



EXCO TECHNOLOGIES LIMITED
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Unaudited Condensed Interim Report
to the shareholders
for the three and six months ended
March 31, 2018

NOTICE TO READER

The attached unaudited condensed interim consolidated financial statements have been prepared by management of the Company. The condensed interim consolidated financial statements for the three month and six month periods ended March 31, 2018 and 2017 have not been reviewed by the auditors of the Company.

EXCO TECHNOLOGIES LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Unaudited)
\$ (000)'s

	As at March 31, 2018	As at September 30, 2017
ASSETS		
Current		
Cash and cash equivalents	\$35,259	\$35,876
Accounts receivable	111,109	94,332
Unbilled revenue	17,856	20,207
Inventories	58,890	59,782
Prepaid expenses and deposits	3,049	2,532
Income taxes recoverable	2,681	3,646
Total current assets	228,844	216,375
Property, plant and equipment, net (note 4)	119,608	111,524
Intangible assets, net (note 5)	39,016	39,849
Goodwill (note 5)	64,255	62,091
Deferred tax assets	1,412	1,382
Total assets	\$453,135	\$431,221
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Bank indebtedness	\$13,781	\$15,717
Trade accounts payable	51,086	48,369
Accrued payroll liabilities	11,405	12,720
Other accrued liabilities	9,910	10,088
Derivative instruments	562	314
Provisions	1,368	1,339
Customer advance payments	1,279	3,223
Long-term debt - current portion (note 7)	4,089	3,959
Total current liabilities	93,480	95,729
Long-term debt - long-term portion (note 7)	30,179	27,134
Deferred tax liabilities	7,361	7,100
Total liabilities	131,020	129,963
Shareholders' equity		
Share capital (note 8)	51,813	51,707
Contributed surplus	4,140	3,998
Accumulated other comprehensive income	14,243	4,232
Retained earnings	251,919	241,321
Total shareholders' equity	322,115	301,258
Total liabilities and shareholders' equity	\$453,135	\$431,221

The accompanying notes are an integral part of these condensed unaudited interim consolidated financial statements.

EXCO TECHNOLOGIES LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME (LOSS)
(Unaudited)

\$ (000)'s except for income per common share

	Three months ended March 31		Six months ended March 31	
	2018	2017	2018	2017
Sales	\$148,390	\$153,783	\$283,261	\$306,880
Cost of sales	118,558	117,725	225,094	235,678
Selling, general and administrative expenses	10,743	12,644	21,035	24,392
Depreciation (note 4)	3,820	4,027	7,546	7,958
Amortization (note 5)	1,229	1,216	2,458	2,431
Loss on disposal of property, plant and equipment	49	15	787	69
Interest expense, net	270	357	577	730
Other expense (note 12)	-	-	-	1,223
	134,669	135,984	257,497	272,481
Income before income taxes	13,721	17,799	25,764	34,399
Provision for income taxes (note 11)	3,165	5,197	6,292	10,334
Net income for the period	10,556	12,602	19,472	24,065
Other comprehensive income				
Items that may be reclassified to profit or loss in subsequent periods:				
Net unrealized gain (loss) on derivatives designated as cash flow hedges ^(a)	1,446	2,928	(183)	1,429
Unrealized gain (loss) on foreign currency translation	9,673	(673)	10,194	1,988
	11,119	2,255	10,011	3,417
Comprehensive income	\$21,675	\$14,857	\$29,483	\$27,482
Income per common share				
Basic	\$0.25	\$0.30	\$0.46	\$0.57
Diluted	\$0.25	\$0.30	\$0.46	\$0.56
Weighted average number of common shares outstanding				
Basic	42,363	42,594	42,365	42,592
Diluted	42,394	42,685	42,401	42,683

(a) Net of income tax payable of \$516 and income tax recoverable of \$65 for the three- and six- month periods ended March 31, 2018 (2017 - net of income tax payable of \$1,020 and \$498 for the three and six month periods ended March 31, 2017)

The accompanying notes are an integral part of these condensed unaudited interim consolidated financial statements.

EXCO TECHNOLOGIES LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Unaudited)
\$ (000)'s

Accumulated other comprehensive income							
	Share capital	Contributed surplus	Retained earnings	Net unrealized gain (loss) on derivatives designated as cash flow hedges	Unrealized gain (loss) on foreign currency translation	Total accumulated other comprehensive income (loss)	Total shareholders' equity
Balance, October 1, 2017	\$51,707	\$3,998	\$241,321	(\$233)	\$4,465	\$4,232	\$301,258
Net income for the period	-	-	8,916	-	-	-	8,916
Dividend paid (note 3)	-	-	(3,396)	-	-	-	(3,396)
Stock option grants	-	126	-	-	-	-	126
Exercise of stock options	-	-	-	-	-	-	-
Repurchase of Share Capital (note 8)	(66)	-	(475)	-	-	-	(541)
Other comprehensive income (loss)	-	-	-	(1,629)	521	(1,108)	(1,108)
Balance, December 31, 2017	\$51,641	\$4,124	\$246,366	(\$1,862)	\$4,986	\$3,124	\$305,255
Net income for the period	-	-	10,556	-	-	-	10,556
Dividend paid (note 3)	-	-	(3,597)	-	-	-	(3,597)
Stock option grants	-	127	-	-	-	-	127
Exercise of stock options	370	(111)	-	-	-	-	259
Repurchase of Share Capital (note 8)	(198)	-	(1,406)	-	-	-	(1,604)
Other comprehensive income	-	-	-	1,446	9,673	11,119	11,119
Balance, March 31, 2018	\$51,813	\$4,140	\$251,919	(\$416)	\$14,659	\$14,243	\$322,115

Accumulated other comprehensive income							
	Share capital	Contributed surplus	Retained earnings	Net unrealized gain (loss) on derivatives designated as cash flow hedges	Unrealized gain (loss) on foreign currency translation	Total accumulated other comprehensive income	Total shareholders' equity
Balance, October 1, 2016	\$51,366	\$3,566	\$213,283	(\$3,017)	\$14,207	\$11,190	\$279,405
Net income for the period	-	-	11,463	-	-	-	11,463
Dividend paid (note 3)	-	-	(2,981)	-	-	-	(2,981)
Stock option grants	-	134	-	-	-	-	134
Exercise of stock options	105	(30)	-	-	-	-	75
Other comprehensive income (loss)	-	-	-	(1,499)	2,661	1,162	1,162
Balance, December 31, 2016	\$51,471	\$3,670	\$221,765	(\$4,516)	\$16,868	\$12,352	\$289,258
Net income for the period	-	-	12,602	-	-	-	12,602
Dividend paid (note 3)	-	-	(3,408)	-	-	-	(3,408)
Stock option grants	-	154	-	-	-	-	154
Exercise of stock options	92	(28)	-	-	-	-	64
Other comprehensive income (loss)	-	-	-	2,928	(673)	2,255	2,255
Balance, March 31, 2017	\$51,563	\$3,796	\$230,959	(\$1,588)	\$16,195	\$14,607	\$300,925

The accompanying notes are an integral part of these condensed unaudited interim consolidated financial statements.

EXCO TECHNOLOGIES LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
\$ (000)'s

	Three months ended March 31		Six months ended March 31	
	2018	2017	2018	2017
OPERATING ACTIVITIES:				
Net income for the period	\$10,556	\$12,602	\$19,472	\$24,065
Add non-operating and items not involving a current outlay of cash				
Depreciation (note 4)	3,820	4,027	7,546	7,958
Amortization (note 5)	1,229	1,216	2,458	2,431
Stock-based compensation expense	79	272	250	307
Deferred income taxes	-	940	17	1,109
Net interest expense	270	357	577	730
Non-cash costs of ALC plant closures (note 12)	-	-	-	707
Loss from liquidation of ALC capital assets (note 12)	-	-	-	23
Loss (gain) on disposal of property, plant and equipment	49	(8)	787	46
	16,003	19,406	31,107	37,376
Net change in non-cash working capital (note 10)	(8,126)	(7,510)	(10,929)	(3,554)
Cash provided by operating activities	7,877	11,896	20,178	33,822
FINANCING ACTIVITIES:				
Increase (decrease) in bank indebtedness	3,208	(2,539)	(1,936)	(2,259)
Financing from long-term debt	-	-	3,175	-
Repayment of long-term debt	(870)	(9,360)	-	(15,063)
Interest paid, net	(270)	(357)	(577)	(730)
Dividends paid (note 3)	(3,597)	(3,408)	(6,993)	(6,389)
Repurchase of share capital	(1,604)	-	(2,145)	-
Issuance of share capital	259	64	259	139
Cash used in financing activities	(2,874)	(15,600)	(8,217)	(24,302)
INVESTING ACTIVITIES:				
Purchase of property, plant and equipment (note 4)	(4,606)	(3,876)	(14,223)	(6,773)
Purchase of intangible assets (note 5)	(246)	(154)	(411)	(462)
Proceeds from liquidation of ALC capital assets	-	62	-	93
Proceeds from disposal of property, plant and equipment	155	23	435	50
Cash used in investing activities	(4,697)	(3,946)	(14,199)	(7,093)
Effect of exchange rate changes on cash	1,375	(2,635)	1,621	(2,386)
Net increase (decrease) in cash during the period	1,681	(10,285)	(617)	41
Cash, beginning of period	33,578	37,835	35,876	27,509
Cash, end of period	\$35,259	\$27,550	\$35,259	\$27,550

The accompanying notes are an integral part of these condensed unaudited interim consolidated financial statements.

EXCO TECHNOLOGIES LIMITED
NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
\$(000)'s except per share amounts

1. CORPORATE INFORMATION

Exco Technologies Limited (the "Company") is a global designer, developer and manufacturer of dies, moulds, components and assemblies, and consumable equipment for the die-cast, extrusion and automotive industries. Through 17 strategic locations in 8 countries, the Company services a diverse and broad customer base. The Company is incorporated and domiciled in Canada. The registered office is located at 130 Spy Court, Markham, Ontario, Canada.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Company's significant accounting policies are outlined below:

Basis of preparation

These unaudited condensed interim consolidated financial statements present the Company's financial results of operations and financial position as at and for the three- and six- month periods ended March 31, 2018 and have been prepared in accordance with International Accounting Standard ("IAS") 34, *Interim Financial Reporting* as issued by the International Accounting Standards Board ("IASB"). The accounting policies used in preparing these unaudited condensed interim financial statements are consistent with those used in preparation of the 2017 audited annual consolidated financial statements.

The Company's preparation of unaudited condensed interim financial statements in accordance with IAS 34 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the applying of the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements were the same as those that applied to the Company's consolidated financial statements as at and for the year ended September 30, 2017.

These unaudited condensed interim consolidated financial statements should be read in conjunction with the Company's 2017 audited annual consolidated financial statements, which are available at www.sedar.com and on the Corporation's website at www.excocorp.com. The unaudited condensed interim consolidated financial statements and accompanying notes for the three- and six-month periods ended March 31, 2018 were authorized for issue by the Board of Directors on April 25, 2018.

Basis of consolidation

The condensed interim consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company, its subsidiaries. Control exists when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Company controls an investee if and only if the Company has all of the following: power over the investee; exposure or rights to variable returns from its involvement with the investee; and the ability to use its power over the investee to affect its returns. The financial statements of the subsidiaries are included in the condensed interim consolidated financial statements from the date that control commences until the date that control ceases. All intercompany transactions and balances have been eliminated on consolidation.

The Company has an interest in a joint operation, whereby the joint operators have a contractual arrangement that establishes joint control over the economic activities of the individual entity. The Company recognized its share of the joint operation's assets, liabilities, revenues and expenses in the condensed interim consolidated financial statements.

Accounting standards issued but not yet applied

The following standards are not yet effective for the year ending September 30, 2018. The Company is in the process of reviewing the standards to determine the impact on its consolidated financial statements.

EXCO TECHNOLOGIES LIMITED
NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
\$(000)'s except per share amounts

IFRS 9, Financial Instruments ("IFRS 9")

IFRS 9, as issued in 2014, introduces new requirements for the classification and measurement of financial instruments, a new expected loss impairment model that will require more timely recognition of expected credit losses and a substantially reformed model for hedge accounting, with enhanced disclosures about risk management activity. IFRS 9 also removes the volatility in profit or loss that was caused by changes in an entity's own credit risk for liabilities selected to be measured at fair value. This new standard also includes a new general hedge accounting standard which will align hedge accounting more closely with risk management. It does not fully change the types of hedging relationships or the requirement to measure and recognize ineffectiveness, however, it will provide more hedging strategies that are used for risk management to qualify for hedge accounting and introduce more judgment to assess the effectiveness of a hedging relationship. The Company is in the process of reviewing the standard to determine the impact on its consolidated financial statements. IFRS 9 is effective for annual periods beginning on or after January 1, 2018, which will be October 1, 2018 for the Company. Earlier application is permitted and the Company does not plan to early adopt IFRS 9.

IFRS 15, Revenue from Contracts with Customers ("IFRS 15")

In May 2014, the IASB issued IFRS 15 which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. Under IFRS 15 revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach to measuring and recognizing revenue. The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under IFRS. IFRS 15 is effective for annual periods beginning on or after January 1, 2018. The Company has established a cross-functional team to implement the guidance related to the recognition of revenue from contracts with customers. The Company is in the process of evaluating its customer contracts and identifying contractual provisions that may result in a change in the timing, or the amount of revenue recognized in comparison with current guidance. In addition, the Company is assessing the enhanced disclosure requirements of the new guidance and the design of new controls and processes designed to comply with IFRS 15. The Company has not yet selected a transition method and will adopt the new revenue standard effective October 1, 2018.

IFRS 16, Leases ("IFRS 16")

In January 2016, the IASB issued IFRS 16 in which lessees will have a single accounting model for all leases, with certain exemptions and lessor accounting is substantially unchanged. The guidance would require lessees to recognize most leases on their balance sheets as lease liabilities with corresponding right-of-use assets. IFRS 16 is effective for annual periods beginning on or after January 1, 2019, which will be October 1, 2019 for the Company using a modified retrospective approach with the option to elect certain practical expedients. The Company is currently evaluating the impact of IFRS 16 on its consolidated financial statements.

3. CASH DIVIDEND

During the three- and six- month periods ended March 31, 2018, the Company paid quarterly cash dividends totaling \$3,597 and \$6,993 (2017 - \$3,408 and \$6,389). The quarterly dividend rate increased in the second quarter of 2018 to \$0.085 per common share (2017 - \$0.08).

EXCO TECHNOLOGIES LIMITED
NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
\$(000)'s except per share amounts

4. PROPERTY, PLANT AND EQUIPMENT

	Machinery and Equipment	Tools	Buildings	Land	Assets under Construction	Total
Cost						
Balance as at September 30, 2017	\$192,549	\$21,112	\$67,564	\$10,077	\$3,655	\$294,957
Additions						
Assets acquired	1,994	273	3,401	1,399	7,156	14,223
Reclassification	3,902	498	138	-	(4,538)	-
Less: disposals	(3,375)	(349)	-	-	-	(3,724)
Foreign exchange movement	3,536	443	1,498	188	194	5,859
Balance as at March 31, 2018	\$198,606	\$21,977	\$72,601	\$11,664	\$6,467	\$311,315

	Machinery and equipment	Tools	Buildings	Land	Assets under construction	Total
Accumulated depreciation and impairment losses						
Balance as at September 30, 2017	\$134,550	\$16,187	\$32,696	\$-	\$-	\$183,433
Depreciation for the period	5,193	940	1,413	-	-	7,546
Less: disposals	(2,198)	(304)	-	-	-	(2,502)
Reclassification	(21)	21	-	-	-	-
Foreign exchange movement	2,248	362	620	-	-	3,230
Balance as at March 31, 2018	\$139,772	\$17,206	\$34,729	\$-	\$-	\$191,707

Carrying amounts						
As at September 30, 2017	\$57,999	\$4,925	\$34,868	\$10,077	\$3,655	\$111,524
As at March 31, 2018	\$58,834	\$4,771	\$37,872	\$11,664	\$6,467	\$119,608

EXCO TECHNOLOGIES LIMITED
NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
\$(000)'s except per share amounts

5. INTANGIBLE ASSETS AND GOODWILL

	Computer Software and other	Acquisition Intangibles*	Assets under Development (Software)	Total intangible assets	Goodwill
Cost					
Balance as at September 30, 2017	\$20,614	\$44,713	\$427	\$65,754	\$62,091
Additions					
Assets acquired	242	-	169	411	-
Reclassification	544	-	(544)	-	-
Less: disposals	(165)	-	-	(165)	-
Foreign exchange movement	2	1,355	4	1,361	2,164
Balance as at March 31, 2018	\$21,237	\$46,068	\$56	\$67,361	\$64,255

	Computer Software and other	Acquisition Intangibles*	Assets under Development (software)	Total intangible assets	Goodwill
Accumulated amortization and impairment losses					
Balance as at September 30, 2017	\$18,829	\$7,076	-	\$25,905	-
Amortization for the period	558	1,900	-	2,458	-
Less: disposals	(165)	-	-	(165)	-
Foreign exchange movement	(24)	171	-	147	-
Balance as at March 31, 2018	\$19,198	\$9,147	\$-	\$28,345	\$-

Carrying amounts

As at September 30, 2017	\$1,785	\$37,637	\$427	\$39,849	\$62,091
As at March 31, 2018	\$2,039	\$36,921	\$56	\$39,016	\$64,255

*Acquisition intangibles are comprised primarily of customer relationships and trade names resulting from business acquisitions.

6. FINANCIAL INSTRUMENTS

Fair value represents point-in-time estimates that may change in subsequent reporting periods due to market conditions or other factors. Presented below is a comparison of the fair value of each financial instrument to its carrying value.

The fair value of cash and cash equivalents, bank indebtedness, trade and other receivables and trade and other payables approximates their carrying amounts due to the short-term maturities of these instruments. The estimated fair value of long-term debt approximates its carrying value since debt is subject to terms and conditions similar to those available to the Company for instruments with comparable terms, and the interest rates are market-based.

The fair value of derivative instruments that are not traded in an active market such as over-the-counter foreign exchange options and collars is determined using quoted forward exchange rates at the consolidated statement of financial position dates and are Level 2 instruments.

During the six month period ended March 31, 2018 there were no transfers between Level 1 and Level 2 fair value measurements.

EXCO TECHNOLOGIES LIMITED
NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
\$(000)'s except per share amounts

The carrying value and fair value of all financial instruments are as follows:

	March 31, 2018		September 30, 2017	
	Carrying Amount of Asset (Liability)	Fair Value of Asset (Liability)	Carrying Amount of Asset (Liability)	Fair Value of Asset (Liability)
Cash and cash equivalents	\$35,259	\$35,529	\$35,876	\$35,876
Accounts receivable	111,109	111,109	94,332	94,332
Trade accounts payable	(51,086)	(51,086)	(48,369)	(48,369)
Bank indebtedness	(13,781)	(13,781)	(15,717)	(15,717)
Customer advance payments	(1,279)	(1,279)	(3,223)	(3,223)
Accrued liabilities	(21,315)	(21,315)	(22,808)	(22,808)
Derivative instruments	(562)	(562)	(314)	(314)
Long-term debt	(\$34,268)	(\$34,268)	(\$31,093)	(\$31,093)

7. LONG-TERM DEBT

On February 22, 2018, the Company closed an amendment to renew the \$50,000 Committed Revolving Credit Facility with JP Morgan Chase Bank N.A, of which \$26,000 was used as at March 31, 2018. The facility has a 3 year term and is collateralized by a general security agreement covering all assets of the Company's Canadian and US subsidiaries with the exception of real property. There are no specific repayment terms prior to maturity.

On April 4, 2016, the Company entered into promissory Term Notes amounting to US\$9,307 in conjunction with the acquisition of AFX Industries. The Term Notes bear interest at a rate equal to the Mid-term Applicable Federal Rate in the United States, compounded annually. The principal and interest is payable in three annual payments on the anniversary date of the AFX acquisition. The Term Notes are unsecured.

The components of long-term debt are as follows:

	March 31, 2018	September 30, 2017
Bank debt	\$26,000	\$23,000
Term notes	7,998	7,744
Promissory note	270	349
Subtotal	34,268	31,093
Less: current portion	(4,089)	(3,959)
Long-term debt, long-term portion	\$30,179	\$27,134

8. SHARE CAPITAL

The Company received approval from the Toronto Stock Exchange for a normal course issuer bid for a 12-month period beginning February 16, 2018. The Company's Board of Directors authorized the purchase of up to 1,000,000 common shares representing approximately 2% of the Company's outstanding common shares. During the quarter and year-to-date 162,800 and 217,300 common shares were repurchased (2017 – nil) for a total cost of \$1,604 and \$2,146 respectively. The cost to repurchase the common shares in the year exceeded their stated value by \$1,881 which was charged against retained earnings.

As at March 31, 2018 the Company had 42,319,781 common shares issued and outstanding.

EXCO TECHNOLOGIES LIMITED
NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
\$(000)'s except per share amounts

9. SEGMENTED INFORMATION

Business segments

The Company operates in two business segments: Casting and Extrusion Technology (“Casting and Extrusion”) and Automotive Solutions. The accounting policies followed in the operating segments are consistent with those outlined in note 2 to the consolidated financial statements.

The Casting and Extrusion 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 seating, cargo storage and restraint for sale to automotive manufacturers and Tier 1 suppliers (suppliers to automakers).

The Company evaluates the performance of its operating segments primarily based on pre-tax income before interest and other expense.

The Corporate segment involves administrative expenses that are not directly related to the business activities of the above two operating segments.

Three Months Ended March 31, 2018				
	Casting and Extrusion	Automotive Solutions	Corporate	Total
Sales	\$51,138	\$98,534	\$-	\$149,672
Intercompany sales	(1,166)	(116)	-	(1,282)
Net sales	49,972	98,418	-	148,390
Depreciation	2,973	836	11	3,820
Amortization	231	997	1	1,229
Pre-tax income (loss) before interest and other expense	4,948	10,689	(1,646)	13,991
Net interest expense				(270)
Income before income taxes				13,721
Property, plant and equipment additions	3,421	1,183	2	4,606
Property, plant and equipment, net	90,751	27,598	1,259	119,608
Intangible asset additions	194	52	-	246
Intangible assets, net	1,630	37,382	4	39,016
Goodwill	291	63,964	-	64,255
Total assets	196,173	252,991	3,971	453,135
Total liabilities	28,664	64,293	38,063	131,020

EXCO TECHNOLOGIES LIMITED
NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
\$(000)'s except per share amounts

Three Months Ended March 31, 2017				
	Casting and Extrusion	Automotive Solutions	Corporate	Total
Sales	\$48,692	\$106,532	\$-	\$155,224
Intercompany sales	(1,210)	(231)	-	(1,441)
Net sales	47,482	106,301	-	153,783
Depreciation	3,192	823	12	4,027
Amortization	200	1,016	-	1,216
Pre-tax income (loss) before interest and other expense	5,366	14,970	(2,180)	18,156
Net interest expense				(357)
Income before income taxes				17,799
Property, plant and equipment additions	3,069	780	27	3,876
Property, plant and equipment, net	92,657	20,178	1,303	114,138
Intangible asset additions	154	-	-	154
Intangible assets, net	1,790	42,403	5	44,198
Goodwill	293	64,333	-	64,626
Total assets	186,388	253,719	1,583	441,690
Total liabilities	\$25,491	\$63,830	\$51,444	\$140,765

Six Months Ended March 31, 2018				
	Casting and Extrusion	Automotive Solutions	Corporate	Total
Sales	\$99,588	\$186,955	\$-	\$286,543
Intercompany sales	(3,003)	(279)	-	(3,282)
Net sales	96,585	186,676	-	283,261
Depreciation	5,888	1,635	23	7,546
Amortization	461	1,996	1	2,458
Pre-tax income (loss) before interest and other expense	9,614	20,148	(3,421)	26,341
Net interest expense				(577)
Income before income taxes				25,764
Property, plant and equipment additions	7,891	6,330	2	14,223
Property, plant and equipment, net	90,751	27,598	1,259	119,608
Intangible asset additions	303	108	-	411
Intangible assets, net	1,630	37,382	4	39,016
Goodwill	291	63,964	-	64,255
Total assets	196,173	252,991	3,971	453,135
Total liabilities	28,664	64,293	38,063	131,020

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\$(000)'s except per share amounts

Six Months Ended March 31, 2017				
	Casting and Extrusion	Automotive Solutions	Corporate	Total
Sales	\$95,329	\$215,051	\$-	\$310,380
Intercompany sales	(2,889)	(611)	-	(3,500)
Net sales	92,440	214,440	-	306,880
Depreciation	6,272	1,663	23	7,958
Amortization	386	2,045	-	2,431
Pre-tax income (loss) before interest and other expense	10,377	29,593	(3,618)	36,352
Other expense (note 12)	-	(1,223)	-	(1,223)
Net interest expense				(730)
Income before income taxes				34,399
Property, plant and equipment additions	5,277	1,449	47	6,773
Property, plant and equipment, net	92,657	20,178	1,303	114,138
Intangible asset additions	441	21	-	462
Intangible assets, net	1,790	42,403	5	44,198
Goodwill	293	64,333	-	64,626
Total assets	186,388	253,719	1,583	441,690
Total liabilities	\$25,491	\$63,830	\$51,444	\$140,765

10. NET CHANGE IN NON-CASH WORKING CAPITAL

Six Months Ended March 31		
	2018	2017
Accounts receivable	(\$13,403)	\$2,199
Unbilled revenue	2,623	2,527
Inventories	3,685	6,065
Prepaid expenses and deposits	(443)	73
Trade accounts payable	(179)	(14,820)
Accrued payroll and taxes	(1,780)	(2,945)
Other accrued liabilities	(580)	(203)
Provisions	29	(60)
Customer advance payments	(1,955)	1,815
Income taxes payable	1,074	1,795
	(\$10,929)	(\$3,554)

11. INCOME TAXES

The consolidated effective income tax rate for the six-month period ended March 31, 2018 was 24.4% (six-month period ended March 31, 2017 – 30.0%). The effective tax rate for the six-month period is favourably impacted by the reduction in the US federal income tax rate that will apply to annual earnings. In addition, the effective income

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tax rate is favourably impacted by the remeasurement of US deferred income tax liabilities, offset by the transition taxes accrued related to foreign earnings of certain of the Mexican subsidiaries which have not been repatriated to the United States. The comparative period was adversely impacted by the non-deductibility of post-production costs in the amount of \$1,223 incurred in South Africa and Lesotho (note 12). Further, the effective tax rate in the current period benefitted from improved proportion of earnings generated in lower tax jurisdictions.

The impacts of the US Tax Act on the consolidated tax provision of the Company for the six-month period were estimated using all reliable information that was available and could reasonably have been expected to have been obtained and taken into account. The Company will continue to monitor legislative developments and update its estimates as new information becomes available.

12. OTHER EXPENSE

On November 12, 2016 of the previous fiscal year, the Company ceased production in Lesotho and commenced the process of liquidating and winding-up the ALC legal entities in Lesotho and South Africa.

During the first quarter of the 2017 fiscal year, the Company incurred post-production non-operating expenses of \$1,223 and included non-cash asset write-downs of \$707 and a loss on disposal of capital assets of \$23.

CORPORATE INFORMATION

Exco Technologies Limited is a global supplier of innovative technologies servicing the die-cast, extrusion and automotive industries. Through our 17 strategic locations in 8 countries, we employ 6,879 people and service a diverse and broad customer base.

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TORONTO STOCK EXCHANGE LISTING

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