Exco Technologies Limited Signs Conditional Agreement to Acquire Privately Held Interior Trim Business

TORONTO, Feb. 16, 2016 /CNW/ - **Exco Technologies Limited (TSX-XTC)** today announced that it has signed a conditional purchase agreement to acquire a group of private companies (the "Target") organized under the laws of Mexico and Michigan, whereby a wholly-owned U.S. subsidiary of Exco intends to acquire all of the shares of the Target.

The agreement is subject to receipt of applicable regulatory approvals and other customary closing conditions, as well as the finalization of certain due diligence items to Exco's satisfaction. Exco currently anticipates the conditional elements will be satisfied by March 31, 2016 with closing of the transaction expected immediately following, although there can be no assurance this will occur.

Pursuant to the terms of the agreement, the transaction value, excluding assumed debt of US$4 million, totals approximately US$73 million. Assuming the transaction is completed, Exco intends to fund this amount with a combination of cash on hand, part of the proceeds from a new C$100 million committed operating credit facility and notes payable to certain shareholders of the Target, which are due over the subsequent three years. The transaction will not require significant integration or restructuring charges and is expected to be immediately accretive to Exco's earnings per share. The Target generated revenue of approximately C$115 million (equivalent) in 2015.

Founded in the 1990's, the Target is a leading tier 2 supplier of interior trim components to a diversified group of North American automotive customers. Additional details, including the name of the Target will be released after closing, until which time they remain subject to a confidentiality agreement.

Exco has gained extensive leather and seat trim expertise over the years, which has enabled it to develop its Automotive Solutions Group into a globally competitive supplier in all manner of fabric, vinyl and leather cut and sewn products. Exco believes the Target's high quality operations are extremely complementary to its existing automotive interior trim business but will also provide Exco with new capabilities and customer relationships that are expected to translate into additional growth opportunities over time.

Exco Technologies Limited is a global supplier of innovative technologies servicing the die-cast, extrusion and automotive industries. Through our 19 strategic locations in 10 countries, we employ 5,362 people and service a diverse and broad customer base.

Any information in this news release relating to the satisfaction of the conditions, the closing of the transaction or the closing of the committed credit facility are forward-looking statements.

Readers are cautioned not to place undue reliance on forward-looking statements in this news release. These forward-looking statements are based on our plans, intentions or expectations which are based on, among other things, assumptions about the outcome of due diligence which is continuing, possible emergence of material adverse changes which may emerge, and satisfaction of other conditions.

While Exco believes that the expectations expressed by such forward-looking statements are reasonable, we cannot assure that they will 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.

SOURCE Exco Technologies Limited

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