

FAB-FORM
Fabric-Formed Concrete



ALL NEW FASTFOOT®



SEWN CORNER

NEWS

FAB-FORM
Interim Consolidated Financial Statements
31st March 2014 and 2013

REPORT TO OUR SHAREHOLDERS

The cover is a screenprint of our current home page, showing our new product, sewn Fastfoot® corners. For more information, please go to www.fab-form.com.

The accompanying Consolidated Financial Statements 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.

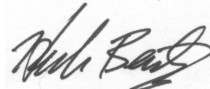
The Company's independent auditors have neither reviewed nor audited these Consolidated Financial Statements.

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

Sincerely



Richard Fearn
President and CEO
29 May 2014



Herb Bentz
Chief Financial Officer
29 May 2014

FAB-FORM INDUSTRIES LTD.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Unaudited

	Notes	31 Mar 2014	31 Dec 2013
ASSETS			
Current			
Cash		\$ -	\$ -
Accounts receivable		36,717	76,096
Prepaid expenses and advances		29,209	18,306
Inventory		92,052	79,290
Total current assets		157,978	173,692
Property and equipment		108,951	113,287
Deferred development		7,828	7,860
Patents		4,063	4,119
		120,843	125,266
		\$ 278,821	\$ 298,958
LIABILITIES			
Current			
Bank indebtedness		\$ 6,614	\$ 26,909
Accounts payable and accrued liabilities		41,883	36,204
Accounts payable – related		54,392	96,031
Current portion of long-term debt		38,427	27,716
Total current liabilities		141,316	186,860
Long-term debt	3	136,170	105,511
SHAREHOLDERS' EQUITY			
Share capital		769,520	769,520
Deficit		(768,185)	(762,933)
		1,335	6,587
		\$ 278,821	\$ 298,958

Approved and authorized by the Board 29 May 2014

"Richard Fearn"

_____, Director

"Herb Bentz"

_____, Director

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

FAB-FORM INDUSTRIES LTD.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

31 March, Unaudited

	Notes	2014	2013
Sales	4	\$ 64,071	\$ 42,211
Cost of Sales	5	(39,846)	(26,575)
Gross Profit		\$ 24,225	\$ 15,636
(Percent Gross Profit)		38%	37%
General and administrative expenses	6	\$ (23,667)	\$ (19,971)
Selling and marketing expenses	7	\$ (4,176)	\$ 4,871
Operating profit (loss)		\$ (6,585)	\$ (9,206)
Foreign exchange gain (loss)		\$ 2,555	\$ 317
Interest expense		\$ (3,889)	\$ (3,581)
Comprehensive income (loss)		\$ (5,251)	\$ (12,470)
Average shares outstanding			
Basic		4,852,382	4,852,382
Diluted		7,797,988	7,797,988
Income (loss) per share			
Basic		0.00	0.00
Diluted		0.00	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	\$	(764,481)	\$	5,039
Comprehensive income	-		-		(13,242)		(13,242)
Balance, 31 March 2013	7,797,988	\$	769,520	\$	(777,723)	\$	(8,203)
Balance, 1 January 2014	7,797,988	\$	769,520	\$	(762,933)	\$	6,587
Comprehensive income	-		-		(5,251)		(5,251)
Balance, 31 March 2014	7,797,988	\$	769,520	\$	(768,185)	\$	1,335

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

FAB-FORM INDUSTRIES LTD.

CONSOLIDATED STATEMENTS OF CASH FLOWS

Quarter ended 31 March, Unaudited

Cash provided by (used in)	Notes	2014	2013
Operations			
Income (loss) for period (before interest paid)	\$	(1,362)	\$ (9,661)
Interest paid		(3,889)	(3,581)
Income (loss) for period		(5,251)	(13,242)
Items not involving use of cash			
Amortization and depreciation		5,809	5,491
		558	(7,751)
Changes in non-cash working capital items			
Accounts receivable		39,378	6,603
Prepaid expenses and advances		(10,903)	5,320
Inventory		(12,761)	(41,124)
Accounts payable and accrued liabilities		5,679	1,166
Accounts payable - related		(41,639)	(8,414)
Current portion of long term debt		10,711	3,415
	\$	(9,535)	(33,034)
Financing			
Long term debt increase	3	\$ 30,659	(6,192)
Investing			
Property and equipment		159	-
Deferred development		2,287	(53)
Patents		(3,833)	53
	\$	(1,387)	\$ -
Increase (decrease) in cash (bank indebtedness)		20,295	(46,977)
Cash (bank indebtedness) beginning of period		(26,909)	25,095
Cash (bank indebtedness) end of period	\$	(6,614)	\$ (21,882)

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 for the first quarter of 2014 were approved and authorized for issue by the board of directors on the 29th May 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 March 31, 2014 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. Term Bank Loans

On 21 January 2014, the Company received an equipment loan from the Business Development Bank for \$50,000, with principle payable \$840 per month, floating rate of interest currently at 6.75%, maturing on 13 January 2019. This loan is secured by a shareholder guarantee and a general security agreement over the assets of the Company including a first charge on equipment.

4. Product Sales

	Jan - Mar 14	Jan - Mar 13	Change	% Change
Fastfoot®	\$ 24,932	\$ 12,437	\$ 12,495	100%
Fastbag®	1,575	1,470	106	7%
Fast-Tube™	1,025	1,375	-350	-25%
Helix®	3,004	-	3,004	100%
Zont™	31,337	16,943	14,394	85%
Monopour	2,000	9,987	-7,987	-80%
Other	198	-	198	100%
Total Sales	\$ 64,071	\$ 42,211	\$ 21,860	52%

In 2013 and prior years the 'Other' category was for shipping revenue. In 2014 these revenues are removed from product sales so that true product gross margins can be determined. The first quarter of 2013 'Other' category has been adjusted downwards to show comparable figures.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

*1st Quarter Notes, Unaudited***5. Cost of Sales**

	Jan - Mar 14	Jan - Mar 13	\$ Change	% Change
Direct Product COGS	\$ 27,966	\$ 17,545	\$ 10,421	59%
<i>Direct Product gross margin</i>	<i>56%</i>	<i>58%</i>		
Indirect Product COGS				
Amortization Production Equip.	2,454	2,205	249	11%
Fixed overhead	8,004	3,995	4,009	100%
Variable Overhead	748	2,184	-1,436	-66%
Delivery Costs	674	646	27	4%
Total Indirect Product COGS	11,880	9,030	2,850	32%
Total COGS	\$ 39,846	\$ 26,575	\$ 13,271	50%
<i>Gross margin including COGS Overheads</i>	<i>38%</i>	<i>37%</i>		

'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.

6. General and Administrative Expenses

	Jan - Mar 14	Jan - Mar 13	Change	% Change
General	\$ 6,511	\$ 4,847	\$ 1,664	34%
Amortization & Depreciation	4,933	2,509	2,424	97%
Management Fees	381	4,381	-4,000	-91%
Occupancy	2,542	1,425	1,118	78%
Patent Maintenance Fees	835	83	752	905%
Professional Fees	3,200	3,000	200	7%
Public Company	2,990	2,562	428	17%
Telecommunications	2,274	1,164	1,110	95%
Total Admin Expenses	\$ 23,667	\$ 19,971	\$ 3,695	19%

7. Selling and Marketing Expenses

	Jan - Mar 14	Jan - Mar 13	Change	% Change
Online advertising	\$ 742	\$ 680	\$ 62	9%
Selling Expenses	1,704	2,641	-937	-35%
Trade Shows	1,730	1,550	180	12%
Total	\$ 4,176	\$ 4,871	\$ -695	-14%

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".

For additional information, please contact:

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Chris Mattock

Chairman of the Board

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Shareholders and interested investors should visit:

www.fab-form.com