



2008 ANNUAL REPORT

FINANCIAL HIGHLIGHTS

(in thousands of Canadian dollars, except per share data)

Fiscal Years Ended	April 26, 2008	April 30, 2007	April 30, 2006	April 30, 2005
	\$	\$	\$	\$
Sales	69,769	83,161	14,695	9,348
EBITDA	2,294	9,416	974	1,847
Earnings (loss) before income taxes	(1,401)	5,184	360	1,428
Net earnings (net loss)	(550)	3,651	206	1,013
Net earnings (net loss) per share				
Basic	(0.013)	0.104	0.011	0.062
Diluted	(0.013)	0.099	0.011	0.062
Total Assets	57,035	59,381	18,287	5,731
Working Capital	4,313	7,337	2,513	1,125
Long-term Debt (including current portion)	19,644	14,538	8,228	2,540
Shareholders' Equity	20,313	20,764	4,059	1,741

Sigma Industries Inc. (TSX-V: SIC), a leading composite and metal products manufacturer, has six operating subsidiaries and employs close to 550 people. The Company is active in the growing heavy-duty truck, coach, transit and bus, train and subway, machinery, agriculture, light forestry, and wind energy market segments. Sigma sells its products to original equipment manufacturers and distributors in the United States, Canada and Europe. The shares of the Company trade on the TSX Venture Exchange under ticker symbol SIC.

Sigma has had a recent history of steady growth and profitable acquisitions. Its recent and planned growth initiatives are expected to continue to raise Sigma's profile with investors.

MESSAGE TO SHAREHOLDERS

Fiscal 2008 enabled Sigma Industries to prove the strength of its business model and the rightness of its strategic plan. As the latter consists of operating manufacturing facilities, developing new products and acquiring companies that bring complementary technologies in order to offer a complete range of technological solutions and act as a solutions' integrator for its clientele, our new corporate name confirmed this plan. In parallel to the adoption of the new corporate name, the Company's shares now trade under ticker symbol SIC on the TSX Venture Exchange.

Sigma intends to be a forerunner of broad trends that will shape the future. Our mission is therefore resolutely focussed on the environment through the development of new natural resins and of technological processes incorporating these materials. Supporting the above, the upcoming marketing of the new Hybrid Composite Bus Body will confirm our leading position in terms of environmentally-conscious technological innovations. In fact, all partakers, from original equipment manufacturers to transit operators, will enjoy the benefits of this revolutionary, high value-added body shell. In addition, we are actively pursuing our penetration of the fast-growing wind power market and we expanded our production capacity to meet increasing demand.

In fiscal 2008, our sales reached \$69.8 million, compared with \$83.2 million the previous year, with the decrease essentially due to reduced activity in the heavy truck market and the strength of the Canadian dollar. These factors caused an EBITDA contraction to \$2.3 million in fiscal 2008, compared with \$9.4 million in fiscal 2007, as well as a net loss of \$0.6 million, as opposed to net earnings of \$3.7 million last year. Our balance sheet remains healthy with a total net indebtedness of \$18.9 million and shareholders' equity of \$20.3 million.

Expectations of a slowdown in the heavy truck market due to the introduction of new environmental regulations regarding greenhouse gas emissions having materialized, we laid the foundation of our future growth through greater diversification of operations. We increased our sales of agricultural and industrial products and further pursued our promising foray in the rapidly-growing wind power market. In fiscal 2008, these three sectors represented sales of \$14.2 million, or 20.4% of overall sales, compared with \$9.6 million, or 11.6% of sales, a year earlier.

Furthermore, the sustained strength of the Canadian dollar requested more diligent management of our operating expenses. For instance, we rapidly achieved synergies stemming from earlier acquisitions while a judicious optimization of ongoing activities through greater robotization yielded substantial cost reductions. Because of these concerted efforts, our operating profitability continuously improved over the course of the fiscal year.

Fiscal 2008 also witnessed, on February 29, the acquisition of Pickens Plastics, our first in the United States. Founded more than 30 year ago, Pickens possesses two manufacturing facilities in north-eastern Ohio. More importantly, this acquisition is in perfect harmony with our growth objectives, as its technological expertise, state-of-the-art equipment and location in close proximity to our target markets are factors that will facilitate its integration as well as future growth for all of our activities.

Pickens, since renamed Sigma OH Industries Inc., brings us geographical and sectorial diversification. While its sales are mainly comprised of industrial products, Sigma OH still has

considerable development opportunities with its existing clientele. Moreover, strong cross-selling potential between Sigma OH and the Company's other subsidiaries reveal a considerable growth avenue. Geographically, this new entity will also yield a better match-up between cash inflow and outflow in foreign currency.

In light of recent developments, we are confidently entering fiscal 2009. First, we anticipate the heavy truck market will recover despite economic uncertainty in North America. Of greater importance, we enhanced our international presence through a strategic alliance with Compin Group, a European leader of interior fittings for the rail and bus transportation industries. Accompanied by the creation of a joint venture, Compin Sigma Amérique, this alliance consolidates our capabilities to offer interior fitting design and manufacturing solutions to the public transportation industry, while further diversifying our product offering.

Sigma enjoys a strong operating foundation, a broad technological expertise, superior products and an enviable market positioning. These elements, combined with our solid financial position, the passion and dedication of our employees, as well as the support of our business partners, ensure that Sigma will be a sustained source of value creation for its shareholders.



Denis Bertrand
Chairman of the Board and CEO
Sigma Industries Inc.



MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Scope of Management's Discussion and Analysis

In this Management's Discussion and Analysis ("MD&A"), the "Company", "we", "us", and "our" refer to Sigma Industries Inc. and its subsidiaries.

The following analysis provides a review of the Company's results of operations, financial condition and cash flows for the years ended April 26, 2008 and April 30, 2007, as well as a review of the fourth quarter. This document should be read in conjunction with the audited annual consolidated financial statements and notes for the fiscal years ended April 26, 2008 and April 30, 2007. Additional information concerning Sigma Industries Inc. may be found on SEDAR web site at www.sedar.com

The following information takes into account all material events that took place until August 22, 2008, the date on which the Company's Board of Directors approved this MD&A.

The Company's consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). All amounts are in Canadian dollars unless otherwise noted.

Non-GAAP Financial Measures

This MD&A contains certain information that are not financial measures prescribed under GAAP. For example, we use earnings before interest, taxes, depreciation and amortization ("EBITDA") as this measure allows management to evaluate the operational performance of the Company and the performance of its assets. We also use "EBITDAG", which is EBITDA with the exchange gain or loss included. EBITDA and EBITDAG do not have any meaning prescribed by GAAP, and are not designed to replace other measures of financial performance or the statement of cash flows as an indicator of liquid assets. These measures do not represent the funds available for the repayment of debt, the payment of dividends, reinvestment or other discretionary uses, and should not be considered in isolation or as substitutes for other measures of performance calculated according to GAAP.

These measures are used by the Company because management believes they provide useful information regarding performance. They are tools frequently used in the business world to analyze and compare the performance of businesses in the sectors in which the Company and its subsidiaries operate. The definitions of the measures that we adopted may differ from those of other businesses.

Reconciliation of EBITDA, EBITDAG and Net earnings (net loss)				
(in thousands of Canadian dollars)	<u>Three months ended</u>		<u>Fiscal years ended</u>	
	April 26, 2008	April 30, 2007	April 26, 2008	April 30, 2007
Net earnings (net loss)	602	533	(550)	3,651
PLUS:				
Income tax expense (recovery)	(403)	(254)	(850)	1,533
Gain on settlement of an insurance claim	-	-	(1,436)	-
Total depreciation and amortization	868	975	3,287	2,509
Financial expenses	493	460	1,843	1,723
EBITDA	1,560	1,714	2,294	9,416
Foreign exchange loss (gain)	(319)	157	(51)	(72)
EBITDAG	1,241	1,871	2,243	9,344

Company Overview

Who are we?

As at April 26, 2008, the Company had six wholly-owned subsidiaries:

- Sigma US Industries Inc. ("Sigma US") and its subsidiary Sigma OH Industries Inc. ("Sigma OH"), located in the State of Ohio (United States), specializes in the manufacture of composite parts for the road transportation and public transit industries, namely bus and truck parts, farm machinery parts such as farm tractor hoods, and in the design of the state-of-the-art composite products for the industrial product market.
- René Composites Materials Ltd. ("René"), located in Saint-Éphrem-de-Beauce, Quebec, specializes in the manufacturing of composite parts for the road transport industry, such as parts for Class 7 and 8 trucks. In the last 30 years, René has developed strong relationships with its customers and its suppliers to become the leader in its field of expertise. Innovation, creativity and research into new production technologies allowed René to gain worldwide recognition from the major manufacturers in the heavy trucking industry.
- Groupe Synergy Composites Inc. ("GSC"), located in Chesterville, Quebec, which has developed a unique composite body for the transportation sector that is lightweight, corrosion-resistant and provides high payload capacity. GSC's plant uses the state-of-the-art, environmentally-friendly Resin Transfer Molding (RTM-light) process;
- Transcam Composites Inc. ("Transcam"), formerly 3547441 Canada Inc., located in Saint-Éphrem-de-Beauce, Quebec, specializes in the manufacturing of dies and moulds for René's customers. Its plant in Acton Vale, Quebec, manufactures a range of composite hoods for Class 7 & 8 highway trucks and vocational trucks, as well as B6 Magnum series tractors;

- Faroex Ltd. ("Faroex"), located in Gimli, Manitoba specializes in the development and manufacturing of composite components for the road transportation, agriculture and wind energy industries;
- PNS Tech Inc. ("PNS"), located in Saint-Agapit, Quebec, specializes in the development, production and distribution of spare parts for the agricultural and snow removal industries. It also develops and manufactures trailers and loaders sold under the JMS name.

Growth Objectives

For fiscal 2009, the Company's development strategy consists of:

- Fostering synergies among its various subsidiaries by integrating their manufacturing activities;
- Increasing sales by stepping up penetration of potential market segments (USA, Europe and Asia);
- Launching new value-added products on a regular basis;
- Reducing production costs by updating its machinery and equipment;
- Acquiring businesses that operate in the same markets as its subsidiaries and that manufactured complementary goods and innovating; and
- Improving its existing products and developing new products and manufacturing processes.

2008 Financial Summary:

- Sales totalled \$69.8 million compared with \$83.2 million in 2007, a decrease of only 16.1%, which is far lesser than the 50.2% decrease in Class 8 heavy-duty truck Original Equipment Manufacturer (OEM) sales from May 2007 to April 2008 (see tables in the Medium & Heavy-Duty Truck Industry Overview section).
- EBITDA decreased to \$2.3 million for fiscal 2008 compared with \$9.4 million in fiscal 2007.
- Net loss was \$0.6 million for fiscal 2008 compared with net earnings of \$3.7 million for fiscal 2007.
- Cash flows from operating activities before the change in non-cash working capital items totalled \$1.1 million in fiscal 2008, a decrease of \$4.5 million from fiscal 2007.

2008 Highlight:

Acquisition of Pickens Plastics Inc.

- On February 29, 2008, the Company acquired, through its wholly-owned subsidiary, Sigma US Industries Inc., all of the outstanding shares of Pickens Plastics Inc. (“Pickens”), and the buildings owned by the shareholder of Pickens which are based in the State of Ohio (United States), for a total consideration of \$5,111,108 (US\$5,192,105) settled as follows: a cash amount of \$4,127,874 (US\$4,193,289), acquisition-related costs payable totalling \$786,354 (US\$798,816) and a balance of purchase price payable amounting to \$196,880 (US\$200,000). Pickens specializes in the manufacture of composite parts for the road transportation and public transit industries, namely bus and truck parts, farm machinery parts such as farm tractor hoods, and in the design of the state-of-the-art composite products for the industrial product market.

Annual Financial Information for Fiscal Years Ended April 26, 2008 and April 30, 2007

The Company’s consolidated results as at April 26, 2008 and April 30, 2007 include the results of the following companies:

- Faroex, PNS and Sigma for the period from May 1, 2007 to April 26, 2008, namely for a 12-month period for fiscal 2008, and for the period from May 1, 2006 to April 30, 2007, namely for a 12-month period for fiscal 2007;
- René for the period from May 1, 2007 to April 26, 2008, namely for a 12-month period for fiscal 2008, and for the period from June 28, 2006 to April 30, 2007, namely for a period of 10 months and three days for fiscal 2007, and its subsidiary GCS from May 1, 2007 to April 26, 2008, namely for a 12-month period for fiscal 2008, and for the period from February 1 to April 30, 2007, namely for a period of three months for fiscal 2007;
- Transcam for the period from May 1, 2007 to April 26, 2008, namely for a 12-month period for fiscal 2008, and for the period from June 28, 2006 to April 30, 2007, namely for a period of 10 months and three days for fiscal 2007, and the Acton Vale acquisition for the period from May 1, 2007 to April 26, 2008, namely for a 12-month period for fiscal 2008, and for the period from January 27 to April 30, 2007, namely for a period of three months and four days for fiscal 2007;
- Sigma US and Sigma OH for the period from February 29, 2008 to April 26, 2008, namely for a period of two months for fiscal 2008 and nil for fiscal 2007.

Medium & Heavy Duty Truck Industry Overview

Effective January 1, 2007, new regulations from the US Environmental Protection Agency (EPA) concerning diesel fuel and truck emissions had a significant influence on Class 4 to 8 retail truck sales in 2006 and 2007.

In summary, these new regulations are causing significant cost increases for the trucking industry. First, retail prices of medium and heavy-duty trucks, as well as of school buses and professional trucks have experienced substantial increases. Second, diesel fuel with lower levels of sulphur content (ULSD) mandated for these new trucks is more expensive and reduces the mileage obtained per gallon by 1% to 3%. Finally, maintenance costs for new trucks will be higher, as their engines will heat up more quickly which will reduce vehicle life as well as require new and more expensive motor oils, notwithstanding maintenance costs for particle filters.

It was those higher costs related to new EPA regulations that stimulated sales in 2006 because motor carriers and large truck distributors wanted to buy ahead of the 2007 price increases by purchasing 2006 models. As vehicle life is generally between three and four years, trucks purchased in 2006 should be ready to be replaced in 2009, which is another year preceding a new set of EPA regulations which might involve further cost increases.

Of note, the purchase of a 2006 model could still have implied taking possession at the beginning of 2007, at which time the sale was recognized. Therefore, a portion of the lower year-over-year industry sales witnessed in the early stages of 2008 can be attributable to sales of 2006 models finalized at the beginning of 2007.

Table 1 shows the Class 4-8 truck sales annualized for the years 2004 to 2008 harmonized with the fiscal years of the Company, namely from May to April for the following classes:

Class 4 (14,001 – 16,000 lbs);

Class 5 (16,001 – 19,500 lbs.);

Class 6 (19,501 – 26,000 lbs);

Class 7 (26,001 – 33,000 lbs);

Class 8 (33,001 lbs +).

TABLE 1

Retail Sales- Class 4 to 8 – Annualized from May to April

Class	2004		2005		2006		2007		2008	
	Units	Year-over-year change %	Units	Year-over-year change %	Units	Year-over-year change %	Units	Year-over-year change %	Units	Year-over-year change %
Class 4	42,071	4.8%	46,794	11.2%	50,483	7.9%	49,969	(1.0%)	49,050	(1.8%)
Class 5	31,558	25.3%	37,857	20.0%	48,434	27.9%	48,985	1.1%	44,425	(9.3%)
Class 6	59,824	21.9%	67,104	12.2%	60,444	(9.9%)	67,176	11.1%	48,799	(27.4%)
Class 7	68,987	8.2%	83,407	20.9%	87,252	20.9%	87,809	0.6%	62,804	(28.5%)
Class 8	160,756	11.8%	223,053	38.8%	266,263	19.4%	258,677	(2.9%)	128,707	(50.2%)
Total	363,196	12.8%	458,215	26.2%	512,876	11.9%	512,616	(0.1%)	333,785	(34.9%)

Source: Automotive News Data Center

Table 2 shows Class 8, heavy-duty truck sales annualized for the years 2004 to 2008 harmonized with the fiscal years of the Company per manufacturer.

TABLE 2

Retail Sales Class 8 Trucks– Annualized from May to April

Manufacturer	2004		2005		2006		2007		2008	
	Units	Year-over-year change %	Units	Year-over-year change %	Units	Year-over-year change %	Units	Year-over-year change %	Units	Year-over-year change %
Freightliner	51,028	12.0%	65,245	27.9%	78,653	20.6%	72,801	(7.4%)	28,012	(61.5%)
International	26,161	10.9%	43,258	65.4%	48,074	11.1%	47,630	(0.9%)	28,163	(40.9%)
Kenworth	17,230	6.2%	24,959	44.9%	29,239	17.2%	30,845	5.5%	17,137	(44.4%)
Mack	17,187	(3.5%)	23,055	34.1%	28,972	25.7%	25,085	(13.4%)	11,793	(53.0%)
Peterbilt	20,096	13.1%	28,188	40.3%	32,086	13.8%	34,052	6.1%	17,803	(47.7%)
Volvo	16,204	41.4%	22,208	37.1%	28,568	28.6%	27,501	(3.7%)	13,906	(49.4%)
Sterling	10,158	10.9%	13,075	28.7%	16,609	27.0%	16,168	(2.7%)	9,572	(40.8%)
Others	2,692	20.0%	3,065	13.9%	4,062	32.5%	4,595	13.1%	2,321	(49.5%)
Total	160,756	11.8%	223,053	38.8%	266,263	19.4%	258,677	(2.9%)	128,707	(50.2%)

Source: Automotive News Data Center

Table 3 shows Class 8 truck retail sales per quarter harmonized with the fiscal quarters of the Company.

TABLE 3

Retail Sales Class 8 Trucks– per quarter harmonized with the fiscal quarters of the Company

Year	Quarter 1		Quarter 2		Quarter 3		Quarter 4		Total	
	Units	Quarter-over-quarter change %	Units	Quarter-over-quarter change %	Units	Quarter-over-quarter change %	Units	Quarter-over-quarter change %	Units	Year-over-year change %
2008	32,870	(28.4%)	31,263	(4.9%)	31,943	2.2%	32,631	2.2%	128,707	(50.2%)
2007	72,725	3.0%	72,462	(0.4%)	67,556	(6.8%)	45,934	(32.0%)	258,677	(2.9%)
2006	65,747	13.2%	66,678	1.4%	63,247	(5.1%)	70,591	11.6%	266,263	19.4%
2005	50,691	12.1%	56,398	11.3%	57,872	2.6%	58,092	0.4%	223,053	38.8%
2004	38,620	32.0%	38,387	(0.6%)	38,531	0.4%	45,218	17.4%	160,756	11.8%

Source: Automotive News Data Center

Consolidated Results of Operations for the Fiscal Year Ended April 26, 2008

Consolidated Results of Operations

(in '000s of Cdn\$, except per share amounts)

	Years ended		
	April 26, 2008	April 30, 2007	April 30, 2006
	\$	\$	\$
Sales	69,769	83,161	14,695
EBITDA	2,294	9,416	974
Earnings (loss) before income taxes	(1,401)	5,184	360
Net earnings (net loss)	(550)	3,651	206
Weighted average number of shares outstanding			
Basic	42,899,095	35,092,429	18,942,955
Diluted	43,228,059	37,057,644	19,271,983
Net earnings (net loss) per share			
Basic	(0.013)	0.104	0.011
Diluted	(0.013)	0.099	0.011

Sales

Fiscal 2008 sales reached \$69.8 million compared with \$83.2 million in fiscal 2007. This \$13.4 million, or 16.1%, decrease is mainly attributable to reduced business activity in the heavy truck market following new environmental regulations implemented at the beginning of 2007 regarding greenhouse gas emissions and to the strength of the Canadian dollar versus the US currency.

Sigma OH's contribution for the last two months of fiscal 2008 amounted to \$0.9 million while that of the GSC and Acton Vale acquisitions for the entire fiscal year in 2008, as opposed to only three months in fiscal 2007, yielded a sales increase of \$9.0 million.

The weakness in the heavy truck market reduced the Company's sales to the transportation industry by \$14.2 million. Moreover, the decline of \$3.6 million in sales of snow removal products stems from a decision to focus on the most profitable products.

Conversely, shipments of agricultural components increased by \$0.3 million, or 4.6%, reflecting the strength of the agricultural equipment market. Meanwhile, sales of industrial products grew by \$1.7 million, partly attributable to the input of Sigma OH for the last two months of fiscal 2008. Finally, sales destined to the growing wind energy industry reached \$3.5 million compared with \$0.9 million a year earlier.

Segmented Information

Sales by product line (in '000s of Cdn\$)

	Three-month periods ended				Fiscal years ended			
	April 26, 2008		April 30, 2007		April 26, 2008		April 30, 2007	
	\$	%	\$	%	\$	%	\$	%
Transportation	10,470	60.9%	17,183	76.7%	45,811	65.7%	59,980	72.1%
Snow removal	1,632	9.5%	1,997	8.9%	7,622	10.9%	11,261	13.5%
Agriculture	1,770	10.3%	1,129	5.0%	6,014	8.6%	5,747	6.9%
Industrial	1,908	11.1%	929	4.1%	4,708	6.7%	2,993	3.6%
Wind Energy	901	5.2%	539	2.4%	3,523	5.1%	900	1.1%
Forestry	95	0.6%	332	1.5%	531	0.8%	1,299	1.6%
Others	410	2.4%	288	1.4%	1,560	2.2%	981	1.2%
	17,186	100.0%	22,397	100.0%	69,769	100.0%	83,161	100.0%

Sales by geographic region (in '000s of Cdn\$)

	Three-month periods ended				Fiscal years ended			
	April 26, 2008		April 30, 2007		April 26, 2008		April 30, 2007	
	\$	%	\$	%	\$	%	\$	%
United States	11,058	64.3%	17,017	76.0%	47,637	68.3%	59,927	72.1%
Canada	6,043	35.2%	4,964	22.2%	21,223	30.4%	21,113	25.4%
Asia	48	0.3%	230	1.0%	356	0.5%	872	1.0%
South America	9	0.1%	32	0.1%	281	0.4%	745	0.9%
Europe	28	0.2%	94	0.4%	214	0.3%	266	0.3%
Australia	-	-	(1)	0.0%	58	0.1%	157	0.2%
Others	-	-	61	0.3%	-	-	81	0.1%
	17,186	100.0%	22,397	100.0%	69,769	100.0%	83,161	100.0%

The decrease in sales to U.S. customers is primarily attributable to lower activity in the heavy truck market and to the negative impact of the stronger Canadian dollar. Sales from the United States thus totaled 68.3% of consolidated sales in fiscal 2008 compared with 72.1% in 2007.

Sales from the Company's five largest customers represented 74.8% of total sales in fiscal 2008 and 74.7% in fiscal 2007. Two of these customers represent more than 10% of the Company's total sales for 2008 and 2007. In 2008, the most important customer represents more than 1.4 times (2.7 times in 2007) as much as that of the second most important customer of the Company.

Generally speaking, the Company's sales are not subject to seasonal factors with the exception of snow removal and agricultural products. However, these two product categories tend to have opposite seasonal fluctuations that mitigate seasonality on consolidated operating results.

The cost of sales and operating expenses reached 96.7% of the Company's sales for the fiscal year ended April 26, 2008 compared with 88.8% of sales a year earlier. The marginal contribution per unit produced being virtually unchanged, this increase denotes lower sales due to

lower activity in the heavy truck market and the negative impact from a stronger Canadian dollar on export sales that could not be fully offset given the presence of fixed operating expenses.

EBITDAG

Earnings before interest, taxes, depreciation, amortization and exchange gain, excluding the non-recurring gain on settlement of an insurance claim amounted to \$2.2 million for the fiscal year ended April 26, 2008, compared with earnings of \$9.3 million a year earlier. This \$7.1 million reduction is essentially attributable to reduced activity in the heavy truck market. The Canadian dollar's rise against the US dollar reduced the Company's fiscal 2008 EBITDAG by \$1.2 million compared with the previous year.

The grant of stock options required the recognition of stock-based compensation costs of \$91,104 during fiscal 2008, versus \$288,919 in fiscal 2007.

Foreign Exchange Gain (Loss)

The Company recorded a foreign exchange gain of \$51,235 during fiscal 2008. This gain is chiefly owed to the variation in the value of the Canadian dollar versus the US dollar, as it moved from a closing rate of 1.1101 on April 30, 2007 to a rate of 1.0163 on April 26, 2008. To reduce the impact of future foreign exchange gains or losses, the Company concluded contracts to sell US dollars and purchase US dollars and euros at various forward rates, which are summarized as follows:

Description	Expiration Date	Contractual amount \$	Weighted average contractual forward rate \$
As at April 26, 2008			
Sale of US dollars	May 2008 to May 2009	2,550,000	1.0234
Purchase of US dollars	August 2008 to March 2009	1,700,000	0.9839
Purchase of euros	May 2008 to October 2008	267,301	1.4456

As at April 26, 2008, the Company's consolidated balance sheet showed an unrealized gain of \$106,988.

EBITDA

Fiscal 2008 EBITDA reached \$2.3 million compared with \$9.4 million in fiscal 2007. This decline is primarily attributable to the marked decline in the heavy truck market. In addition, the Canadian dollar's rise against the US dollar reduced the Company's fiscal 2008 EBITDA by \$1.2 million compared with the previous year.

Financial Expenses

Financial expenses for fiscal 2008 amounted to \$1.8 million, slightly above financial expenses of \$1.7 million incurred in fiscal 2007. As average indebtedness remained stable between the beginning and the end of fiscal 2008, the small increase is explained by the amortization of

financial expenses totalling \$143,005 being included with financial expenses in fiscal 2008 as opposed to such amortization being part of the amortization of deferred charges in fiscal 2007.

Depreciation and Amortization

Depreciation and amortization for fiscal 2008 totalled \$3.3 million compared with \$2.5 million in fiscal 2007. The increase is mainly due to the depreciation of fixed assets and the amortization of intangible assets resulting from acquisitions completed in fiscal 2007, namely René, GSC and Acton Vale for the entire fiscal year, the depreciation of fixed assets and the amortization of intangible assets of Sigma OH for a two-month period, and the automation and robotization of operations.

Gain on Settlement of an Insurance Claim

During the quarter ended January 26, 2008, the Company recorded a gain on settlement of an insurance claim of \$1.4 million. This gain stems from the final settlement related to a fire that damaged the René facility in St-Éphrem-de-Beauce on October 19, 2005. The value of the \$1.4-million gain represents the difference between the amount received as settlement and a sum of \$2.7 million included in the Company's accounts receivable at the end of the preceding quarter.

Income Tax Expense (Recovery)

For the fiscal year ended April 26, 2008, the Company benefitted from an income tax recovery of \$0.9 million (or 60.7% of loss before income taxes) compared with an expense of \$1.5 million (or 29.6% of earnings before income taxes) a year earlier. The recovery is essentially attributable to changes in the Company's statutory and future income tax rates as well as to a settlement further to a review by tax authorities.

The Company's combined statutory tax rate of the Canadian federal government and provincial government amounted to 31.65% in fiscal 2008 compared with 32.02% in fiscal 2007.

Net Earnings (net loss)

The Company's net loss for the fiscal year ended April 26, 2008 amounted to \$0.6 million, or \$0.013 per share (\$0.013 per share, fully diluted), compared with net earnings of \$3.7 million, or \$0.104 per share (\$0.099 per share, fully diluted), for the fiscal year ended April 30, 2007. This decrease in net earnings is mainly related to lower business activity in the heavy truck market and to the strength of the Canadian dollar versus the US currency. Excluding the impact of the gain on settlement of an insurance claim, net of related income taxes, the net loss for fiscal 2008 would have reached \$1.5 million.

Financial Position

Consolidated Balance Sheet Data

(in '000s of Cdn\$, except per share amounts)

	As at		
	April 26, 2008	April 30, 2007	April 30, 2006
	\$	\$	\$
Current assets	22,305	29,692	10,062
Total assets	57,035	59,381	18,287
Current liabilities	17,992	22,356	7,549
Long-term debt (including the current portion)	19,644	14,538	8,228
Total liabilities	36,722	38,617	14,228
Shareholders' equity	20,313	20,764	4,059
Dividends declared	-	-	-

Assets

Total assets reached \$57.0 million as at April 26, 2008, compared with \$59.4 million as at April 30, 2007. This reduction essentially stems from a \$7.4 million decrease in current assets due to lower accounts receivable and inventories caused by a lower sales volume, offset by an increase in prepaid expenses following a decision to match the maturities of insurance policies with the end of the next fiscal year in April 2009. Of note, accounts receivable as at April 30, 2007 included an amount of \$4.2 million representing an insurance claim receivable related to the fire that damaged the René facility.

With respect to long-term assets, the value of property, plant and equipment increased by \$6.9 million following capital expenditures of \$3.4 million during the fiscal year and the acquisition of Sigma OH's fixed assets. The value of intangible assets was reduced by \$1.3 million essentially due to related amortization.

Liabilities

As at April 26, 2008, the Company's total liabilities were \$36.7 million, down from \$38.6 million as at April 30, 2007. The \$1.9 million decrease stems from reduced current liabilities following full repayment of bank loans subsequent to receiving proceeds from the insurance claim. The Company has an authorized bank credit line of CAN \$10 million, bearing interest at prime rate plus 0.5%.

Conversely, long-term debt, including the current portion, increased by \$5.1 million to \$19.6 million as at April 26, 2008. This increase is mainly attributable to the acquisition of Sigma OH. One of the long-term debt components is a decreasing revolving bank loan of \$11.9 million, whose outstanding balance was increased by \$3.3 million on December 10, 2007. As of the same date, the Company's bank credit line was decreased by a similar amount.

Financial Ratios

In general, Sigma Industries Inc.'s financial position remains healthy, as shown by a total net debt / equity ratio of 0.93 as at April 26, 2008 compared with 0.92 at the end of the preceding

fiscal year. This ratio includes the current portion of long-term debt from which cash and short-term investments are subtracted.

Liquidity, Cash Flows and Capital Resources

The following table sets forth summarized cash flow components for the periods indicated.

Summary of cash flows (in '000s of Cdn\$)	Three-month periods ended		Fiscal years ended	
	April 26, 2008	April 30, 2007	April 26, 2008	April 30, 2007
Operating activities	7,112	847	8,429	11,667
Financing activities	(1,832)	(612)	(661)	17,261
Investing activities	(4,730)	(1,561)	(7,591)	(28,507)
Effect of foreign exchange rate changes on cash	(160)	-	(160)	-
Net change in cash	390	(1,326)	17	421
Cash – Beginning of period	263	1,962	636	215
Cash – End of period	653	636	653	636

The Company's investing activities related to additions to property, plant and equipment were principally financed by its cash flows from operating activities as well as by its credit facilities.

The Company believes that these liquidities, combined with its renewable credit facility and its funds from operations in the next quarters, will be adequate to meet its cash requirements for the foreseeable future. However, future corporate acquisitions may require new sources of financing.

Operating Activities

For the fiscal year ended April 26, 2008, cash flows from operating activities before changes in non-cash working capital items amounted to \$1.1 million, versus \$5.6 million during the fiscal year ended April 30, 2007. This decline is essentially explained by the reduction in the Company's net earnings.

Changes in non-cash working capital items provided funds of \$7.4 million in fiscal 2008, mainly because of lower accounts receivable and inventories resulting from lower sales. Of note, accounts receivable as at April 30, 2007 included an amount of \$4.2 million representing an insurance claim receivable related to a fire that damaged the René facility. Cash flows from operating activities thus reached \$8.4 million in fiscal 2008 versus \$11.7 million a year earlier.

Financing Activities

Cash flows from financing activities used \$0.7 million in liquidity during fiscal 2008. Funds used relate to the full repayment of the Company's bank loans for an amount of \$5.4 million while long-term debt increased by \$4.7 million owing to an increased outstanding balance for the decreasing revolving bank loan and to the acquisition of Sigma OH. In fiscal 2007, cash flows from financing activities provided liquidity of \$17.3 million mainly because of the issuance of equity components totalling \$11.6 million.

Investing Activities

For the fiscal year ended April 26, 2008, cash flows from investing activities reduced liquidity by \$7.6 million as a result of the acquisition of Sigma OH as well as the purchase of machinery and equipment related to the Company's automation and robotization plan aimed at reducing costs, as defined in its development strategy. In comparison, cash flows from investing activities used funds of \$28.5 million in fiscal 2007 owing to heightened business acquisition activity.

Shareholders' Equity

Share Capital

The following table presents the share capital activity since May 1, 2006:

	<u>April 26, 2008</u>		<u>April 30, 2007</u>	
	<u>Number</u>	<u>Amount</u> <u>\$</u>	<u>Number</u>	<u>Amount</u> <u>\$</u>
<i>Balance -Beginning of year</i>	42,899,095	13,126,424	21,969,017	1,790,195
Issuance of common shares pursuant to the conversion of the debenture for \$1,000,000 plus accrued interest for the period from March 15, 2006 to April 30, 2006	-	-	1,681,079	1,010,233
Issuance of common shares pursuant to a private placement at a price of \$0.60 per share, net of the value of warrants (\$1,256,140)	-	-	9,999,967	4,743,860
Issuance of common shares pursuant to the exercise of 100% of stock options granted to the agent as part of the private placement of October 7, 2005	-	-	400,000	196,336
Issuance of common shares pursuant to the full conversion of the \$750,000 debenture	-	-	1,063,967	750,000
Issuance of common shares pursuant to the exercise of warrants granted on October 7, 2005	-	-	463,750	347,812
Issuance of common shares pursuant to the exercise of stock options granted on October 7, 2005	-	-	140,000	56,000
Issuance of common shares in partial settlement of the acquisition of the assets of Camoplast's composite truck division	-	-	1,625,000	1,074,000
Issuance of common shares pursuant to a private placement at a price of \$0.90 per share, net of the value of the warrants (\$1,026,247)	-	-	5,556,315	3,974,437
Share issue expenses, net of \$525 in 2008 and \$395,122 in 2007 related income taxes	-	(1,115)	-	(838,832)
Reclassification of stock-based compensation costs to share capital upon exercise of stock awards	-	-	-	22,383
Balance - End of year	<u>42,899,095</u>	<u>13,135,309</u>	<u>42,899,095</u>	<u>13,126,424</u>

There were no changes in the Company's share capital as of the date of this MD&A.

Stock Options for Directors, Officers, Employees and Consultants

The Company's stock option plan for its employees, officers, directors and consultants came into effect on October 7, 2005. The maximum number of shares issuable under the plan is limited to 10% of the Company's issued and outstanding shares. Options vest over a five-year period and are exercisable under the terms and conditions established by the Board of Directors at the date of grant. The purchase price of the shares under the plan cannot be less than the discounted market price.

The following table presents information about stock options outstanding and exercisable under the plan as of April 26, 2008:

	Number	Total compensation costs (Note a) \$
	<hr/>	<hr/>
<i>Outstanding -End of year</i>	1,685,000	550,677
Stock-based compensation costs for the year ended April 30, 2006		139,950
Stock-based compensation costs for the year ended April 30, 2007		288,919
Stock-based compensation costs for the year ended April 26, 2008		91,104
Impact of the stock options exercised and forfeited on the stock-based compensation costs		13,886
Stock-based compensation costs for the next fiscal year		16,818
Options granted since the effective date of the stock option plan	2,425,000	
Options outstanding as at April 26, 2008	1,685,000	
Options exercisable as at April 26, 2008	1,535,000	
Options exercised since the effective date of the stock option plan	540,000	
Options forfeited since the effective date of the stock option plan (note b)	200,000	

Note a- Total compensation costs during the vesting period

Note b- For the years ended April 26, 2008 and April 30, 2007, amounts totalling respectively \$73,978 and \$8,103 have been reflected in the contributed surplus.

There were no changes in the stock option plan as of the date of this MD&A.

Warrants

The following table summarizes information about warrants outstanding and exercisable as at April 26, 2008:

Latest Exercise Date	Exercise Price	Number	Value (if fully exercised)
September 29, 2008	\$0.90	135,289	121,760
January 31, 2009*	\$0.85	5,416,658	4,604,159
October 6, 2010	\$0.40	100,000	40,000
March 14 and 29, 2012	\$1.15	2,778,159	3,194,883

During the fiscal year, 797,332 warrants expired on November 14, 2007 and \$292,107 has been reflected in the contributed surplus. No warrant had previously been exercised.

* On September 11, 2007, the Company received conditional approval by the TSX Venture Exchange to defer the expiry date of warrants granted as part of its private placement completed in May 2006. The 4,991,991 warrants, as well as 416,667 additional warrants granted to a former holder of a convertible debenture as part of this private placement, entitle their holders to purchase one common share at a price of \$0.85 per share at all times during the 18-month period following the closing date. Expiry dates of these warrants had originally been set at November 3 and November 14, 2007. The conditional approval aims to defer and standardize the expiry date of these warrants to January 31, 2009. With the exception of this extended exercise period, all exercise terms and conditions of these warrants are unchanged. No warrant had been exercised up to the deferment date.

There were no changes in the Company's outstanding and exercisable warrants as of the date of this MD&A.

SUMMARY OF QUARTERLY FINANCIAL DATA (UNAUDITED)

Summary of quarterly consolidated results (unaudited, in '000s of Cdn\$, except per share amounts)

Fiscal year ended April 26, 2008	July 28, 2007 \$	October 27, 2007 \$	January 26, 2008 \$	April 26, 2008 \$	Total \$
Sales	18,780	19,034	14,769	17,186	69,769
EBITDA*	(118)	437	414	1,560	2,294
Earnings (loss) before income taxes	(1,332)	(819)	551	199	(1,401)
Net earnings (net loss)	(935)	(583)	365	602	(550)
Weighted average number of shares outstanding					
Basic	42,899,095	42,899,095	42,899,095	42,899,095	42,899,095
Diluted	43,113,362	43,013,792	42,899,095	42,899,095	43,228,059
Net earnings (net loss) per share					
Basic	(0.022)	(0.014)	0,009	0,014	(0.013)
Diluted	(0.022)	(0.014)	0,009	0,014	(0.013)
Fiscal year ended April 30, 2007	July 31, 2006 \$	October 31, 2006 \$	January 31, 2007 \$	April 30, 2007 \$	Total \$
Sales	11,564	26,304	22,895	22,398	83,161
EBITDA*	1,294	3,653	2,754	1,714	9,416
Earnings before income taxes	693	2,570	1,642	278	5,184
Net earnings	436	1,650	1,033	533	3,651
Weighted average number of shares outstanding					
Basic	31,970,602	34,059,387	34,466,521	39,879,438	35,092,429
Diluted	35,746,795	36,128,103	35,681,834	40,704,015	37,057,644
Net earnings per share					
Basic	0.014	0.048	0.030	0.013	0.104
Diluted	0.012	0.046	0.029	0.013	0.099

* EBITDA is a non-GAAP financial measure obtained by adding net earnings (net loss) plus income taxes, financial expenses, depreciation and amortization, excluding the non-recurring gain on settlement of an insurance claim.

**Consolidated Balance Sheet Data
(unaudited in '000s of Cdn\$)**

	July 28, 2007	October 27, 2007	January 26, 2008	April 26, 2008
	\$	\$	\$	\$
Current assets	27,915	25,786	25,278	22,305
Total assets	57,892	56,445	56,029	57,035
Current liabilities	22,757	22,563	20,911	17,992
Total liabilities	37,986	37,111	36,336	36,722
Shareholders' Equity	19,906	19,334	19,693	20,313

	July 31, 2006	October 31, 2006	January 31, 2007	April 30, 2007
	\$	\$	\$	\$
Current assets	28,475	31,828	26,293	29,692
Total assets	51,631	55,185	53,257	59,381
Current liabilities	23,094	24,802	21,595	22,356
Total liabilities	41,694	43,261	38,578	38,617
Shareholders' Equity	9,936	11,924	14,679	20,764

Fourth Quarter Results

Sales

Sales for the fourth quarter ended April 26, 2008 reached \$17.2 million compared with \$22.4 million for the same period last year, representing a decrease of \$5.2 million. The decline in sales is mainly attributable to lower activity in the heavy truck market following new environmental regulations regarding greenhouse gas emissions and the strength of the Canadian dollar. The contribution of Sigma OH for the last two months of fiscal 2008 amounted to \$0.9 million.

The cost of sales and operating expenses reached 92.6% of the Company's sales for the fourth quarter ended April 26, 2008 compared with 91.7% of sales a year earlier.

EBITDAG and EBITDA

EBITDAG amounted to \$1.2 million in the fourth quarter ended April 26, 2008 compared with \$1.9 million in the same period of fiscal 2007. Given a foreign exchange gain of \$0.3 million in the fourth quarter of 2008, as opposed to a foreign exchange loss of \$0.2 million in the corresponding period of the preceding fiscal year, the Company recorded EBITDA of \$1.6 million in fiscal 2008 versus \$1.7 million in 2007. The Canadian dollar's rise against the US dollar reduced the Company's fiscal 2008 fourth quarter EBITDA by \$0.3 million compared with the previous year.

Expressed as a percentage of sales, fourth quarter EBITDA was 9.1% in fiscal 2008 compared with 7.7% in the fourth quarter a year ago.

Net Earnings

The Company's net earnings for the fourth quarter ended April 26, 2008 amounted to \$0.6 million, or \$0.014 per share (\$0.014 per share, fully diluted), compared with net earnings of \$0.5 million, or \$0.013 per share (\$0.013 per share, fully diluted), for the same quarter last year.

In addition to sustained operational improvements, the Company attributes the increase in net earnings to an income tax recovery of \$0.4 million related to changes in the Company's statutory and future income tax rates as well as to a settlement further to a review by tax authorities.

SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES

The Company's consolidated financial statements have been prepared in accordance with Canadian GAAP. The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the amounts of assets and liabilities reported in the financial statements. Those estimates and assumptions also affect the disclosure of contingencies at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Significant estimates include the allowance for doubtful accounts, provisions for excess and obsolete inventories, the useful lives and recoverable amount of property, plant and equipment and intangible assets, the valuation of goodwill, the valuation allowance of future income tax assets and certain accrued liabilities. Management believes its estimates to be appropriate; however, actual results could differ from those estimates.

The following summarizes the principal accounting policies that require critical judgment and estimates by management. Please refer to the appropriate section of the Company's financial statements in the 2008 Annual Report for a complete description of significant accounting policies.

Allowance for Doubtful Accounts

The Company assesses the recovery of accounts receivable on a regular basis by examining accounts receivable over time. It establishes an allowance for doubtful accounts based on its past experience in recovering accounts receivable and on the information available with regard to the status of its outstanding accounts receivable. Should its customers' financial position deteriorate so as to reduce their ability to make the required payments, an additional allowance may be required that may have an adverse effect on the Company's future results.

Allowance for Excess or Obsolete Inventories

Inventories are valued at the lower of cost and market value. Cost is determined using the first in first out method for raw materials and using the absorption costing method for work in progress and finished goods. Market value is defined as replacement cost for raw materials and as net realizable value for work in progress and finished goods.

The Company establishes these allowances based on inventory levels and forecast requirements to support the future sale of its products. Additional allowances may be required should future sales be lower or the sales mix be very different from expected, which could have an adverse effect on the Company's future results.

Valuation of Goodwill and Intangible Assets

Property, plant and equipment and intangible assets with finite useful lives are subject to an impairment test when events or circumstances indicate that costs may not be recoverable. Impairment exists when the carrying value of an asset is greater than the undiscounted future cash flows expected to be provided by the asset. The amount of impairment loss, if any, is the excess of the carrying value of the asset over its fair value.

Intangible assets with finite useful lives are written down whenever there is impairment of the unamortized portion. Intangible assets with indefinite useful lives are tested for impairment annually or more frequently if events or circumstances indicate that the asset might be impaired. Impairment exists when the carrying amount of the intangible asset exceeds its fair value. As at April 26, 2008, no impairment loss has been recorded.

Finally, goodwill is tested for impairment annually or more frequently if impairment indicators arise, in relation to the fair value of each reporting unit to which goodwill applies. An impairment loss is recognized for any goodwill that is considered impaired. As at April 26, 2008, no impairment loss has been recorded.

New accounting standards and pronouncements

On May 1, 2007, the Company adopted five new accounting standards issued by the Canadian Institute of Chartered Accountants (“CICA”): Section 1506 “*Accounting Changes*”, Section 3855 “*Financial Instruments – Recognition and Measurement*”, Section 3865 “*Hedges*”, Section 1530 “*Comprehensive Income*” and Section 3251 “*Equity*”.

Section 1506 prescribes the criteria for changing accounting policies, together with the accounting treatment and disclosure of changes in accounting policies, changes in accounting estimates and corrections of errors.

Section 3855 expands on Section 3860 “*Financial Instruments – Disclosure and Presentation*” by prescribing when a financial instrument is to be recognized on the balance sheet and in what amount. It also specifies how financial instrument gains and losses are to be presented.

Section 3865 provides alternative treatments to Section 3855 for entities that choose to designate qualifying transactions as hedges for accounting purposes. It replaces and expands on Accounting Guideline AcG-13 “*Hedging Relationships*” and the hedging guidance in Section 1650 “*Foreign Currency Translation*” by specifying how hedge accounting is applied and what disclosures are necessary when it is applied.

Section 1530 “*Comprehensive Income*” introduces a new requirement to temporarily exclude certain gains and losses from net income.

Consequently, Section 3250 “*Surplus*” has been revised as Section 3251 “*Equity*”.

Effective May 1, 2007, the Company adopted sections 1506, 1530, 3251, 3855 and 3865, which only had a minor impact on the consolidated financial statements of the Company.

Recognition of financial assets and liabilities

Held-for-trading financial assets and liabilities are recognized at fair value, and any change in the fair value is reflected in net earnings. Held-to-maturity investments, loans and receivables, and other financial liabilities are measured at amortized cost using the effective interest method. Available-for-sale financial assets are measured at fair value or at cost if there are no published price quotations in an active market, and gains and losses are recognized in comprehensive income.

The Company has elected to capitalize transaction costs upon initial recognition and to present them with the related financial instruments. They are then amortized using the effective interest method.

Following is a summary of the accounting model the Company has elected to apply to each of its significant categories of financial instruments outstanding as of May 1, 2007:

Cash	Held-for-trading
Short-term investments	Available-for-sale assets
Accounts receivable	Loans and receivables
Derivative foreign currency forward contracts	Held-for-trading
Bank loans	Held-for-trading
Other liabilities	Other than held-for-trading

Impact of the adoption of these standards

The adjustments related to the classification of short-term investments as available-for-sale financial assets have been included in the opening balance of accumulated other comprehensive loss as at May 1, 2007. Adjustments resulting from the reclassification of deferred charges as of May 1, 2007, in the amount of \$365,785, and related to financing expenses have been applied against the long-term debt. These adjustments have been recorded net of related income taxes.

Future accounting changes

The CICA has published the following new sections that will apply to interim and annual financial statements relating to fiscal years beginning on or after October 1, 2007, and to fiscal years beginning on or after January 1, 2008 as regards Section 3031:

Section 3862, "*Financial Instruments – Disclosures*" describes the required disclosures to evaluate the significance of financial instruments for the entity's financial position and performance as well as the nature and extent of risks arising from financial instruments to which the entity is exposed and how the entity manages those risks.

Section 3863, "*Financial Instruments – Presentation*" establishes standards for presentation of financial instruments and non-financial derivatives. It details the presentation of standards described in Section 3861, "*Financial Instruments – Disclosure and Presentation*".

Section 1535, “*Capital Disclosures*” establishes standards for disclosing information about an entity’s capital and how it is managed. It describes the disclosure of the entity’s objectives, policies and processes for managing capital as well as summary quantitative data on the elements included in the management of capital. The section seeks to determine if the entity has complied with capital requirements and if not, the consequences of such non-compliance.

Section 3031, “*Inventories*” prescribes the accounting treatment for inventories. It provides guidance on the determination of cost and its subsequent recognition as an expense including any writedown to net realizable value. It also provides guidance on the cost formulas that are used to assign costs to inventories.

The implementation of the aforementioned standards will not have any significant impact on the Company’s financial position or results of operations, except that additional disclosures will be provided.

The CICA has also published Section 3064, “*Goodwill and Intangible Assets*”, replacing Section 3062, “*Goodwill and Other Intangible Assets*” and Section 3450, “*Research and Development Costs*”. Various changes have been made to other sections of the CICA Handbook for consistency purposes. The new sections will be applicable to the annual financial statements relating to fiscal years beginning on or after October 1, 2008. Section 3064 establishes standards for the recognition, measurement, presentation and disclosure of goodwill subsequent to its initial recognition and of intangible assets by profit-oriented enterprises. Standards concerning goodwill are unchanged from the standards included in the previous Section 3062. The Company is currently evaluating the impact of the adoption of this new section on its consolidated financial statements.

FINANCIAL AND OTHER INSTRUMENTS

Fair value

Cash, short-term investments, derivative foreign currency forward contracts and bank loans are recorded at fair value while accounts receivable, accounts payable and accrued liabilities and long-term debt are financial instruments whose carrying value approximates their fair value due to their short-term maturity or current market rates for most of the long-term debt items.

Credit risk

Financial instruments which potentially subject the Company to concentrations of credit risk consist principally of cash and accounts receivable. Cash is held with Canadian and U.S. chartered banks.

Generally, the Company does not require collateral or other security from customers for trade accounts receivable; however, credit is extended following an evaluation of creditworthiness. In addition, the Company performs on-going credit reviews of all its customers and establishes an allowance for doubtful accounts when accounts are determined to be uncollectible. Allowance for doubtful accounts amounted to \$132,262 as at April 26, 2008 and \$372,710 as at April 30, 2007.

Interest rate risk

As at April 26, 2008 and April 30, 2007, the Company's exposure to interest risk is as follows:

Cash	Variable interest rate
Short-term investments	Non-interest bearing
Accounts receivable	Non-interest bearing
Bank loans	Variable interest rate
Accounts payable and accrued liabilities	Non-interest bearing
Long-term debt	As described in note 10 to the consolidated financial statements for the years ended April 26, 2008 and April 30, 2007

Currency risks and foreign currency forward contracts

The Company is exposed to currency risks as a result of its export sales of products manufactured in Canada and a portion of its purchases, substantially all of which are denominated in US dollars. These risks are partially hedged by currency forward contracts and certain operating expenses denominated in US dollars and euros. As at April 30, 2007, the Company held contracts to sell US dollars at various forward rates while as at April 26, 2008, the Company held contracts to sell US dollars and purchase US dollars and euros at various forward rates, which are summarized as follows:

Description	Expiration date	Contractual amount \$	Weighted average contractual forward rate \$	Fair value \$
As at April 26, 2008				
Sale of US dollars	May 2008 to May 2009	2,550,000	1.0234	54,801
Purchase of US dollars	August 2008 to March 2009	1,700,000	0.9839	16,738
Purchase of euros	May 2008 to October 2008	267,301	1.4456	35,449
As at April 30, 2007				
Sale of US dollars	May 2007 to November 2007	2,500,000	1.1715	160,141

OFF-BALANCE SHEET ARRANGEMENTS

There were no off-balance sheet arrangements in the annual consolidated financial statements as at April 26, 2008.

CONTRACTUAL OBLIGATIONS

The table below summarizes the Company's contractual obligations for operating leases, the acquisition of property, plant and equipment and long-term debt as at April 26, 2008:

Year	Operating leases	Property, plant and equipment	Long-term debt	Total
	\$	\$		
2009	429,883	179,300	4,990,621	5,599,804
2010	240,187	-	2,995,554	3,235,741
2011	102,156	-	2,924,599	3,026,755
2012	27,115	-	5,743,366	5,770,481
2013	2,248	-	366,711	368,959
Thereafter	-	-	2,852,984	2,852,984
	<u>801,589</u>	<u>179,300</u>	<u>19,873,835</u>	<u>20,854,724</u>

Certain leases have a renewal option.

RELATED PARTY TRANSACTIONS

During the year, the Company paid a director management fees amounting to \$13,200 (\$34,604 in 2007). These related party transactions are in the normal course of business and are measured at the exchange amount. Services rendered consisted of a study on management compensation in 2008 and management fees related to research for the purpose of obtaining financing in 2007.

SUBSEQUENT EVENTS

On May 7, 2008, the Company announced the signing of a strategic alliance with Compin Group, the European leader of interior fittings for rail and bus transportation services. The alliance is accompanied by the creation of a 50-50 joint venture, Compin Sigma Amérique, and consolidates the partners' capacity to offer complete interior fitting design and manufacturing solutions for the public transport industry.

On May 14, 2008, the Company announced the development of a new green concept in body shell technology for urban transit buses. Mainly targeted at the emerging hybrid electric drive market, for both city and over-the-road transit vehicles, this new patented solution marketed as Hybrid Composite Bus Body will be officially introduced at the American Public Transportation Association (APTA) annual meeting to be held in October 2008.

On August 21, 2008, the Company completed the financing related to the Sigma OH acquisition. Such financing consists of two bonds loans totaling \$1,534,613 (US\$1,510,000), \$1,941,133 (US\$1,910,000) and a term loan of \$1,532,250 (US\$1,500,000), bearing interest at 5.75%, 6.5% and 3%, respectively, payable in monthly principal and interest installments of \$35,510 (US\$34,827) for the two bonds loans and in monthly principal and interest installments of \$15,410 (US\$15,086) for the term loan, starting in November 2008, with maturities in December

2014, June 2023 and June 2018. Tangible and intangible movables owned by a self-sustaining subsidiary have been given as security for this loan. Following reception of the funds, a bank loan in the amount of \$3,945,029 was repaid.

RISKS AND UNCERTAINTIES

The following is a summary of the main risks that apply to the Company:

Foreign exchange risk

Sales denominated in US dollars accounted for 55% of the Company's total sales for the year ended April 26, 2008. Consequently, the Canadian dollar movements versus the US dollar constitute an element of uncertainty and risk for the Company. These risks are partially offset by the following elements: the U.S. subsidiary's operating expenses are denominated in US dollars, raw material purchases are denominated in US dollars and finally, foreign currency forward contracts are entered into by the Company. The Company's policy is not to utilize those derivative financial instruments for trading or speculative purposes. If the Canadian dollar's rise against the US dollar goes on, this would negatively affect the Company's results of operations. During fiscal year 2008, the Company sold US\$14.4 million at an average exchange rate of 1.0494 CAD for a sum totalling CAD\$15.1 million.

Concentration of customers

For the year ended April 26, 2008, the Company's five largest customers represented 74.8% of the Company's sales. Should certain customers cease doing business with the Company or reduce their purchases due to financial difficulties or other causes, this would have a significant impact on the Company's sales, financial position and results of operations. Orders for a component in the heavy duty truck and transit industry are awarded depending on the length of the model by original equipment manufacturer (OEM). The duration on the market is an average of five to ten years depending on the manufacturers. There can be no assurance that the Company will be able to obtain new contracts or renew the existing ones, which might have an unfavourable effect on the Company's operations.

Interest rate risk

The Company is vulnerable to any interest rate fluctuations since the bank loans and a part of long-term debts feature interest rates varying according to the prime rate. An interest rate rise could affect the Company's cost of capital and, reduce net earnings accordingly. As of April 26, 2008, approximately 74.4% of the long-term debt, representing \$14.7 million out of a total long-term debt of \$19.9 million (including the current portion, but excluding deferred financing expenses), bears interest at a floating rate.

Market development and sustained growth

Failure to further develop the Company's key markets and existing geographic markets or to successfully expand its business into new markets could have an adverse impact on sales growth and operating results. The Company's ability to further penetrate its key markets in the existing geographic markets in which it competes, and successfully expand its business into other countries in Europe, South America or elsewhere, is subject to numerous factors, many of which

are beyond its control. There can be no assurance that efforts to increase market penetration in the Company's key markets and existing geographic markets will be successful. Failure to achieve these goals may have an adverse effect on the Company's operating results.

Exclusive intellectual property rights

The Company uses technologies for which it holds certain intellectual property rights. Other businesses may develop similar products independently, thus decreasing the life cycle of the products manufactured by the Company.

Acquisition plan

The Company plans to continue to acquire companies and assets. There can be no assurance that acquisitions will take place or that the Company will succeed in integrating the newly-acquired companies and assets into its activities. Failure to do so or failure to retain the services of key personnel of the acquired companies could have a significant adverse effect on operating results. In addition to the cash flows from operating activities, acquisitions may require other sources of financing. There can be no assurance that additional financial resources will be available or that such resources will be available under conditions acceptable to the Company. Failure to secure such financing could render acquisitions difficult or even impossible.

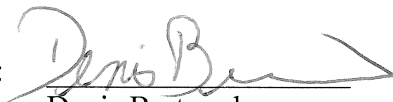
Dependence on key personnel and labour relations

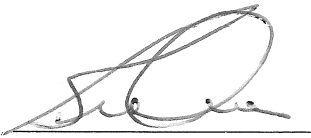
The Company's success depends on its ability to attract and keep highly qualified manpower. Failure to retain the services of qualified personnel and the loss of key employees could compromise the Company's rate of development and its efforts to achieve growth.

FORWARD-LOOKING STATEMENTS

This MD&A contains certain forward-looking statements with respect to the Company. Such forward-looking statements are dependent upon a certain number of factors and are subject to risks and uncertainties. Actual results may differ from those expected. We consider the assumptions on which these forward-looking statements are based to be reasonable, but we advise the reader that these assumptions with regard to future events, many of which are beyond our control, could prove incorrect as they are subject to risks and uncertainties inherent in our activities. The information contained in this MD&A is dated August 22, 2008, the date on which the Board of Directors approved the interim consolidated financial statements and the MD&A. Management does not assume any obligation to update or revise any forward-looking statements, whether as a result of new information or future events, except when required by the regulatory authorities.

The Company is a reporting issuer under the securities legislation in Québec, Alberta and British Columbia and is therefore required to file continuous disclosure documents such as interim and annual financial statements, proxy circulars, information circulars, material change reports and press releases with such securities regulatory authorities. Copies of these documents may be obtained free of charge on request from the office of the Chief Financial Officer of the Company or through our Internet site at the following address: [http:// www.sigmapventures.ca](http://www.sigmapventures.ca) or on the following Internet site: <http://www.sedar.com>.

Per: 
Denis Bertrand
President and Chief Executive Officer

Per: 
Bertrand Côté
Chief Financial Officer

August 22, 2008



MANAGEMENT REPORT

The accompanying consolidated financial statements of Sigma Industries Inc. and all other financial information included in this annual report are the responsibility of management.

Management has prepared the consolidated financial statements in accordance with Canadian generally accepted accounting principles. When alternative accounting methods exist, management chose those it deems to be most appropriate in the circumstances. The financial statements include amounts based on the use of estimates and best judgment. Management has determined these amounts in a reasonable way in order to ensure that the financial statements are presented fairly, in all material respects. Management has also prepared the financial information presented elsewhere in the annual report, and has ensured that it is consistent with that in the financial statements.

Management maintains systems of internal accounting and administrative controls designed to provide reasonable assurance that the financial information is relevant, reliable and accurate, and the Company's assets are appropriately accounted for and adequately safeguarded.

The Board of Directors is responsible for ensuring that management fulfils its responsibilities for financial reporting and has ultimate responsibility for examining and approving the financial statements. The Board exercises this responsibility principally through its Audit Committee. The Audit Committee met with management as well as with the external auditor to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues to ensure that all parties carry out their duties correctly, and to examine the financial statements and the external auditor's report.

The consolidated financial statements have been audited on behalf of the shareholders by external auditor Pricewaterhouse Coopers LLP for the year ended April 26, 2008 and April 30, 2007, in accordance with Canadian generally accepted accounting principles. The external auditor has been appointed by the shareholders to serve as the Company's external auditor and was given full and unrestricted access to the Audit Committee to discuss matters related to its audit and the reporting of information.

The Board of Directors has approved the Company's consolidated financial statements on the recommendation of the Audit Committee.

A handwritten signature in dark ink, appearing to read "Denis Bertrand", written over a horizontal line.

Denis Bertrand
President and Chief Executive Officer

A handwritten signature in dark ink, appearing to read "Bertrand Côté", written over a horizontal line.

Bertrand Côté
Vice President Finance

Quebec City, Quebec, Canada

August 22, 2008