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Unaudited Condensed Interim Report to the shareholders for the three and six months ended March 31, 2019

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- and six- month periods ended March 31, 2019 and 2018 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, 2019	As at September 30, 2018
ASSETS		
Current		
Cash and cash equivalents	**$14,153**	$31,343
Accounts receivable	**106,168**	102,520
Unbilled revenue	**21,328**	24,438
Inventories	**60,415**	63,771
Prepaid expenses and deposits	**3,148**	3,585
Derivative instruments	**-**	779
Income taxes recoverable	**-**	3,170
Total current assets	**205,212**	229,606
Property, plant and equipment, net (note 4)	**123,732**	117,270
Intangible assets, net (note 5)	**35,853**	36,639
Goodwill (note 5)	**64,345**	63,122
Deferred tax assets	**786**	1,247
Total assets	**$429,928**	$447,884
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Bank indebtedness	**$600**	$11,764
Trade accounts payable	**40,994**	46,966
Accrued payroll liabilities	**10,488**	14,498
Other accrued liabilities	**9,353**	9,834
Derivative instruments	**294**	-
Provisions	**1,252**	1,267
Income taxes payable	**246**	0
Customer advance payments	**2,228**	2,865
Long-term debt - current portion (note 7)	**4,239**	4,108
Total current liabilities	**69,694**	91,302
Long-term debt - long-term portion (note 7)	**15,594**	18,181
Deferred tax liabilities	**8,912**	8,238
Total liabilities	**94,200**	117,721
Shareholders' equity		
Share capital (note 8)	**51,447**	51,230
Contributed surplus	**4,277**	4,391
Accumulated other comprehensive income	**16,290**	10,895
Retained earnings	**263,714**	263,647
Total shareholders' equity	**335,728**	330,163
Total liabilities and shareholders' equity	**$429,928**	$447,884

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	
	2019	2018	**2019**	2018
Sales	**$123,465**	$148,390	**$265,589**	$283,261
Cost of sales	**95,502**	118,558	**208,645**	225,094
Selling, general and administrative expenses	**11,690**	10,743	**22,094**	21,035
Depreciation (note 4)	**3,572**	3,820	**7,338**	7,546
Amortization (note 5)	**1,006**	1,229	**2,044**	2,458
Loss (gain) on disposal of property, plant and equipment	**(31)**	49	**(34)**	787
Interest expense, net	**226**	270	**479**	577
Other expense (note 12)	**333**	-	**6,409**	-
	112,298	134,669	**246,975**	257,497
Income before income taxes	**11,167**	13,721	**18,614**	25,764
Provision for income taxes (note 11)	**2,603**	3,165	**6,232**	6,292
Net income for the period	**8,564**	10,556	**12,382**	19,472
Other comprehensive income (loss)				
Items that may be reclassified to profit or loss in subsequent periods:				
Net unrealized loss on derivatives designated as cash flow hedges (a)	**585**	1,446	**(791)**	(183)
Unrealized gain on foreign currency translation	**(5,890)**	9,673	**6,186**	10,194
	(5,305)	11,119	**5,395**	10,011
Comprehensive income	**$3,259**	$21,675	**$17,777**	$29,483
Income per common share				
Basic	**$0.21**	$0.25	**$0.30**	$0.46
Diluted	**$0.21**	$0.25	**$0.30**	$0.46
Weighted average number of common shares outstanding				
Basic	**41,364**	42,363	**41,409**	42,365
Diluted	**41,382**	42,394	**41,432**	42,401

(a) Net of income tax payable of $209 and income tax recoverable of $282 for the three- and six- month periods ended March 31,2019 (2018 - net of income tax payable of $ 516 and income tax recoverable of $65 for the three- and six- month periods ended March 31,2018)

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, 2018	**$51,230**	**$4,391**	**$263,647**	**$572**	**$10,323**	**$10,895**	**$330,163**
Net income for the period	**-**		**3,818**				**3,818**
Dividend paid (note 3)	**-**		**(3,524)**				**(3,524)**
Stock option grants	**-**	**110**					**110**
Exercise of stock options	**111**	**(34)**					**77**
Repurchase of Share Capital (note 8)	**(507)**		**(3,445)**				**(3,952)**
Other comprehensive income (loss)	**-**			**(1,376)**	**12,076**	**10,700**	**10,700**
Balance, December 31, 2018	**$50,834**	**$4,467**	**$260,496**	**($804)**	**$22,399**	**$21,595**	**$337,392**
Net income for the period			**8,564**			**-**	**8,564**
Dividend paid (note 3)			**(3,717)**			**-**	**(3,717)**
Stock option grants		**64**				**-**	**64**
Exercise of stock options	**849**	**(254)**				**-**	**595**
Repurchase of Share Capital (note 8)	**(236)**		**(1,629)**			**-**	**(1,865)**
Other comprehensive income (loss)				**585**	**(5,890)**	**(5,305)**	**(5,305)**
Balance, March 31, 2019	**$51,447**	**$4,277**	**$263,714**	**($219)**	**$16,509**	**$16,290**	**$335,728**

				Accumulated other comprehensive income			
	Share capital	**Contributed surplus**	**Retained earnings**	**Net unrealized gain (loss) on derivatives designated as cash flow hedges**	**Unrealized gain 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**
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**

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	
	2019	2018	**2019**	2018
OPERATING ACTIVITIES:				
Net income for the period	**$8,564**	$10,556	**$12,382**	$19,472
Add non-operating and items not involving a current outlay of cash				
Depreciation (note 4)	**3,572**	3,820	**7,338**	7,546
Amortization (note 5)	**1,006**	1,229	**2,044**	2,458
Stock-based compensation expense	**169**	79	**251**	250
Deferred income taxes	**383**	-	**536**	17
Net interest expense	**226**	270	**479**	577
Non-cash provision for ALC and Other expense (note 12)	**333**	-	**6,409**	-
Loss (gain) on disposal of property, plant and equipment	**(31)**	49	**(34)**	787
	14,222	16,003	**29,405**	31,107
Net change in non-cash working capital (note 10)	**538**	(8,126)	**(9,673)**	(10,929)
Cash provided by operating activities	**14,760**	7,877	**19,732**	20,178
FINANCING ACTIVITIES:				
Increase (decrease) in bank indebtedness	**(12,454)**	3,208	**(9,334)**	(1,936)
Financing from long-term debt	**7,315**	-	**-**	3,175
Repayment of long-term debt	**-**	(870)	**(2,456)**	-
Interest paid, net	**(226)**	(270)	**(479)**	(577)
Dividends paid (note 3)	**(3,717)**	(3,597)	**(7,241)**	(6,993)
Repurchase of share capital	**(1,865)**	(1,604)	**(5,817)**	(2,145)
Issuance of share capital	**595**	259	**672**	259
Cash used in financing activities	**(10,352)**	(2,874)	**(24,655)**	(8,217)
INVESTING ACTIVITIES:				
Purchase of property, plant and equipment (note 4)	**(6,259)**	(4,606)	**(14,865)**	(14,223)
Purchase of intangible assets (note 5)	**(160)**	(246)	**(200)**	(411)
Proceeds from disposal of property, plant and equipment	**91**	155	**117**	435
Cash used in investing activities	**(6,328)**	(4,697)	**(14,948)**	(14,199)
Effect of exchange rate changes on cash	**1,964**	1,375	**3,645**	1,621
Net increase (decrease) in cash during the period	**44**	1,681	**(16,226)**	(617)
De-consolidation of ALC cash (note 12)	**(964)**	-	**(964)**	-
Cash, beginning of period	**15,073**	33,578	**31,343**	35,876
Cash, end of period	**$14,153**	$35,259	**$14,153**	$35,259

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

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 15 strategic locations in 7 countries (see Note 12), 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- month and six- month periods ended March 31, 2019 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 the preparation of the 2018 audited annual consolidated financial statements except as noted below.

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 application 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 essentially the same as those that applied to the Company's consolidated financial statements as at and for the year ended September 30, 2018.

These unaudited condensed interim consolidated financial statements should be read in conjunction with the Company's 2018 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, 2019 were authorized for issue by the Board of Directors on May 1, 2019.

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 (see Note 12). 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 adopted in fiscal year 2019

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

Effective October 1,2018 the Company adopted IFRS 15, in accordance with the modified retrospective approach. The adoption of the standard did not result in any restatement of previously reported results and did not have a material impact on the presentations and disclosure in the consolidated financial statements.

The following should be read as a modification to the significant accounting policies in note 2 of the Company's annual audited consolidated financial statements for the year ended September 30, 2018 and is applicable to the three and six month periods ended March 31,2019.

Revenue Recognition
The Company recognizes sales primarily from two categories of goods: production contracts (including finished production parts and assemblies, short-term die cast tooling contracts, extrusion and other tooling), and long-term large die cast mould contracts.

Revenue for production contracts is recognized at the point in time control of the goods is transferred to the customer. Control of finished production parts, assemblies and tooling transfers when the goods are shipped from the Company's manufacturing facilities to the customer.

The Company recognizes revenue from long-term large die cast mould contracts over time using the percentage-of-completion input method, which recognizes revenue as performance of the contract progresses. Contracts that do not meet the criteria for over time recognition are recognized at a point in time. Input methods recognize revenue on the basis of an entity's efforts or inputs toward satisfying a performance obligation (for example, resources consumed, labor hours expended, costs incurred, time lapsed, or machine hours used) relative to the total expected inputs to satisfy the performance obligation. The estimation of revenue and costs-to-complete is complex, subject to variables and requires significant judgement. The contract value may include fixed amounts, variable amounts or both. The Corporation estimates variable consideration at the most likely amount to which the Corporation expects to be entitled. The estimated variable amount is included in the transaction price to the extent that it is probable that a significant reversal of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is resolved. The estimation of variable consideration is largely based on assessment of the Company's historical, current and forecasted information that is reasonably available.

IFRS 9, *Financial Instruments* ("IFRS 9")

The Company has adopted IFRS 9 using the modified retrospective approach effective October 1,2018.The adoption of IFRS 9 did not have a material impact on the consolidated financial statements. In accordance with the transitional provisions in the standard, comparative figures have not been restated.

The following should be read as a modification to the significant accounting policies in note 2 of the Company's annual audited consolidated financial statements for the year ended September 30, 2018 and is applicable to the three and six month periods ended March 31,2019:

Financial instruments
(a) Financial assets and liabilities

The Company recognizes financial assets and financial liabilities initially at fair value and subsequently measures these at either fair value or amortized cost based on their classification under IFRS 9 as described below:

Amortized cost:
The Company classifies financial assets held to collect contractual cash flows at amortized cost, including trade and other receivables. The Company initially recognizes the carrying amount of such assets on the consolidated balance sheet at fair value plus directly attributable transaction costs, and subsequently measures these at amortized cost using the effective interest rate method, less any impairment losses.

Fair value through profit or loss (FVTPL):
Financial assets and financial liabilities purchased or incurred, respectively, with the intention of generating earnings in the near term, and derivatives other than cash flow hedges, are classified as FVTPL. This category includes cash and cash equivalents, and derivative assets and derivative liabilities that do not qualify for hedge accounting. For items classified as FVTPL, the Company initially recognizes such financial assets and liabilities on the consolidated balance sheet at fair value and recognizes subsequent changes in the consolidated statement of operations. Transaction costs incurred are expensed in the consolidated statement of operations.

Loans and borrowings
The Company initially recognized the carrying amount of such liabilities on the consolidated balance sheet at fair value net of directly attributable transaction costs. After initial recognition, they are subsequently measured at amortized cost using the effective interest rate method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the effective interest rate method amortization process.

(b) Impairment of financial assets:
IFRS 9 replaces the "incurred loss" model in IAS 39 with a forward-looking "expected credit loss" (ECL) model. The ECL model is used in determining the allowance for doubtful accounts as it relates to trade and other receivables. The Company's ECL model aligns with the simplified approach under IFRS 9, which measures lifetime ECL and forward-looking information and did not result in a signifcant change as compared to the Company's pre-IFRS 9 approach. The Company's allowance is determined by historical experiences, and considers factors including, the aging of the balances, the customer's credit worthiness, and updates based on the current economic conditions, expectation of bankruptcies, and the political and economic volatility in the markets/location of customers.

(c) Hedge Accounting
The Company has applied hedge accounting prospectively. At the date of initial application of IFRS 9, all of the Company's existing hedging relationships were eligible to be treated as continuing hedging relationships. Consistent with prior periods, the Company has continued to designate the change in fair value of the entire forward contract in the Company's cash flow hedge relationship in other comprehensive earnings (loss) to the extent the hedge continues to be highly effective. The related other comprehensive earnings (loss) amounts are allocated to the consolidated statements of earnings in the same period in which the hedged item affects earnings. The adoption of the new hedge accounting requirements resulted in no transitional adjustment to how the Company has applied hedge accounting under IFRS 9.

Accounting standards issued but not yet applied
The following standards are not yet effective for the year ending September 30, 2019. The Company is in the process of reviewing the standards to determine the impact on its consolidated financial statements.

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 but application of IFRS 16 will result in an increase in

$(000)'s except per share amounts

liabilities and assets from the recognition of right to use assets and lease liabilities, as well as a decrease in cost of sales and selling, general and administrative expenses and an increase in interest expense and depreciation.

3. CASH DIVIDEND

During the three- and six- month periods ended March 31, 2019, the Company paid quarterly cash dividends totaling $3,717 and $7,241 (2018 -$3,597 and $6,993). The quarterly dividend rate in the first quarter of 2019 was $0.09 per common share (2018 - $0.085).

4. PROPERTY, PLANT AND EQUIPMENT

	Machinery and Equipment	Tools	Buildings	Land	Assets under Construction	Total
Cost						
Balance as at September 30, 2018	203,702	22,923	71,289	12,012	2,631	312,557
Additions	546	975	249	-	13,095	14,865
Reclassification	5,082	252	333	-	(5,667)	-
Disposals	(2,723)	(65)	-	-	-	(2,788)
Deconsolidation of ALC (note 12)	(6,962)	(601)	-	-	-	(7,563)
Foreign exchange movement	2,457	329	927	139	25	3,877
Balance as at March 31, 2019	**$202,102**	**$23,813**	**$72,798**	**$12,151**	**$10,084**	**$320,948**

	Machinery and Equipment	Tools	Buildings	Land	Assets under Construction	Total
Accumulated depreciation and impairment losses						
Balance as at September 30, 2018	143,946	17,893	33,448	-	-	195,287
Depreciation for the period	5,018	833	1,487	-	-	7,338
Disposals	(2,666)	(39)	-	-	-	(2,705)
Deconsolidation of ALC (note 12)	(4,269)	(473)	-	-	-	(4,742)
Foreign exchange movement	1,434	287	317	-	-	2,038
Balance as at March 31, 2019	**$143,463**	**$18,501**	**$35,252**	**$-**	**$-**	**$197,216**
Carrying amounts						
As at September 30, 2018	$59,756	$5,030	$37,841	$12,012	$2,631	$117,270
As at March 31, 2019	**$58,639**	**$5,312**	**$37,546**	**$12,151**	**$10,084**	**$123,732**

$(000)'s except per share amounts

5. INTANGIBLE ASSETS AND GOODWILL

	Computer Software and Other	Acquisition Intangibles*	Assets under Construction (Software)	Total Intangible Assets	Goodwill
Cost					
Balance as at September 30, 2018	21,460	46,266	99	67,825	63,122
Additions	161	-	39	200	-
Reclassifications	35	-	(35)	-	-
Disposals	(180)	-	-	(180)	
Deconsolidation of ALC (note 12)	(321)	-	-	(321)	
Foreign exchange movement	108	1,354	2	1,464	1,223
Balance as at March 31, 2019	**$21,263**	**$47,620**	**$105**	**$68,988**	**$64,345**

	Computer Software and Other	Acquisition Intangibles*	Assets under Construction (Software)	Total Intangible Assets	Goodwill
Accumulated amortization and impairment losses					
Balance as at September 30, 2018	19,797	11,389	-	31,186	-
Amortization for the period	424	1,620	-	2,044	-
Disposals	(180)	-	-	(180)	-
Deconsolidation of ALC (note 12)	(273)	-	-	(273)	-
Foreign exchange movement	101	257	-	358	-
Balance as at March 31, 2019	**$19,869**	**$13,266**	**$-**	**$33,135**	**$-**
Carrying amounts					
As at September 30, 2018	$1,663	$34,877	$99	$36,639	$63,122
As at March 31, 2019	**$1,394**	**$34,354**	**$105**	**$35,853**	**$64,345**

*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, 2019 there were no transfers between Level 1 and Level 2 fair value measurements.

$(000)'s except per share amounts

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

	March 31, 2019		September 30, 2018	
	Carrying Amount of Asset (Liability)	**Fair Value of Asset (Liability)**	Carrying Amount of Asset (Liability)	Fair Value of Asset (Liability)
Cash and cash equivalents	**$14,153**	**$14,153**	$31,343	$31,343
Accounts receivable	**106,168**	**106,168**	102,520	102,520
Trade accounts payable	**(40,994)**	**(40,994)**	(46,966)	(46,966)
Bank indebtedness	**(600)**	**(600)**	(11,764)	(11,764)
Customer advance payments	**(2,228)**	**(2,228)**	(2,865)	(2,865)
Accrued liabilities	**(19,841)**	**(19,841)**	(24,332)	(24,332)
Derivative instruments	**(294)**	**(294)**	779	779
Long-term debt	**($19,833)**	**($19,833)**	($22,289)	($22,289)

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 $15,500 was utilized as at March 31, 2019. The facility has a 3 year term and is collateralized by a general security agreement covering all assets of the Company's subsidiaries located in Canada and the US, with the exception of real property. There are no specific repayment terms prior to maturity.

The components of long-term debt are as follows:

	March 31, 2019	September 30, 2018
Bank debt	**$15,500**	$18,000
Term notes	**4,145**	4,017
Promissory note	**188**	272
Subtotal	**19,833**	22,289
Less: current portion	**(4,239)**	(4,108)
Long-term debt, long-term portion	**$15,594**	$18,181

Pursuant to the terms of the credit facility, Exco is required to maintain compliance with certain financial covenants. The Company was in compliance with these covenants as at March 31, 2019.

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 18, 2019. The Company's Board of Directors authorized the purchase of up to 2,100,000 common shares representing approximately 5% of the Company's outstanding common shares. During the quarter and year-to-date 193,200 and 553,700 common shares were repurchased (2018 - 162,800 and 217,300) for a total cost of $1,865 and $5,817 respectively (2018 - $1,604 and $2,145). The cost to repurchase the common shares in the year exceeded their stated value by $5,074 (2018 - $1,881) which was recorded against retained earnings.

As at March 31, 2019 the Company had 41,328,081 common shares issued and outstanding.

$(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). (See Note 12)

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, 2019			
	Casting and Extrusion	**Automotive Solutions**	**Corporate**	**Total**
Sales	**$52,916**	**$74,429**	**$-**	**$127,345**
Intercompany sales	**(2,747)**	**(1,133)**	**-**	**(3,880)**
Net sales	**50,169**	**73,296**	**-**	**123,465**
Depreciation	**2,902**	**649**	**21**	**3,572**
Amortization	**169**	**837**	**-**	**1,006**
Pre-tax income (loss) before interest and other expense	**4,569**	**9,122**	**(1,965)**	**11,726**
Other expense	**-**	**(333)**	**-**	**(333)**
Net interest expense				**(226)**
Income before income taxes				**11,167**
Property, plant and equipment additions	**5,807**	**452**	**-**	**6,259**
Property, plant and equipment, net	**99,564**	**22,730**	**1,438**	**123,732**
Intangible asset additions	**121**	**39**	**-**	**160**
Intangible assets, net	**1,175**	**34,676**	**2**	**35,853**
Goodwill	**274**	**64,071**	**-**	**64,345**
Total assets	**224,946**	**214,758**	**(9,776)**	**429,928**
Total liabilities	**30,978**	**39,054**	**24,168**	**94,200**

$(000)'s except per share amounts

	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

	Six Months Ended March 31, 2019			
	Casting and Extrusion	**Automotive Solutions**	**Corporate**	**Total**
Sales	**$108,159**	**$170,918**	**$-**	**$279,077**
Intercompany sales	**(5,243)**	**(8,245)**	**-**	**(13,488)**
Net sales	**102,916**	**162,673**	**-**	**265,589**
Depreciation	**5,848**	**1,456**	**34**	**7,338**
Amortization	**351**	**1,693**	**-**	**2,044**
Pre-tax income (loss) before interest and other expense	**10,094**	**18,928**	**(3,520)**	**25,502**
Other expense		**(6,409)**		**(6,409)**
Net interest expense				**(479)**
Income before income taxes				**18,614**
Property, plant and equipment additions	**13,724**	**1,043**	**98**	**14,865**
Property, plant and equipment, net	**99,564**	**22,730**	**1,438**	**123,732**
Intangible asset additions	**161**	**39**	**-**	**200**
Intangible assets, net	**1,175**	**34,676**	**2**	**35,853**
Goodwill	**274**	**64,071**	**-**	**64,345**
Total assets	**224,946**	**214,758**	**(9,776)**	**429,928**
Total liabilities	**30,978**	**39,054**	**24,168**	**94,200**

$(000)'s except per share amounts

	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

10. NET CHANGE IN NON-CASH WORKING CAPITAL

	Six months ended March 31	
	2019	2018
Accounts receivable	**($13,482)**	($13,403)
Unbilled revenue	**2,590**	2,623
Inventories	**(3,502)**	3,685
Prepaid expenses and deposits	**28**	(443)
Trade accounts payable	**2,345**	(179)
Accrued payroll liabilities	**(2,988)**	(1,780)
Other accrued liabilities	**2,641**	(580)
Provisions	**(15)**	29
Customer advance payments	**(593)**	(1,955)
Income taxes payable	**3,303**	1,074
	($9,673)	($10,929)

11. INCOME TAXES

The consolidated effective income tax rate for the six-month period ended March 31, 2019 was 33.5% (six- month period ended March 31, 2018 – 24.4%). The effective income tax rate for the six- month period was adversely impacted by the non-deductibility of Other Expense related to the de-consolidation of ALC in the amount of $6,409 (note 12). Excluding ALC, the effective income tax rate for the six-month period ended March 31, 2019 would have been 24.9% (six-month period ended March 31, 2018 – 24.4%).

12. DECONSOLIDATION OF ALC AND OTHER EXPENSE

On January 17, 2019, the Company's indirect wholly owned subsidiary ALC Bulgaria EOOD ("ALC") voluntarily filed a liquidation petition in Bulgaria. Consequently, all seat-cover production at ALC was ceased on that date. On April 8, 2019, the local courts declared the company insolvent effective January 1, 2019 and a receiver was appointed to liquidate ALC.

During the three months ended March 31, 2019, the Company has lost control of and de-consolidated it from the Company's financial statements.

The Company had recorded a $6.1 million provision during the three months ended December 31, 2018 in respect to ALC, the result of which was that the net assets of ALC were $nil.

During the three months ended March 31,2019, the Company recorded Other Expense of $333 which included net expenses of $356 related to the realization of deferred foreign exchange losses included in Other Comprehensive Income associated with ALC and as well as entities in South Africa and Germany, the net impact of losses incurred between December 31, 2018 and the date of deconsolidation (these resulting in a gain on deconsolidation) and the net impact of the elimination of intercompany amounts with ALC.

CORPORATE INFORMATION

Exco Technologies Limited is a global supplier of innovative technologies servicing the die-cast, extrusion and automotive industries. Through our 15 strategic locations in 7 countries, we employ 5,437 people and service a diverse and broad customer base.

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