shares (June 30, 2004 – nil) were issued under the terms of the ESPP.

June 30, 2005 ($000's except per share amounts)

Contributed surplus

Contributed surplus consists of accumulated stock option expense less the fair value of the options at the grant date that have been exercised and reclassified to share capital. The following is a continuity schedule of contributed surplus:

	Fiscal 2005	Fiscal 2004
Balance, September 30	**$1,128**	$643
Stock-based compensation expense	**104**	125
Exercise of options	**(113)**	-
Balance, December 31	**1,119**	768
Stock-based compensation expense	**119**	126
Exercise of options	**(5)**	(7)
Balance, March 31	**1,233**	887
Stock-based compensation expense	**119**	126
Exercise of options	**-**	(5)
Balance, June 30	**$1,352**	$1,008

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 May 6, 2005. The Company's Board of Directors authorized the purchase of up to 2,080,804 common shares representing approximately 5% of the Company's outstanding shares. As of June 30, 2005, no purchases have been made.

4. COMMITMENTS

During the first quarter fiscal 2005, the Company entered into a series of put and call option contracts that allow the Company to sell U.S. dollars each week for Mexican pesos until September 2006. The total contract value was for 100 million Mexican pesos. The selling price ranges from 11.47 to 12.10 Mexican pesos for each U.S. dollar sold. Gains and losses on the series of put and call option contracts, designated as hedges of anticipated future foreign currency transactions, are accounted for as a component of the related hedged transaction. As of June 30, 2005, the notional remaining contract value is 81 million Mexican pesos and management estimates that a gain of $483 would be incurred if the contracts were terminated on June 30, 2005.

5. SEGMENTED INFORMATION FROM CONTINUING OPERATIONS

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.

June 30, 2005 ($000's except per share amounts)

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).

3 Months ended June 30, 2005	**Casting and Extrusion Technology**	**Automotive Solutions**	**Total**
Sales	**$34,136**	**$22,427**	**$56,563**
Depreciation	**$2,504**	**$545**	**$3,049**
Segment income	**$1,023**	**$3,429**	**$4,452**
Interest expense			**$260**
Income before income taxes			**$4,192**
Fixed asset additions	**$1,390**	**$523**	**$1,913**
Total fixed assets, net	**$67,759**	**$17,864**	**$85,623**
Goodwill	**$8,345**	**$35,083**	**$43,428**
Total assets	**$125,634**	**$99,507**	**$225,141**

3 Months ended June 30, 2004	Casting and Extrusion Technology	Automotive Solutions	Total
Sales	$35,066	$21,948	$57,014
Depreciation	$2,625	$567	$3,192
Segment income	$3,521	$4,015	$7,536
Interest expense			$218
Income before income taxes			$7,318
Fixed asset additions	$867	$1,163	$2,030
Total fixed assets, net	$64,322	$17,893	$82,215
Goodwill	$8,345	$35,083	$43,428
Assets, continuing operations	$112,130	$92,180	$204,310
Assets, discontinued operations	-	-	$6,444
Total assets	$112,130	$98,624	$210,754

June 30, 2005 ($000's except per share amounts)

9 Months ended June 30, 2005	**Casting and Extrusion Technology**	**Automotive Solutions**	**Total**
Sales	**$94,804**	**$62,549**	**$157,353**
Depreciation	**$7,288**	**$1,641**	**$8,929**
Segment income	**$2,981**	**$9,748**	**$12,729**
Interest expense			**$796**
Income before income taxes			**$11,933**
Fixed asset additions	**$9,504**	**$3,221**	**$12,725**
Total fixed assets, net	**$67,759**	**$17,864**	**$85,623**
Goodwill	**$8,345**	**$35,083**	**$43,428**
Total assets	**$125,634**	**$99,507**	**$225,141**

9 Months ended June 30, 2004	Casting and Extrusion Technology	Automotive Solutions	Total
Sales	$95,901	$66,387	$162,288
Depreciation	$7,864	$1,700	$9,564
Segment income	$6,761	$11,574	$18,335
Interest expense			$689
Income before income taxes			$17,646
Fixed asset additions	$3,594	$2,533	$6,127
Total fixed assets, net	$64,322	$17,893	$82,215
Goodwill	$8,345	$35,083	$43,428
Assets, continuing operations	$112,130	$92,180	$204,310
Assets, discontinued operations	-	-	$6,444
Total assets	$112,130	$98,624	$210,754

6. COMPARATIVE CONSOLIDATED FINANCIAL STATEMENTS

The comparative interim consolidated financial statements have been reclassified from statements previously presented to conform to the presentation of the 2005 interim consolidated financial statements.

5 YEAR FINANCIAL HIGHLIGHTS
as of September 30

($ in thousands except per share amounts)

	2004	2003	2002	2001	2000
Sales	$216,114	$228,127	$213,141	$184,133	$118,070
Net income from continuing operations	$16,408	$18,129	$16,816	$10,985	$10,310
Net income	$9,199	$16,681	$16,816	$10,985	$10,310
Diluted earnings per share from continuing operations	$0.40	$0.44	$0.42	$0.27	$0.26
Diluted earnings per share	$0.22	$0.40	$0.42	$0.27	$0.26
Cash flow from operations	$30,072	$33,105	$31,998	$29,072	$24,216
EBITDA	$38,485	$45,125	$43,207	$36,970	$29,398
Total Net Debt to Equity	0.14:1	0.21:1	0.19:1	0.35:1	0.37:1
Capital Expenditures, net of disposals	$11,449	$9,124	$16,549	$14,065	$11,691
Acquisitions	$-	$9,740	$-	$14,752	$48,625

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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