

FAB-FORM

Fabric-Formed Concrete



HELIX



**CIRRUS HOMES
ICF MONOPOUR**

**WORLD OF
CONCRETE**
See us in booth **N1653**
Tues Feb 3rd to Fri Feb 6th

FAB-FORM

3rd Quarter Report

2014

REPORT TO OUR SHAREHOLDERS

The cover is a screenprint of our current home page, with Greg Hanberry, Director, Cirrus Homes Inc. providing a 'green' show and tell for his clients in Vancouver. He was very pleased with the performance of the ICF monopour on his project. For more information, please go to www.fab-form.com.

The accompanying Consolidated Financial Statements for the three and nine month periods ended 30 September 2014 and 2013 are the responsibility of Fab-Form Industries Ltd.'s management. The Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards which recognize the necessity of relying on some of management's best estimates and informed judgements.

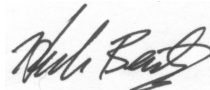
The Company's independent auditors have neither reviewed nor audited these Consolidated Financial Statements.

As always, thank you Board Members, Shareholders, and progressive Dealers and Contractors for your continued support and commitment.

Sincerely



Richard Fearn
President and CEO
26 November 2014



Herb Bentz
Chief Financial Officer
26 November 2014

FAB-FORM INDUSTRIES LTD.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Unaudited

	Notes	30 Sep 2014	31 Dec 2013
ASSETS			
Current			
Cash	\$	40,209	\$ -
Accounts receivable		108,260	76,096
Prepaid expenses and advances		22,111	18,306
Inventory		233,070	79,290
Total current assets		403,650	173,692
Property and equipment		106,740	113,287
Deferred development		4,921	7,860
Patents		3,951	4,119
		115,612	125,266
		\$ 519,262	\$ 298,958
LIABILITIES			
Current			
Bank indebtedness	\$	-	\$ 26,909
Accounts payable and accrued liabilities		237,792	36,204
Accounts payable – related		61,635	96,031
Current portion of long-term debt		38,427	27,716
Total current liabilities		337,854	186,860
Long-term debt		117,065	105,511
SHAREHOLDERS' EQUITY			
Share capital		769,520	769,520
Deficit		(705,177)	(762,933)
		64,343	6,587
		\$ 519,262	\$ 298,958

Approved and authorized by the Board 6 August 2014

"Richard Fearn"

_____, Director

"Herb Bentz"

_____, Director

The accompanying notes are an integral part of these consolidated financial statements

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Unaudited

	Notes	3 rd Quarter		9 Months	
		2014	2013	2014	2013
Sales	4	\$ 470,993	\$ 136,148	\$ 804,346	\$ 346,774
Cost of Sales	5	(368,082)	(71,982)	(596,767)	(182,201)
Gross Profit		\$ 102,911	\$ 64,166	\$ 207,579	\$ 164,573
(Percent Gross Profit)		21.8%	47.1%	25.8%	47.5%
General and administrative expenses	6	(36,401)	(43,069)	(83,982)	\$ (95,613)
Selling and marketing expenses	7	(20,305)	(5,428)	(40,393)	\$ (27,770)
		\$ (56,706)	\$ (48,497)	\$ (124,375)	(123,383)
Operating profit (loss)		\$ 46,205	\$ 15,669	\$ 83,204	\$ 41,190
Foreign exchange gain (loss)		(2,896)	\$ 641	(2,776)	1,949
Interest expense		(6,855)	\$ (4,246)	(17,683)	(12,633)
		\$ (9,751)	(3,605)	\$ (20,459)	\$ (10,684)
Net Profit before other items (loss)		\$ 36,454	\$ 12,064	\$ 62,744	\$ 30,506
Other items					
Inventory write-off		-	-	(2,525)	(7,019)
Development cost write-off		(2,463)	-	(2,463)	
Patent write-off		-	-	-	(288)
		\$ 2,463	-	\$ (4,988)	\$ (7,306)
Comprehensive income (loss)		\$ 33,991	\$ 12,064	\$ 57,757	\$ 23,200
Average shares outstanding					
Basic		4,852,382	4,852,382	4,852,382	4,852,382
Diluted		7,797,988	7,797,988	7,797,988	7,797,988
Income (loss) per share					
Basic		0.01	0.00	0.01	0.00
Diluted		0.00	0.00	0.01	0.00

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

FAB-FORM INDUSTRIES LTD.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Unaudited

	<i>Shares</i>		<i>Share capital</i>		<i>Deficit</i>		<i>Shareholders equity</i>
Balance, 1 January 2013	7,797,988	\$	769,520	\$	(753,346)	\$	5,039
Comprehensive income	-		-		23,199		23,199
Balance, 30 September 2013	7,797,988	\$	769,520	\$	(741,282)	\$	28,238
Balance, 1 January 2014	7,797,988	\$	769,520	\$	(762,933)	\$	6,587
Comprehensive income	-		-		57,757		57,757
Balance, 30 September 2014	7,797,988	\$	769,520	\$	(705,176)	\$	64,344

The accompanying notes are an integral part of these consolidated financial statements

FAB-FORM INDUSTRIES LTD.

CONSOLIDATED STATEMENTS OF CASH FLOWS

Quarter ended 30 September, Unaudited

Cash provided by (used in)	Notes	3 rd Quarter		9 Months	
		2014	2013	2014	2013
Operations					
Income (loss) for period		\$ 33,991	\$ 12,064	\$ 57,757	\$ 23,200
Items not involving use of cash					
Amortization and depreciation		8,204	5,900	23,071	16,964
		42,195	17,964	80,828	40,164
Changes in non-cash working capital items					
Accounts receivable		(42,775)	22,965	(32,164)	(3,443)
Prepaid expenses and advances		(2,747)	(51,675)	(3,806)	(52,308)
Inventory		(132,155)	(40,428)	(153,779)	(50,137)
Accounts payable and accrued liabilities		164,121	61,310	201,588	77,395
Accounts payable - related		10,759	(4,227)	(34,396)	(24,214)
Current portion of long term debt		-	-	10,711	-
		\$ (2,796)	(12,055)	\$ (11,846)	(52,707)
Financing					
Long term debt increase (repayment)		\$ (9,398)	(6,192)	\$ 11,554	(15,370)
Investing					
Property and equipment		(10,599)	(3,679)	(15,106)	(3,927)
Deferred development		2,058	(1,314)	1,688	(2,766)
Patents		-	(751)	-	(410)
		\$ (8,541)	\$ (5,744)	\$ (13,418)	\$ (7,103)
Increase (decrease) in cash		21,460	(6,027)	67,117	(35,016)
Cash (bank indebtedness) beginning of period		18,748	(3,894)	(26,909)	25,095
Cash (bank indebtedness) end of period		\$ 40,208	\$ (9,921)	\$ 40,208	\$ (9,921)

The accompanying notes are an integral part of these consolidated financial statements

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

*1st Quarter Notes, Unaudited***1. Reporting Entity**

Fab-Form Industries Ltd. (the "Company" or "Fab-Form") is a company domiciled in Canada and incorporated under the Company Act of British Columbia. The address of the Company's head office is Unit 19, 1610 Derwent Way, Delta BC V3M 6W1. The Company develops, manufactures and distributes proprietary technology to form concrete footings, columns, foundations and walls for building structures. The Company has traded on the TSX Venture Exchange ("TSX-V" under the symbol FBF) since 2000.

These interim consolidated financial statements were approved and authorized for issue by the board of directors on the 26 November 2014.

2. Basis of Preparation and Interim Period Reporting

The interim consolidated financial statements of the company are prepared in compliance with International Accounting Standard 34, Interim Financial Reporting, ("IAS 34"). The policies applied in these interim consolidated financial statements are based on International Financial Reporting Standards ("IFRS") issued and outstanding as of the date the Board of Directors approved the statements. Any subsequent changes to IFRS that are given effect in the company's annual consolidated financial statements for the year ending 31 December 2013 could result in restatement of these interim consolidated financial statements.

The same accounting policies and methods of computation were followed in the preparation of these interim consolidated financial statements as in the consolidated financial statements for the year ended 31 December 2013.

The disclosure contained in these interim consolidated financial statements is condensed and includes only selected explanatory notes and does not duplicate or repeat disclosure reported in the consolidated financial statements for the year ended 31 December 2013 that has not changed materially since their date of issue. Accordingly, these interim consolidated financial statements should only be read in conjunction with the consolidated financial statements of the company for the year ended 31 December 2013.

3. Product Sales

	Jul - Sep 14	Jul - Sep 13	Change	% Change
Fastfoot®	52,168	23,184	28,984	125%
Fastbag®	1,937	2,227	-290	-13%
Fast-Tube™	4,955	2,638	2,317	88%
Helix®	309,350	23,593	285,758	1211%
Zont™	61,903	38,715	23,188	60%
Monopour	42,093	35,413	6,680	19%
Miscellaneous	-1,413	10,377	-11,791	-114%
Total	470,993	136,148	334,846	246%

4. Cost of Sales

	Jul - Sep 14	Jul - Sep 13	\$ Change	% Change
Direct Product COGS	\$ 357,397	\$ 65,420	\$ 291,977	446%
<i>Direct Product gross margin</i>	<i>24.1%</i>	<i>51.9%</i>		
Indirect Product COGS				
Amortization Production Equip.	2,615	2,598	-144	-6%
Fixed overhead	7941	3,350	4,591	137%
Variable Overhead	200	614	-414	-67%
Total Indirect Product COGS	10,685	6,562	4,123	63%
Total COGS	\$ 368,082	\$ 71,982	\$ 296,100	411%
<i>Gross margin including COGS Overheads</i>	<i>21.8%</i>	<i>47.1%</i>		

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1st Quarter Notes, Unaudited

'Direct Product COGS' includes material and variable labour costs that are directly involved in the production of the physical goods themselves. The 'Indirect Product Costs' include those production costs that are independent to the rate of production. The figures from 2013 have been restated to make them comparable.

5. General and Administrative Expenses

	Jul - Sep 14	Jul - Sep 13	Change	% Change
General	\$ 4,622	\$ 20,100	\$ -15,478	-77%
Amortization & Depreciation	5,589	4,622	2,967	113%
Management Fees	15,381	381	15,000	3,932%
Occupancy	3,573	7,993	-4,420	-55%
Patent Maintenance Fees	205	792	-586	-74%
Professional Fees	3,200	3,200	-	0%
Public Company	2,189	3,500	-1,311	-37%
Telecommunications	1,642	2,481	-839	-34%
Total Admin Expenses	\$ 36,401	\$ 43,069	\$ -6,668	-15%

6. Selling and Marketing Expenses

	Jan - Mar 14	Jan - Mar 13	Change	% Change
Online advertising	\$ 749	\$ 971	\$ -223	-23%
Selling Expenses	17,926	2,977	14,949	502%
Trade Shows	1,630	1,588	42	3%
Total	\$ 20,305	\$ 5,428	\$ 14,769	267%

FAB-FORM INDUSTRIES LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1st Quarter Notes, Unaudited

FAB-FORM INDUSTRIES LTD. is a manufacturer and marketer of forming products using poly membranes to form and damp-proof concrete for the building industry. Fab-Form is the only company in the world commercializing this technology, and is headquartered in Delta, BC. Its common shares trade on the Toronto Venture Exchange under the symbol "FBF".

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Shareholders and interested investors should visit:
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