



NEWS RELEASE

Third Quarter ended June 30, 2012

- **Year over year Quarterly Sales increased 20%**
- **Year over year Quarterly Profits increased 50%**
- **Quarter-end Cash on hand increased 49% to \$22.9 million**
- **No bank debt**

Toronto, July 25, 2012 - Exco Technologies Limited (TSX-XTC) today announced results for its third quarter ended June 30, 2012. In addition, the Company announced the quarterly dividend of \$0.0375 per common share which will be paid on September 28, 2012 to shareholders of record on September 14, 2012. The dividend is an “eligible dividend” in accordance with the Income Tax Act of Canada.

	Three Months ended June 30		Nine Months ended June 30	
	<i>(\$000s, except per share amounts)</i>			
	2012	2011	2012	2011
Sales	59,213	49,183	180,849	148,605
Net income	5,516	3,688	17,302	10,603
Basic earnings per share	\$0.14	\$0.09	\$0.42	\$0.26
Diluted earnings per share	\$0.14	\$0.09	\$0.42	\$0.26
Common shares outstanding	40,663,811	40,961,823	40,663,811	40,961,823

Consolidated sales for the third quarter ended June 30, 2012 were \$59.2 million – an increase of \$10.0 million or 20% compared to last year. The Company experienced strong demand for its products and this quarter marks the continuing trend of growing sales started over three years ago. Year-to-date sales were \$180.8 million – an increase of \$32.2 million or 22% compared to last year.

During the third quarter, the Casting and Extrusion segment reported sales of \$36.0 million – an increase of \$4.2 million or 13% compared to the same quarter last year. Year-to-date, the segment reported sales of \$112.5 - an increase of \$18.6 or 20% compared to last year. Sales in the Automotive Solutions segment in the third quarter were \$23.2 million – an increase of \$5.8 million or 33% from the same quarter last year. Year-to-date, the segment reported sales of \$68.3 million – an increase of \$13.7 million or 25% from last year. Sales increased at all business units in both business segments. Growth in extrusion tooling sales continues to point towards a recovery in industrial activity in North America. Castool and Exco’s large mould businesses also continue to benefit from the surge in demand for die cast tooling and consumable components. At Polytech and Neocon, strong light vehicle production levels in North America, favorable OEM content positioning and better absorption of tightly controlled manufacturing overhead costs

fuelled growth at these divisions. Sales at Polydesign have also increased in the quarter and year-to-date as volumes have held up well, despite difficult European market conditions.

Consolidated net income for the third quarter was \$5.5 million or \$0.14 per share compared to consolidated net income of \$3.7 million or \$0.09 per share last year. Year-to-date consolidated net income was \$17.3 million or \$0.42 per share compared to consolidated net income of \$10.6 million or \$0.26 per share last year.

Pretax income for the Casting and Extrusion segment in the third quarter was \$5.2 million compared to segment pretax income of \$3.5 million last year. Year-to-date, the segment reported pretax income of \$16.2 million compared to \$9.0 million last year. These improvements were led by the large mould group which continued to benefit from very strong demand for its powertrain tooling. Edco reported a profit in the current quarter and losses at Excoeng Mexico, our large mould maintenance facility in Queretaro Mexico, decreased significantly in the current quarter mainly due to growing sales. Year-to-date, losses at Edco and Excoeng Mexico were approximately 1 cent per share. Earnings at Castool were also significantly stronger on higher sales in both current quarter and year-to-date. Extrusion earnings in the current quarter and year-to-date increased significantly over last year as efficiencies from operating within the two-plant footprint were realized. The start-up plant in Colombia, which started shipping in January 2012, incurred losses of approximately 1 cent per share in the current quarter and 2 cents year-to-date; however, as a group, the extrusion businesses outperformed prior year results.

The Automotive Solutions segment reported segment pretax income in the third quarter of \$3.9 million compared to segment pretax income of \$2.7 million in the same quarter last year. Year-to-date, the segment reported pretax income of \$11.5 million compared to \$8.7 million last year. Program refreshing and renewal activity has enabled this segment to better recover raw material cost increases experienced over the last several years. Strong light vehicle production volume has also improved overhead absorption. Polydesign continued improving its earnings as new product launches have provided not only the necessary throughput but also higher added value product mix than its traditional seat cover program which comes to an end next quarter. The volume reduction on existing European programs has not materialized to the extent that was expected. However, erosion is still expected given current trends in European automotive sales.

Consolidated gross margin in the third quarter increased to 28.8% from 27.1% in the same quarter last year. Year-to-date gross margin also increase to 28.5% from 26.5% last year. The improvement in the current quarter and year-date was mainly from; 1) declining losses at Edco and Excoeng Mexico, 2) operating within a two-plant extrusion footprint and 3) generally stable yet softening raw material cost environment. Cash provided by operating activities increased to \$4.6 million in the third quarter from \$2.5 million last year and \$19.4 million this year-to-date compared to \$3.3 million last year. These increases are primarily the result of improved earnings and stable working capital requirements. This has caused the Company's cash position at June 30, 2012 to increase to \$22.9 million from \$15.4 million at the beginning of the year.

The outlook for Exco for the balance of the year continues to be promising. North American automotive production is strong despite the overall lackluster performance of the US economy. We believe the high average age of North American vehicles, materially better mileage of new automobiles and the return of low cost automobile financing and leasing are the major factors driving this trend. This bodes well for our automotive components and tooling businesses which

are expected to continue experiencing strong demand for their products. Recent improvement in US industrial markets, seems to be levelling off, however, improved demand for our extrusion tooling products over the last year has been sustained. In Europe the economy is in recession with automotive production contracting precipitously. Exco's Polydesign operations are expected to offset any declining volume on existing programs with the launch of new programs throughout this year and next. In this way we hope to position ourselves to take advantage of the recovery which we expect to occur thereafter. Management also observes a nascent trend in softening raw material costs. It would appear that global trends toward more moderate growth particularly among BRIC countries may cause Exco to obtain relief in the form of better supply and more stable cost for polymers, steel and other commodity inputs.

The comparative amounts in the above analysis have been adjusted to reflect the impact of the Company's transition to IFRS effective October 1, 2010. Refer to Note 13 to the interim consolidated financial statements for the second quarter for a full reconciliation of the comparative period's interim consolidated financial statements under GAAP to IFRS.

(For further information and prior year comparison please refer to the Company's Third Quarter Interim Financial Statements in the Investor Relations section posted at www.excocorp.com. Alternatively, please refer to www.sedar.com)

Exco Technologies Limited is a global supplier of innovative technologies servicing the die-cast, extrusion and automotive industries. Through our 10 strategic locations, we employ 2,196 people and service a diverse and broad customer base.

To access the live audio webcast, please log on to www.excocorp.com, or <http://www.newswire.ca/en/webcast/detail/1007495/1088509> a few minutes before the event. Real Player is required for access. For those unable to participate on July 26, 2012, an archived version will be available on 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 growth and financial performance of the Company's business units, contribution of our businesses (particularly our start-up business units in Mexico and Colombia), input costs and our operating efficiencies. 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. These assumptions include, among other things, the number of automobile vehicles produced in North America and Europe, the rate of economic growth in North America and Europe and BRIC countries, investment by OEMs in drivetrain architecture and structural parts and currency fluctuations (particularly with respect to the US dollar, Euro and Mexican Peso). 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 2011 Annual Report, in our 2011 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 will update its disclosure upon publication of each fiscal quarter's financial results and otherwise 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.