

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 Management Discussion & Analysis for the three and nine month periods ended 30 September 2014 and 2013 are the responsibility of Fab-Form Industries Ltd.'s management.

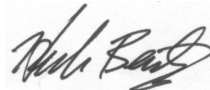
The Company's independent auditors have neither reviewed nor audited this discussion and analysis of the Consolidated Financial Statements.

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

MANAGEMENT DISCUSSION & ANALYSIS

THIRD QUARTER 2014 & 2013

MANAGEMENT DISCUSSION & ANALYSIS

3rd Quarter 2014, unaudited

This discussion and analysis of the financial results of Fab-Form Industries Ltd. (Fab-Form or the Company) should be read in conjunction with the interim consolidated unaudited financial statements for the third quarter of 2014 and accompanying notes. The results reported herein have been prepared in accordance with International Financial Reporting Standards (IFRS) and are presented in Canadian dollars unless otherwise stated. Additional information relating to the Company can be found on the SEDAR (System for Electronic Document Analysis and Retrieval) website at www.sedar.com.

FORWARD LOOKING STATEMENTS

Some statements contained in this MD&A constitute "forward-looking statements" as is defined in applicable securities laws. These statements include, without limitation, the success of developing, manufacturing and distributing new products and other similar statements concerning anticipated future events, conditions or results that are not historical in nature, and reflect management's current estimates, beliefs, intentions and expectations; they are not guarantees of future performance. The Company cautions that all forward-looking information is inherently uncertain and that actual performance may be affected by a number of material factors, many of which are beyond the Company's control. Such factors include, among others, risks and uncertainties relating to product development; the ability of the Company to obtain additional financing; the Company's limited operating history; the need to comply with environmental and governmental regulations; potential defects in product performance; fluctuations in currency exchange rates; fluctuating prices of commodities; operating hazards and risks; competition; the uncertainty of capturing market share and other risks and uncertainties. Accordingly, actual future events, conditions and results may differ materially from the estimates, beliefs, intentions and expectations expressed or implied in the forward-looking information. All statements are made as of the Report Date and, except as required by law, the Company is under no obligation to update or alter any forward-looking information.

COMPANY DESCRIPTION

Fab-Form is a Canadian manufacturing company which develops, manufactures and distributes products for the concrete forming industry around the world. The Company's objective is to identify patentable technology in concrete forming, develop, manufacture products and distribute them to world markets. The Company is a reporting issuer in Alberta and British Columbia, and trades on the TSX Venture Exchange under the symbol "FBF".

INTERIM MD&A REPORTING

The reader should refer to our interim consolidated financial statements for the three month period ended 30 September 2014 and our consolidated financial statements for the year ended 31 December 2013 while reading this discussion. The reader should also refer to the MD&A in our 2013 Annual Report as any MD&A information that has not changed materially since year end is not repeated here.

MANAGEMENT DISCUSSION & ANALYSIS

3rd Quarter 2014, unaudited

OPERATING RESULTS

1. 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%

Sales for the third quarter increased 246% over 2013.

Helix® increased 1,211% over the previous year's quarter as a result of several major slab pours in the USA and locally.

Zont™ bracing continues to gain wide acceptance in the ICF markets of Canada, USA and Scotland with a 60% increase over the previous year's quarter. Fastfoot® and Fast-Tube™ increased 124% and 88% respectively over the previous year's quarter.

2. 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>	24.1%	51.9%		
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>	21.8%	47.1%		

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

Direct product gross margins decreased significantly from 51.9% in the third quarter of 2013 to 24.1% this year, a drop due to higher sales of Helix®, a low margin product.

Gross margins, after direct and indirect cost of goods sold, were 21.8% and 47.1% respectively, a drop of 25.3%.

3. Profitability

Profit before other items was \$36,454 in the third quarter of 2014, compared to \$12,064 in 2013. Development cost write-down was \$2,463 and \$- in the third quarter of 2014 and 2013 respectively, resulting in a comprehensive income of \$33,991 in 2014 and \$12,064 in 2013. Profits did not track sales as a result of lower margins of Helix.

MANAGEMENT DISCUSSION & ANALYSIS

*3rd Quarter 2014, unaudited***4. 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%

General and administrative expenses dropped 15% in the third quarter of 2014 compared with the previous year. This reduction was due primarily to a reduction in general expenses of 77%, occupancy dropped 55% which was offset partially by an increase in management fees of \$15,000.

5. 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%

Selling expenses increased 267% in the third quarter of 2014 over the previous year, primarily due to higher sales commissions.

6. Quarterly Financial Summary

The following table, extracted from our consolidated financial statements, sets out quarterly financial information for eight recent quarters.

	2014				2013		2012	
	<i>3rd Qtr</i>	<i>2nd Qtr</i>	<i>1st Qtr</i>	<i>4th Qtr</i>	<i>3rd Qtr</i>	<i>2nd Qtr</i>	<i>1st Qtr</i>	<i>4th Qtr</i>
Revenues	470,993	269,283	64,071	148,903	136,148	163,528	47,098	59,871
Net Income (loss)	33,991	29,017	(5,251)	(21,652)	12,064	24,378	(13,242)	(6,432)
Shares outstanding (diluted)	7,797,988	7,797,988	7,797,988	7,797,988	7,797,988	7,797,987	7,797,988	7,797,988
Income (loss) per diluted share	0.00	0.00	(0.00)	(0.00)	0.00	0.00	(0.00)	(0.00)

Additional financial information on the Company can be found on SEDAR at www.sedar.com.

Approved

"Board of Directors"

26 November 2014

FAB-FORM INDUSTRIES LTD.

MANAGEMENT DISCUSSION & ANALYSIS

3rd Quarter 2014, unaudited

FAB-FORM INDUSTRIES LTD. is a manufacturer and distributor of forming products for the construction industry. Fab-Form is headquartered in Delta, BC. Its common shares trade on the Toronto Venture Exchange under the symbol "FBF".

For additional information contact our board members:

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