



NEWS RELEASE

First Quarter ended December 31, 2010

Toronto, February 2, 2011 - Exco Technologies Limited (TSX-XTC) today announced results for its first quarter ended December 31, 2010. In addition, the Company announced a \$0.025 dividend per share which will be paid on March 31, 2011 to shareholders of record on March 15, 2011. The dividend is an “eligible dividend” in accordance with the Income Tax Act of Canada.

	3 Months ended December 31	
	(\$000s, except per share amounts)	
	<u>2010</u>	<u>2009</u>
Sales	\$45,592	\$37,590
Income before income taxes	\$4,446	\$3,046
Net income for the period	\$3,126	\$1,900
Basic and Diluted earnings per share	\$0.08	\$0.05
Common shares outstanding	40,912,823	40,904,323

Consolidated sales for the first quarter ended December 31, 2010 increased by \$8.0 million or 21% from last year to \$45.6 million continuing the upward sales trend experienced throughout 2010. During the quarter, the Casting and Extrusion segment reported sales of \$27.8 million – an increase of \$3.8 million or 16% from the same quarter last year. Sales in the Automotive Solutions segment in the quarter were \$17.8 million – an increase of \$4.2 million or 31% from the same quarter last year.

Consolidated net income for the first quarter was \$3.1 million or \$0.08 per share compared to consolidated net income of \$1.9 million or \$0.05 per share in the same quarter last year. This improvement was led by the Automotive Solutions segment which increased pretax income by 145% reporting segment pretax income of \$2.7 million in the first quarter compared to \$1.1 million last year. The Casting and Extrusion segment improved sales by 8% reporting higher pretax income in the first quarter of \$2.6 million compared to \$2.4 million in the same quarter last year. This improvement in this segment was impacted by disruptions at the extrusion group, which was burdened with production inefficiencies and other nonrecurring costs associated with the consolidation of the AluDie facility in the amount of approximately \$0.02 per share.

Gross margin in the first quarter increased by 1.6 percentage points to 26.3% from 24.7% in the same quarter last year despite operating inefficiencies from the consolidation of the AluDie facility and negative margin at Edco and Excoeng Mexico.

Operating cash flow before net changes in non cash working capital in the first quarter increased to \$5.2 million from \$3.3 million in the same quarter last year. This increase is primarily the result of improved earnings; however, the net change in non cash working capital eroded cash in the

quarter by \$5.6 million mainly as a result of higher receivables and inventory caused by generally increasing business activity throughout the Company.

The Company's cash position at the first quarter ended December 31, 2010 decreased by 38% to \$12.5 million from \$20.2 million at the beginning of the quarter. This erosion stems in large part from higher capital spending on machinery in the extrusion group, the expenditure of approximately \$1.5 million for the purchase of Allper, the payment of 2010 income tax in the amount of \$3.2 million and payments for 2010 accrued incentive plans.

Steady automotive production in North America combined with a stream of new model introductions by virtually all OEMs is making for a dynamic environment for component and tooling suppliers such as Exco. Our established reputation in these markets combined with our solid financial position should ensure that we continue to prosper while providing our customers with high quality, affordable and timely delivered products. Meanwhile, our consolidation of the extrusion die business, once substantially complete next quarter, should allow for better overhead absorption and more rapid reaction to our customers requirements. The classification of the AluDie building and certain machinery and equipment as held for sale will reduce depreciation costs in Q2 and beyond and improve Exco's cash position at the time of sale.

In Europe, Polydesign's focus on launching of new programs for a differing array of products to diverse customers has increased sales and returned the business to profitability. This development combined with Castool's recent acquisition of a distributor in Switzerland should see an increase in Exco's overall European business activity and profitability in the coming quarters.

Exco Technologies Limited is a global supplier of innovative technologies servicing the die-cast, extrusion and automotive industries. Through our 9 strategic locations, we employ 2,013 people and service a diverse and broad customer base.

The Annual Meeting of Shareholders of Exco Technologies Limited will be held at 4:30 pm (EST) on February 2, 2011 and will be simultaneously webcast. Management will discuss year-end and first quarter results. To access the live audio webcast, please log on to www.excocorp.com or directly to the webcast at <http://www.newswire.ca/en/webcast/viewEvent.cgi?eventID=3360500> a few minutes before the event. Microsoft Media Player is required for access. For those unable to participate on February 2, 2011, an archived version will be available from the Exco website.

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This news release contains forward-looking information and forward-looking statements within the meaning of applicable securities laws. We use words such as "anticipate", "plan", "may", "will", "should", "expect", "believe", "estimate" and similar expressions to identify forward-looking information and statements especially with respect to consolidated and operational sales levels and earnings and the future cash flow of the Company. Such forward-looking information and statements are based on assumptions and analyses made by us in light of our experience and our perception of historical trends, current conditions and expected future developments, as well as

other factors we believe to be relevant and appropriate in the circumstances. Readers are cautioned not to place undue reliance on forward-looking information and statements, as there can be no assurance that the assumptions, plans, intentions or expectations upon which such statements are based will occur. Forward-looking information and statements are subject to 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, implied or anticipated by such information and statements. These risks, uncertainties and assumptions are described in the Company's Management's Discussion and Analysis included in our 2010 Annual Report, in our 2010 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 expressed by such forward-looking information and statements are reasonable, there can be no assurance that such expectations and assumptions will prove to be correct. In evaluating forward-looking information and statements, readers should carefully consider the various factors which could cause actual results or events to differ materially from those indicated in the forward-looking information and statements. Readers are cautioned that the foregoing list of important factors is not exhaustive. Furthermore, the Company disclaims any obligations to update publicly or otherwise revise any such factors or any of the forward-looking information or statements contained herein to reflect subsequent information, events or developments, changes in risk factors or otherwise.