

FAB-FORM

Fabric-Formed Concrete



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FAB-FORM

2015 2nd Quarter Financials

REPORT TO OUR SHAREHOLDERS

The cover is a screenprint of our current home page for the Fab-Form website, showing a recent project done with ICFs and our Zont bracing. With recent changes in the building code requiring R22 effective insulation, it is now more cost effective to form with insulated concrete forms than with traditional plywood. This change in coding bodes well for all our green products. For more information and a video on this project please go to our home page at www.fab-form.com.

The accompanying Consolidated Financial Statements are the responsibility of Fab-Form Industries' 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
27 August 2015



Herb Bentz
Chief Financial Officer
27 August 2015

FAB-FORM INDUSTRIES LTD.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Unaudited

	Notes	30 Jun 2015	31 Dec 2014
ASSETS			
Current			
Cash	\$	15,523	\$ 61,781
Accounts receivable		129,361	114,621
Prepaid expenses and advances		42,011	18,711
Inventory		181,266	75,838
Total current assets		368,511	270,951
Property and equipment		94,773	106,016
Deferred development		3,890	4,322
Patents		4,378	3,895
		103,041	114,233
		\$ 471,552	\$ 385,184
LIABILITIES			
Current			
Bank indebtedness	\$	-	\$ -
Accounts payable and accrued liabilities		143,537	126,750
Accounts payable – related		73,023	68,711
Current portion of long-term debt		44,120	38,427
Total current liabilities		260,680	233,888
Long-term debt		110,928	107,807
SHAREHOLDERS' EQUITY			
Share capital		769,520	769,520
Deficit		(669,576)	(726,031)
		99,744	43,489
		\$ 471,552	\$ 385,184

Approved and authorized by the Board 27 August 2015

"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

1st Quarter, Unaudited

	Notes	2 nd Quarter		1 st Half	
		2015	2014	2015	2014
Sales	4	\$ 297,723	\$ 269,283	\$ 421,856	\$ 333,354
Cost of sales	5	200,192	188,879	271,142	228,686
Gross profit		\$ 97,531	\$ 80,404	\$ 150,713	\$ 104,668
(Percent Gross Profit)		32.8%	29.9%	35.7%	31.4%
Administrative & selling expenses					
General and administrative expenses	6	35,361	23,876	55,995	47,581
Selling and marketing expenses	7	16,465	15,913	29,934	20,089
		51,826	39,789	85,929	67,670
Operating profit		\$ 45,705	\$ 40,616	\$ 64,784	\$ 36,998
Foreign exchange & interest					
Foreign exchange loss (gain)		741	2,135	(4,703)	(120)
Interest expense		7,673	6,940	11,661	10,828
		8,412	9,075	6,957	10,708
Net Profit before other items (loss)		\$ 37,291	\$ 31,541	\$ 57,827	\$ 26,290
Other items					
Inventory write-off		1,372	2,525	1,372	2,525
Comprehensive income (loss)		\$ 35,920	\$ 29,017	\$ 56,455	\$ 23,765
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	0.01	0.01	0.01
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 2014	7,797,988	\$ 769,520	\$ (762,933)	\$ 6,587
Comprehensive income	-	-	23,765	23,765
Balance, 30 June 2014	7,797,988	\$ 769,520	\$ (739,168)	\$ 30,352
Balance, 1 January 2015	7,797,988	\$ 769,520	\$ (726,031)	\$ 43,489
Comprehensive income	-	-	56,455	56,455
Balance, 30 June 2015	7,797,988	\$ 769,520	\$ (669,576)	\$ 99,944

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	2 nd Quarter		1 st Half	
		2015	2014	2015	2014
Operations					
Income (loss) for period		\$ 35,920	\$ 29,017	\$ 56,455	\$ 23,765
Items not involving use of cash					
Amortization and depreciation		6,752	7,480	11,801	14,867
		42,672	36,497	68,256	38,632
Changes in non-cash working capital items					
Accounts receivable		(70,480)	(28,765)	(15,274)	10,609
Prepaid expenses and advances		43,148	9,844	(23,300)	(1,059)
Inventory		(4,176)	(8,863)	(105,428)	(21,624)
Accounts payable and accrued liabilities		(19,667)	31,789	24,859	37,469
Accounts payable - related		(2,345)	(3,516)	(3,577)	(45,155)
Current portion of long term debt		-	-	-	10,711
		\$ (53,520)	485	\$ (122,719)	(9,049)
Financing					
Long term debt increase (repayment)		\$ (10,476)	(9,708)	\$ 8,814	20,951
Investing					
Property and equipment		-	(1,912)	-	(4,506)
Deferred development		-	-	-	(371)
Patents		(610)	-	(610)	-
		\$ (610)	\$ (1,912)	\$ (610)	\$ (4,877)
Increase (decrease) in cash		(21,934)	25,362	(46,258)	45,657
Cash (bank indebtedness) beginning of period		37,457	(6,614)	61,781	(26,909)
Cash (bank indebtedness) end of period		\$ 15,523	\$ 18,748	\$ 15,523	\$ 18,748

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 second quarter of 2015 were approved and authorized for issue by the board of directors on the 27 August 2015.

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 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 2014.

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 2014 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 2014.

3. Commitments

On 24 June 2015, the Company signed a sublease agreement to rent the adjacent space at Unit 20, 1610 Derwent Way, Delta BC starting 1 July 2015 until 28 February 2016 to accommodate increased levels of inventory. Gross rent is \$3,100 per month, including GST.

4. Product Sales

	Apr - Jun 15	Apr - Jun 14	\$ Change	% Change
Fastbag	3,772	3,129	643	21%
Fastfoot	41,828	41,734	95	0%
Fast-Tube	4,225	1,337	2,888	216%
Helix	22,238	107,732	(85,494)	(79%)
Sundry	98	3,188	(3,090)	(97%)
Monopour	11,136	22,213	(11,077)	(50%)
ICF	117,611	10,101	107,509	1064%
Bracing	96,814	79,849	16,965	21%
Total	297,723	269,283	28,440	11%

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

	Apr - Jun 15	Apr - Jun 14	\$ Change	% Change
Total direct product COGS	186,386	178,194	8,192	4.6%
<i>Gross margins before indirect costs</i>	<i>37.4%</i>	<i>33.8%</i>		<i>10.6%</i>
Indirect product COGS				
Amortization of prod. equip	2,975	2,545	430	16.9%
Production tools	407	202	205	101.4%
Production occupancy	7,298	7,941	-643	-8.1%
Variable overhead	795	671	124	18.4%
Unabsorbed delivery costs	2,332	-674	3,005	446.1%
Total indirect product COGS	13,806	10,685	3,121	29.2%
Total COGS	200,192	188,879	11,313	6.0%
<i>Gross margins after indirect costs</i>	<i>32.8%</i>	<i>29.9%</i>		<i>9.7%</i>

6. General and Administrative Expenses

	Apr - Jun 15	Apr - Jun 14	\$ Change	% Change
Amortization	3,777	4,935	-1,158	-23.5%
Occupancy	2,824	2,752	73	2.6%
Patent maintenance	205	205	0	0.0%
Professional fees	3,760	3,939	-179	-4.5%
Public company	3,204	4,435	-1,232	-27.8%
General expenses	12,394	5,322	7,073	132.9%
Management fees	8,312	381	7,931	2,079.1%
Telecommunications	885	1,612	-728	-45.1%
Total	35,361	23,582	11,780	50.0%

7. Selling and Marketing Expenses

	Apr - Jun 15	Apr - Jun 14	\$ Change	% Change
Advertising	3,324	4,304	-980	-22.8%
Adwords	955	732	223	30.5%
Selling expenses	1,650	2,254	-604	-26.8%
Trade shows	3,543	1,630	1,914	117.4%
Associations	200	0	200	100.0%
Postage & courier	10	140	-130	-93.0%
Promo materials	735	1,264	-529	-41.8%
Website	48	0	48	100.0%
Commissions and fees	6,000	5,590	410	7.3%
Total	16,465	15,913	552	3.5%

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:

Herb Bentz

Chief Financial Officer

herb@fab-form.com

Bruce Clark

Secretary

bruce@fab-form.com

Rick Fearn

President, CEO, CFO

rick@fab-form.com

Chris Mattock

Chairman of the Board

chris@fab-form.com



Unit 212, 6333 148th Street
Surrey, BC V3S 3C3, Canada
(604)596-3278

Shareholders and interested investors should visit:

www.fab-form.com