

Sigma Industries Inc.

Interim Consolidated Financial Statements
(Unaudited)
July 26, 2008

Notice from management:

The interim consolidated financial statements which are included in this report have not been subject to a review by the company's external auditors

Sigma Industries Inc.

Interim Consolidated Balance Sheet (unaudited)

	As at July 26, 2008 \$	As at April 26, 2008 \$
Assets		
Current assets		
Cash	650,039	652,993
Short-term investments	38,110	55,620
Accounts receivable	10,941,915	11,813,479
Income taxes receivable	523,031	473,056
Inventories	9,224,647	8,178,156
Derivative foreign currency forward contracts	79,564	106,988
Prepaid expenses	744,182	872,865
Future income tax assets	157,259	151,848
	<u>22,358,747</u>	<u>22,305,005</u>
Property, plant and equipment	23,254,837	23,174,960
Deferred charges	36,140	48,197
Intangible assets	7,235,847	7,597,478
Future income tax assets	1,593,376	1,423,223
Goodwill	<u>2,486,389</u>	<u>2,486,389</u>
	<u>56,965,336</u>	<u>57,035,252</u>
Liabilities		
Current liabilities		
Bank loans (note 5)	1,328,597	-
Accounts payable and accrued liabilities	9,969,986	10,849,413
Deferred revenues	457,930	127,582
Income taxes	2,232,172	2,046,245
Current portion of long-term debt	4,730,158	4,968,430
	<u>18,718,843</u>	<u>17,991,670</u>
Long-term debt (note 6)	14,912,001	14,675,077
Future income tax liabilities	<u>3,630,154</u>	<u>4,968,430</u>
	<u>37,260,998</u>	<u>36,721,589</u>
Shareholders' Equity		
Share capital (note 7)	13,125,309	13,125,309
Stock options (note 7)	424,511	415,508
Warrants (note 7)	2,236,328	2,236,328
Contributed surplus (note 7)	374,188	374,188
Retained earnings	3,569,862	4,168,312
Accumulated other comprehensive loss	<u>(25,860)</u>	<u>(6,252)</u>
	<u>19,704,338</u>	<u>20,313,393</u>
	<u>56,965,336</u>	<u>57,035,252</u>

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

Approved by the Board of Directors

(S) Denis Bertrand _____ Director

(S) Bruno Doyon _____ Director

(1)

Sigma Industries Inc.

Interim Consolidated Statements of Retained Earnings, Comprehensive Loss and Accumulated Other Comprehensive Income (Loss) (unaudited)

Retained Earnings	Three Months Ended	
	July 26, 2008	July 28, 2007
	\$	\$
Balance – Beginning of period	4,168,312	4 744 152
Adjustment related to the implementation of a new accounting standard	-	16,305
Net loss for the period	(598,450)	(934,529)
Balance – End of period	3,569,862	3,825,928
Comprehensive Loss	Three Months Ended	
	July 26, 2008	July 28, 2007
	\$	\$
Net loss for the period	(598,450)	(934,529)
Unrealized losses on available-for-sale financial assets arising during the period, net of related future income taxes of \$5,411	(12,099)	(22,413)
Translation adjustment of a self-sustaining foreign operation's financial statements	(2,049)	-
Comprehensive loss – End of period	(618,058)	(956,942)
Accumulated Other Comprehensive Income (Loss)	Three Months Ended	
	July 26, 2008	July 28, 2007
	\$	\$
Balance – Beginning of period	(6,252)	-
Adjustment related to the implementation of a new accounting standard	-	44,125
Unrealized losses on available-for-sale financial assets arising during the period, net of future income tax benefits of \$5,411	(12,099)	(22,413)
Translation adjustment of a self-sustaining foreign operation's financial statements	(7,509)	-
Balance – End of period	(25,860)	21,712

Total retained earnings and accumulated other comprehensive income (loss) amount to \$3,544,002 and \$3,847,640 as at July 26, 2008 and July 28, 2007, respectively.

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

Sigma Industries Inc.

Interim Consolidated Statements of Earnings (unaudited)

	Three Months Ended	
	July 26, 2008 \$	July 28, 2007 \$
Sales	15,209,077	18,780,466
Cost of sales and operating expenses before the following items (note 9a)	14,867,874	18,797,337
	341,203	(16,871)
Interest expenses (note 9a)	355,612	414,203
Depreciation and amortization (note 9a)	921,265	799,980
Foreign exchange loss (gain)	(40,821)	100,993
	1,236,056	1,315,176
Loss before income taxes (note 9a)	(894,853)	(1,332,047)
Income tax recovery		
Current	297,997	403,755
Future	(594,400)	(801,273)
	(296,403)	(397,518)
Net loss for the period	(598,450)	(934,529)
Basic and diluted net loss per share (note 11)	(0.014)	(0.022)
Weighted average number of shares outstanding (note 11)		
Basic	42,899,095	42,899,095
Diluted	42,899,095	43,113,362

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

Sigma Industries Inc.

Interim Consolidated Statements of Cash Flows (unaudited)

	Three Months Ended	
	July 26, 2008 \$	July 28, 2007 \$
Cash flows from operating activities		
Net loss for the period	(598,450)	(934,529)
Items not affecting cash		
Depreciation of property, plant and equipment	523,809	378,497
Amortization of intangible assets	385,401	409,735
Amortization of financing expenses	25,990	28,608
Amortization of deferred charges	12,055	11,748
Stock-based compensation	9,003	39,393
Loss on disposal of property, plant and equipment	-	6,495
Unrealized exchange loss on derivative foreign currency forward contracts	27,424	34,029
Interest capitalized on long-term debt	7,224	24,362
Future income taxes	(594,400)	(801,273)
	(201,944)	(802,935)
Net change in non-cash working capital items (note 9b)	(459,600)	1,277,496
	(661,544)	474,561
Cash flows from financing activities		
Increase in bank loans	1,328,597	1,358,727
Long-term debt contracted	1,045,677	-
Payments on long-term debt	(1,031,056)	(639,898)
Increase in deferred financing expenses	(75,696)	-
Equity component issue expenses	-	(1,640)
	1,267,522	717,189
Cash flows from investing activities		
Additions to property, plant and equipment	(586,803)	(791,161)
Increase in intangible assets	(23,520)	(2,635)
Proceeds from disposal of property, plant and equipment	-	9,000
	(610,323)	(784,796)
Effect of foreign exchange rate changes on cash	1,391	-
Net change in cash	(2,954)	406,954
Cash – Beginning of period	652,993	636,449
Cash – End of period	650,039	1,043,403
Additional information (note 9c)		

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

Sigma Industries Inc.

Notes to Interim Consolidated Financial Statements (unaudited)

July 26, 2008

1 Statutes and nature of activities

Sigma Industries Inc. (the "company"), incorporated under the Canada Business Corporations Act, is a composite and metal products manufacturer. The company is active in the growing heavy duty truck, coach, transit and bus, train and subway, machinery, agriculture, light forestry and alternative energy market segments

2 Interim financial information

The financial information as at July 26, 2008 and for the three-month periods ended July 26, 2008 and July 28, 2007 is unaudited. However, in the opinion of management, all adjustments necessary to present fairly the results of these periods have been included. The adjustments made were of a normal recurring nature. Interim results may not necessarily be indicative of results anticipated for the year.

These unaudited interim consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles and use the same accounting policies and methods used in the preparation of the company's most recent audited annual consolidated financial statements, except for the new accounting standards as disclosed in note 4. However, all disclosures required for annual financial statements have not been included in these financial statements. These unaudited interim consolidated financial statements should therefore be read in conjunction with the company's most recent audited annual consolidated financial statements.

3 Basis of presentation and consolidation

These interim consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles (GAAP) and include the accounts of the company and all of its wholly-owned subsidiaries. Intercompany transactions and related balances have been eliminated. As at July 26, 2008, the company's subsidiaries are as follows:

- Sigma US Industries Inc. and its subsidiary Sigma OH Industries Inc.
- René Composites Materials Ltd. and its subsidiary GSC Inc.
- Transcam Composites Inc.
- Faroex Ltd.
- PNS-Tech Inc.

4 New accounting standards

Accounting changes adopted

On April 27, 2008, the company adopted the following new accounting standards issued by the Canadian Institute of Chartered Accountants ("CICA")

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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.

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*".

The CICA amended Section 1400 "General Standards of Financial Statement Presentation" to include the criteria for determining and presenting an entity's ability to continue as going concern (going concern assumption).

The company has applied these changes prospectively. The implementation of these standards had no impact on the company's financial results.

Future accounting changes

The CICA issued new Section 3064 "Goodwill and Intangible Assets", which replaces Section 3062, "Goodwill and Other Intangible Assets", and Section 3450, "Research and Development Costs", which applies to the company's interim and annual financial statements for the fiscal year beginning on April 26, 2009. This section establishes standards for the recognition, measurement, presentation and disclosure of goodwill and intangible assets. The company has not yet completed its assessment of the impact of the adoption of this new standard on its consolidated financial statements.

5 Credit facilities

The company has an available line of credit of an authorized amount of \$10,000,000 in Canadian dollars, bearing interest at prime rate plus 0.5%. It also has an available credit facility of \$2,500,000 to hedge against foreign exchange risks and a credit of \$250,000 for the risks related to the settlement of electronic funds transfers. A moveable hypothec over accounts receivable, inventories and all present and future tangible and intangible assets has been given as security. These credit facilities are renewable annually.

Sigma Industries Inc.

Notes to Interim Consolidated Financial Statements (unaudited)

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6 Long-term debt

	As at July 26, 2008 \$	As at April 26, 2008 \$
Decreasing revolving bank loan, bearing interest at prime rate plus 0.60%, payable in monthly principal instalments of \$191,935, from May 2008 to June 2011. A moveable hypothec over the universality of the company's present and future tangible and intangible assets has been given as security for this loan	11,516,129	11,900,000
Bank loan, bearing interest at prime rate plus 0.60%, payable in monthly principal instalments of \$11,905, maturing in February 2012. A moveable hypothec over the universality of the company's present and future tangible and intangible assets has been given as security for this loan	797,619	833,333
Decreasing bank loan, bearing interest at prime rate plus 4%, payable in monthly principal instalments of \$138,889 plus interest, maturing in December 2009. A moveable hypothec over the universality of the company's present and future tangible and intangible assets has been given as security for this loan	1,211,109	1,627,776
Bank loan, 3%, payable in monthly principal instalments of \$10,104 (US\$9,910), maturing in March 2011. A moveable hypothec over the universality of the present and future tangible and intangible assets of one company's subsidiary has been given as security for this loan	319,672	346,324
Balance of purchase price payable of a total amount of \$1,200,000, discounted at 6.5%, payable in monthly principal instalments of \$50,000, maturing in February 2009	342,426	485,202
Balance of purchase price payable, 6 %, payable in annual principal instalments of \$101,960 (US\$100,000), maturing in March 2010	203,920	203,260
Bank loans, bearing interest at prime rate plus 1.5% and 8%, payable in monthly principal instalments of \$3,540 and monthly instalments of \$1,617, including principal and interest, beginning in June 2011, maturing in June 2016 and October 2016. Moveable and immoveable hypothecs have been given as security for these loans	430,460	441,080
Bank loans for which moveable hypothecs over automotive equipment have been given as security, 6.98% and nil, payable in monthly instalments of \$488, including principal and interest, maturing in February 2010	8,763	10,060
Term loan, non-interest bearing, reimbursed during the period	-	5,450
(forward)	14,830,098	15,852,485

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	As at July 26, 2008 \$	As at April 26, 2008 \$
(brought forward)	14,830,098	15,852,485
Loan granted by Canada Economic Development under the Innovation, Development of Entrepreneurship and Access Program for SME, non-interest bearing, payable in five annual instalments of \$30,800, maturing in January 2011*	78,017	78,017
Bank loan (note 5) payable through the issuance of a new long-term debt**	5,016,432	3,945,029
Deferred financing expenses	(282,388)	(223,204)
	<u>19,642,159</u>	<u>19,643,507</u>
Less: Current portion	<u>4,730,158</u>	<u>4,968,430</u>
	<u>14,912,001</u>	<u>14,675,077</u>

* As a result of the application of the new accounting standard on financial instruments, the balance of that debt has been decreased by \$23,978 so as to consider an effective interest rate of 10.25%.

** In April 2008, the company negotiated a financing with respect to two bond loans totalling \$1,539,596 (US\$1,510,000), \$1,947,436 (US\$1,910,000) and a term loan of \$1,529,400 (US\$1,500,000), bearing interest at 5.75%, 6.5% and 3% respectively, payable in monthly principal instalments including interest for the two bond loans of \$35,510 (US\$34,827) and in monthly principal instalments including interest of \$15,382 (US\$15,086), beginning in November 2008, maturing in December 2014, June 2023 and June 2018 for the term loan. Tangible and intangible moveables owned by a self-sustaining subsidiary have been given as security for this loan. The financing was closed on August 21, 2008, and the proceeds from the financing will be used to repay the bank loan. The bank loan has been reclassified as a long-term debt in accordance with EIC-122 guidance "Balance Sheet Classification of Callable Debt Obligations and Debt Obligations Expected to be Refinanced". The current portion reflects the refinancing terms.

The annual principal instalments due on long-term debt over the next five twelve-month periods are as follows:

	\$
2009	4,730,158
2010	3,102,498
2011	7,416,498
2012	827,338
2013	477,278

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7 Shareholders' equity

Share capital

Authorized

Unlimited number of common shares, without par value, voting and participating

Unlimited number of preferred shares with rights and restrictions fixed by the Board of Directors upon issuance

The following table presents the share capital activity since May 1, 2007:

Issued

	Three Months Ended July 26, 2008		Twelve Months Ended April 26, 2008	
	Number	Amount \$	Number	Amount \$
Balance – Beginning of period	42,899,095	13,125,309	42,899,095	13,126,424
Share issue expenses, net of related income taxes of \$525	-	-	-	(1,115)
Balance – End of period	42,899,095	13,125,309	42,899,095	13,125,309

Contributed surplus

The following table presents the contributed surplus activity since May 1, 2007:

	Three Months Ended July 26, 2008 \$	Twelve Months Ended April 26, 2008 \$
Balance – Beginning of period	374,188	8,103
Stock options forfeited	-	73,978
Matured warrants	-	292,107
Balance – End of period	374,188	374,188

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Warrants

The following tables present information about warrants outstanding since May 1, 2007 and summarize certain information about warrants outstanding and exercisable as at July 26, 2008:

	Three Months Ended July 26, 2008			Twelve Months Ended April 26, 2008		
	Number	Carrying value \$	Weighted average exercise price \$	Number	Carrying value \$	Weighted average exercise price \$
Outstanding and exercisable						
– Beginning of period	8,430,106	2,236,328	0.94	9,227,438	2,486,728	0.91
Forfeited	-	-	-	(797,332)	(292,107)	0.60
Deferment of the expiry date	-	-	-	-	41,707	-
Outstanding and exercisable – End of period	8,430,106	2,236,328	0.94	8,430,106	2,236,328	0.94

Warrants outstanding and exercisable as at July 26, 2008

Exercise price	Number	Weighted average remaining contractual life (years)
\$0.40	100,000	2.20
\$0.85	5,416,658	0.52
\$0.90	135,289	0.18
\$1.15	2,778,159	3.63
	<u>8,430,106</u>	

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Stock option plan

The company has a stock option plan for its officers, directors, employees and consultants providing ongoing services to the company. Under the plan, which is managed by the Board of Directors, stock options, except for those granted to the agent which are fully exercisable on the date of grant, vest over a three-year period and expire after a period of 18 months to 60 months. The maximum number of common shares issuable under the plan is limited to 10% of the issued and outstanding common shares.

The following tables present information about stock options outstanding since May 1, 2007 and summarize certain information about stock options outstanding and exercisable as at July 26, 2008:

	Three Months Ended July 26, 2008			Twelve Months Ended April 26, 2008		
	Number	Carrying value \$	Weighted average exercise price \$	Number	Carrying value \$	Weighted average exercise price \$
Outstanding - Beginning of period	1,685,000	415,508	0.53	1,835,000	398,382	0.53
Forfeited	-	-	-	(150,000)	(73,978)	0.60
Compensation costs for the period	-	9,003	-	-	91,104	-
Outstanding – End of period	1,685,000	424,511	0.53	1,685,000	415,508	0.53

Exercise price	Options outstanding as at July 26, 2008		Options exercisable as at July 26, 2008	
	Number	Weighted average remaining contractual life (years)	Number	Weighted average remaining contractual life (years)
\$0.40	1,235,000	1.87	1,235,000	1.87
\$0.80	150,000	3.35	100,000	3.35
\$0.92	300,000	3.19	100,000	3.19
	1,685,000		1,535,000	

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8 Capital disclosures

The company's objectives when managing capital are to:

1. have sufficient funds that allow pursuing its growth strategy;
2. deploy capital to provide an appropriate return on investment to its shareholders; and
3. maintain financial flexibility in order to preserve its ability to meet financial obligations and seize potential acquisition opportunities.

The company defines its capital as follows:

1. cash and short-term investments;
2. bank loans;
3. long-term debt, including the current portion; and
4. shareholders' equity

The company manages its capital structure according to its growth strategy and economic conditions. In order to maintain or adjust its capital structure, the company may be required to issue new shares, proceed to share redemptions on the market, raise debt and refinance existing debt or sell assets to reduce its debt level.

The principal use of the company's capital to finance current operations, make purchases of property, plant and equipment required to ensure the company's growth, and fund business acquisitions. The company's capital management objectives, policies and procedures have remained unchanged since last year.

Any decision to pay dividends on the company shares is periodically assessed by the company's board of directors and is based on the company's profits and financial position as well as on covenants in its credit facility agreements and other relevant factors such as its growth strategy and strategic positioning compared with its competitors. There can be no assurance as to the amounts or payment dates of such dividends in the future.

The company is not subject to any obligation under external rules, except for credit facility covenants, which provide for the attainment of certain financial ratios. As July 26, 2008, all covenants have been met.

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In order to follow up its financial leverage, the company uses mainly the total debt to tangible net worth ratio that it aims to maintain at a level below or equal to 3.50:1. The total debt to tangible net worth ratio is measured on the latest quarterly closing date. As at July 26, 2008 and April 26, 2008, the total debt to tangible net worth ratio is detailed as follows:

	As at July 26, 2008 \$	As at April 26, 2008 \$
Total debt		
Total liabilities	37,260,998	36,721,859
Less :		
Future income tax liabilities	(3,630,154)	(4,055,112)
Cash	(650,039)	(652,993)
	<hr/>	<hr/>
Total debt	32,980,805	32,013,754
	<hr/>	<hr/>
Tangible net worth		
Shareholders' Equity	19,704,338	20,313,393
Plus :		
Long-term future income tax liabilities	3,630,154	4,055,112
Less :		
Intangible assets	(7,235,847)	(7,597,478)
Goodwill	(2,486,389)	(2,486,389)
Long-term future income tax assets	(1,593,376)	(1,423,223)
Deferred financing expenses	(282,388)	(223,204)
Deferred charges	(36,140)	(48,197)
	<hr/>	<hr/>
Tangible net worth	11,700,352	12,590,014
	<hr/>	<hr/>
Total debt/tangible net worth ratio	2.82	2.54
	<hr/>	<hr/>

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Notes to Interim Consolidated Financial Statements (unaudited)

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9 Additional disclosures

(a) Statements of earnings

The loss before income taxes has been established considering the following items:

	Three Months Ended	
	July 26, 2008 \$	July 28, 2007 \$
Cost of sales	13,341,526	16,806,092
Depreciation of property, plant and equipment	523,809	378,497
Amortization of intangible assets	385,401	409,735
Amortization of deferred charges	12,055	11,748
Research and development costs	133,095	129,225
Tax credits	(84,779)	-
Stock-based compensation costs	9,003	39,393
Interest on long-term debt	216,074	264,610
Interest on bank loans and bank charges	113,548	120,985
Amortization of financing expenses	25,990	28,608

(b) Statements of cash flows

Net change in non-cash working capital items

	Three Months Ended	
	July 26, 2008 \$	July 28, 2007 \$
Accounts receivable	875,383	621,133
Inventories	(1,043,999)	1,684,115
Prepaid expenses	129,417	(122,997)
Accounts payable and accrued liabilities	(883,949)	(1,228,309)
Deferred revenues	327,029	(146,936)
Income taxes	136,519	470,490
	<u>(459,600)</u>	<u>1,277,496</u>

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(c) Additional information

	Three Months Ended	
	July 26, 2008 \$	July 28, 2007 \$
Interest paid	301,859	372,025
Income taxes paid (recovered)	161,478	(66,736)

10 Financial instruments

The company, through its financial assets and liabilities, is exposed to various risks. The following analysis provides a measurement of risks as at the balance sheet of July 26, 2008.

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. Therefore, the company considers the risk of non-performance on these instruments to be remote.

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. Through approximately 71.9% of the company's sales are coming from five customers, the company believes that the credit risk associated with these customers and its accounts receivable in general is limited for the following reasons:

- In the past two years, the company has not recorded bad expenses in excess of its provision for bad debts. Allowance for doubtful accounts amounted to \$132,151 as at July 26, 2008 and \$132,262 as at April 26, 2008.
- Just above 54.2% of the company's trade receivables is outstanding for less than 30 days, and approximately 31% are outstanding for a period from 31 to 60 days.

Interest rate risk

As at July 26, 2008 and April 26, 2008, 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 6

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The company is exposed to any upward interest rate fluctuations since the bank loans and a part of long-term debts feature interest rates varying according to the prime rate. The company is not currently using any financial instrument to hedge against these risks. As at July 26, 2008, approximately 69.8% of the long-term debt, representing \$13.9 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.

For the three-month period ended July 26, 2008, a 1% hypothetical increase in interest rates on the debt would have had a negative impact of \$35,847 on the company's loss before income taxes and a 1% hypothetical decrease in interest rates on the debt would have had a reverse effect on the company's loss before income taxes.

Foreign exchange risk

Sales denominated in US dollars accounted for 58.5% of the company's total sales for the quarter ended July 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

As at July 26, 2008 and 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 July 26, 2008				
Sale of US dollars	August 2008 to May 2009	2,150,000	1.0241	7,547
Purchase of US dollars	August 2008 to March 2009	1,700,000	0.9839	61,439
Purchase of euros	October 2008	71,306	1.4450	10,578
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

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The following table shows the effect on the company's loss before income taxes resulting from the 1% Canadian dollar's average rise against the US dollar and euro during the first quarter of 2008. This sensitivity analysis is based on the net exposure of sales denominated in US dollars less purchases denominated in US dollars and euros related to the company's Canadian operations. Such analysis does not include the effect of this change on working capital items denominated in US dollars and euros:

	Effect of the CAN\$ rise against the US\$	Effect of the CAN\$ rise against the euro
Earnings before income taxes	24,000	1,677

Liquidity risk

Liquidity risk is the risk that the company will encounter in raising funds to meet its commitments at maturity. The following are the contractual maturities of financial liabilities as at July 26, 2008:

	Carrying amount \$	Contractual cash flows \$	0 to 12 months \$	12 to 24 months \$	After 24 months \$
Bank loans	1,328,597	1,328,597	1,328,597	-	-
Accounts payable and accrued liabilities	9,969,986	9,969,986	9,969,986	-	-
Long-term debt	19,642,159	19,946,504	4,746,540	3,102,498	12,097,466

The company believes that future cash flows from operations and availability under existing credit facilities will be adequate to support its financial liabilities.

11 Earnings per share

The following table summarizes the basic and potentially dilutive weighted average number of common shares outstanding used in the basic and diluted net earnings per share calculations:

	Three Months Ended	
	July 26, 2008	July 28, 2007
Basic weighted average number of shares outstanding	42,899,095	42,899,095
Dilutive effect of stock options and warrants	-	214,267
Diluted weighted average number of shares outstanding	42,899,095	43,113,362

Sigma Industries Inc.

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Furthermore, the following table presents the items excluded from the calculation of diluted earnings per share for the three-month periods ended July 26, 2008 and July 28, 2007 because the exercise price was greater than the average market price of the common shares or due to their anti-dilutive effect:

	2008	2007
Weighted average number of stock options at exercise prices varying from \$0.40 to \$0.80	420,096	146,301
Weighted average number of warrants at exercise prices varying from \$0.40 to \$1.15	2,101,752	710,402

12 Segment information

The company is organized under one single operating segment, being the manufacturing of composite and metal products. All of the long-lived assets, which consist of property, plant and equipment, intangible assets and goodwill, are as follows:

	As at July 26, 2008 \$	As at April 26, 2008 \$
Canada	27,487,236	27,714,173
United States	5,489,837	5,544,654
	<u>32,977,073</u>	<u>33,258,827</u>

The following sales have been allocated to geographic regions based on the country of residence of the related customers:

	Three Months Ended	
	July 26, 2008 \$	July 28, 2007 \$
Sales by geographic region		
United States	10,685,970	14,340,681
Canada	4,211,105	3,959,007
Asia	115,914	175,450
Europe	114,379	58,073
South America	53,467	233,449
Australia	28,242	13,806
	<u>15,209,077</u>	<u>18,780,466</u>

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For the three-month period ended July 26, 2008, sales from the five largest customers represent 71.9% of the company's total sales compared to 78.7% for the three-month period ended July 28, 2007. Two of these customers represent more than 10% of the company's total sales for the three-month periods ended July 26, 2008 and July 28, 2007. For the three-month periods ended July 26, 2008 and July 28, 2007, the most important customer represents more than 1.5 time (1.6 time in 2007) as much as that of the second most important customer of the company.

Supplementary information:

	Three Months Ended	
	July 26, 2008	July 28, 2007
	\$	\$
Sales by family of product		
Heavy duty trucks – Class 8	8,687,232	13,094,053
Agriculture	1,887,878	1,912,944
Industrial	1,732,972	698,547
Bus	887,229	852,852
Snow removal	701,424	914,901
Wind energy	662,690	737 174
Other	649,652	569 995
	15,209,077	18 780 466

13 Comparative figures

Certain comparative figures have been reclassified to conform with the current period presentation.