



MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS OCTOBER 25, 2008 2nd QUARTER OF FISCAL 2009

Sigma Industries Inc. (TSX-V: SIC), a manufacturing company specialized in the production of composite and metal components, has six operating subsidiaries and employs close to 450 people. The Company is active in the heavy-duty truck, coach, transit and bus, train and subway, machinery, agriculture, and wind energy market segments. Sigma sells its products to original equipment manufacturers and distributors in the United States, Canada and Europe.

MESSAGE TO SHAREHOLDERS

In an uncertain economic climate, such as the current one, prudence and discipline must be methodically applied to all aspects of company management. This is why, in spite of the announcement a quarter ago of new contracts in the bus and agricultural equipment industries, Sigma Industries had to terminate production of many components related to these contracts.

In fact, it rapidly became obvious that we would not be able to generate the return on invested capital we had initially anticipated. The catalyst was problems encountered during the implementation of new technological processes at the Sigma OH facilities in Ohio. Ensuing delays caused an increased amount of work to be outsourced in order to maintain a high level of customer service. Naturally, all of these unforeseen costs swiftly eroded profitability to such a degree that even a quick solution would still not have yielded acceptable returns on these contracts; hence the decision to terminate production and to redirect it to third parties. We must specify that none of Sigma's intellectual property was concerned by these events.

In parallel, we decided to close our manufacturing facility located in Chesterville, Quebec at the end of December 2008. Production, consisting mainly of composite products for various service vehicles, will be transferred to our other facilities.

The combination of these measures resulted in non-recurring charges of a non-cash nature totalling \$3.5 million, essentially related to the write-down of certain assets, and of restructuring charges amounting to \$0.4 million. Because of the magnitude of the resulting net loss, we were no longer in compliance with certain financial ratios linked to the restrictive clauses of our credit facilities. As a result, all long-term debts associated with the non-respect of the ratios have been reclassified as part of the current portion of long-term debt. We are currently in discussions with our lenders to solve the issue.

The Company's sales reached \$16.8 million compared with \$19.0 million a year earlier. Our diversification strategy is bearing fruit, as more than 50% of our sales were not related to the heavy-duty truck industry. More specifically, our business volume from the bus industry doubled while we made positive strides in the industrial and agricultural equipment industries with sales increases of 37.3% and 18.8%, respectively.

We are confident to further broaden this diversification through our new Hybrid Composite Bus Body unveiled in October at the American Public Transportation Association annual meeting. This technological breakthrough will confirm our leading position in terms of environmentally-conscious solutions. With a weight 20% lighter than a traditional metal body, our new technology will significantly improve fuel consumption. Moreover, composite materials' resistance to corrosion should extend vehicle life.

Despite a \$3.2-million net loss incurred by our US-based subsidiary, the operating profitability of our Canadian subsidiaries remained relatively stable in large part due to ongoing initiatives to improve productivity through investments in highly-automated and robotized equipment. Given the rapid decline in the value of the Canadian dollar versus the US currency, operating profitability of our Canadian business units should further improve. Overall, we had a loss before interest, taxes, depreciation and amortization of \$2.7 million, as opposed to earnings of \$0.4 million last year. Lastly, the non-recurring expenses yielded a net loss of \$7.1 million compared with a net loss of \$0.6 million a year earlier.

Our short-term priority is to ensure the stability of the Company for the benefit of our shareholders and our partners. More than ever, we are vying to achieve our strategic goals which consist of regularly launching new value-added products, improving existing products and developing new products and manufacturing processes, increasing sales by stepping up penetration of potential market segments, reducing production costs by updating machinery and equipment, and fostering synergies among our various subsidiaries by integrating their manufacturing activities.

(S) Denis Bertrand

Denis Bertrand
Chairman and Chief Executive Officer
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 and cash flows for the three-month and six-month periods ended October 25, 2008 compared with the three-month and six-month periods October 27, 2007 and its financial condition as at October 25, 2008 compared to April 26, 2008. This document should be read in conjunction with the unaudited interim consolidated financial statements for the three-month and six-month periods ended October 25, 2008 and October 27, 2007 and with our 2008 Annual Report. 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 December 23, 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 loss				
(in thousands of Canadian dollars)	<u>Three months ended</u>		<u>Six months ended</u>	
	October 25, 2008	October 27, 2007	October 25, 2008	October 27, 2007
Net loss	(7,101)	(583)	(7,700)	(1,518)
PLUS:				
Income tax recovery	(986)	(236)	(1,283)	(633)
Restructuring costs	436	-	436	-
Other non-cash charges	3,495	-	3,495	-
Depreciation and amortization	960	881	1,881	1,710
Financial expenses	464	375	820	760
EBITDA	(2,732)	437	(2,351)	319
Foreign exchange loss (gain)	(356)	133	(397)	234
EBITDAG	(3,088)	570	(2,748)	553

Company Overview

Who are we?

As at October 25, 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"), 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 manufacture complementary and innovative goods; and
- Improving existing products and developing new products and manufacturing processes.

Financial Information for the three-month and six-month periods ended October 25, 2008 and October 27, 2007

For the three-month periods ended October 25, 2008 and October 27, 2007, the unaudited interim consolidated operating results of the Company include the results of the following companies:

- Faroex, PNS, René, GSC, Transcam for the period from July 27, 2008 to October 25, 2008, being a three-month period in 2008, and for the period from July 29, 2007 to October 27, 2007, being a three-month period in 2007;
- Sigma US and Sigma OH for the period from July 27, 2008 to October 25, 2008, being a three-month period in 2008 and nil for fiscal 2007;

For the six-month periods ended October 25, 2008 and October 27, 2007, the unaudited interim consolidated operating results of the Company include the results of the following companies:

- Faroex, PNS, René, GSC, Transcam for the period from April 27, 2008 to October 25, 2008, being a six-month period in 2008, and for the period from May 1, 2007 to October 27, 2007, being a six-month period in 2007;
- Sigma US and Sigma OH for the period from April 27, 2008 to October 25, 2008, being a six-month period in 2008 and nil for fiscal 2007;

Industry overview – Trucking Business Class 7 & 8

Effective on January 1 2007, the new regulations of US Environmental Protection Agency (EPA) concerning diesel fuel and truck emissions had a significant influence on the retail sales truck in class 5 to 8 in 2006, 2007 and 2008.

Table 1 shows monthly Class 8 (33,001 lbs +) retail truck sales per manufacturer for the three-month periods ended October 25, 2008:

TABLE 1

Retail sales Class 8- Month from August 2008 to October 2008

Company	August 2008		September 2008		October 2008		2 nd Quarter fiscal 2009		2 nd Quarter fiscal 2008	
	Units	Month last year change %	Units	Month last year change %	Units	Month last year change %	Units	Quarter last year change %	Units	Quarter last year change %
Freightliner	3,135	56.8%	2,781	51.6%	2,966	23.8%	8,882	42.5%	6,231	(69.0%)
International	2,520	24.4%	2,617	28.9%	3,671	28.1%	8,808	27.3%	6,921	(53.1%)
Kenworth	1,298	(16.6%)	1,305	(0.3%)	1,198	(20.1%)	3,801	(12.9%)	4,366	(49.4%)
Mack	827	0.4%	1,006	0.6%	929	(20.4%)	2,762	(7.7%)	2,991	(54.7%)
Peterbilt	1,496	(5.4%)	1,525	(11.8%)	1,533	0.1%	4,554	1.7%	4,478	(54.8%)
Volvo	730	(13.5%)	850	(29.1%)	1,089	(16.6%)	2,669	(20.3%)	3,348	(53.0%)
Sterling	629	(19.3%)	666	(10.4%)	614	(24.9%)	1,909	(18.4%)	2,340	(44.7%)
Other	87	(57.8%)	141	(28.4%)	73	(60.5%)	301	(48.8%)	588	(47.8%)
Total	10,722	9.2%	10,891	12.5%	12,073	2.6%	33,686	7.8%	31,263	(56.9%)

Source: Automotive News Data Center

Table 2 shows quarterly Class 8 (33,001 lbs +) retail truck sales harmonized with the Company's fiscal quarters.

TABLE 2

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 %
2009	34,211	4.8%	33,686	(1.5%)						
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

Table 3 shows Class 8 (33,001 lbs +) retail truck sales per manufacturer annualized for the years 2004 to 2008 harmonized with the Company's fiscal years.

TABLE 3

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

Consolidated Results of Operations

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

2009 Quarters ended	July 26, 2008 \$	October 25, 2008 \$	Total 6 Months \$		
Sales	15,209	16,761	31,970		
EBITDA	382	(2,732)	(2,350)		
Loss before income taxes	(895)	(8,088)	(8,983)		
Net loss	(599)	(7,101)	(7,700)		
Weighted average number of shares outstanding					
Basic	42,899,095	42,899,095	42,899,095		
Diluted	42,899,095	42,899,095	42,899,095		
Net loss per share					
Basic	(0.014)	(0.166)	(0.180)		
Diluted	(0.014)	(0.166)	(0.180)		

2008 Quarters ended	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)

2007 Quarters ended	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

Sales

Sales for the second quarter ended October 25, 2008 reached \$16.8 million, a decrease of 11.9% million compared with \$19.0 million for the same period a year earlier. This decrease was primarily attributable to a \$3.1 million decline in sales to the heavy-duty truck industry. Although overall sales of heavy-duty trucks rebounded during the quarter, this recovery was mainly limited to manufacturers with which the Company has a business volume of lesser importance. Also, a decline of \$0.3 million in snow removal product sales stems from a focus on the most profitable products.

Conversely, sales to the bus market doubled from \$0.8 million in the second quarter a year ago to \$1.6 million this year. In addition, sales of industrial and agricultural products increased 37.3% and 18.8%, respectively, compared with the same period last year.

The contribution of Sigma OH, acquired on February 29, 2008, reached \$2.2 million. These sales are mainly comprised of industrial products.

For the first six months of fiscal 2009, sales amounted to \$32.0 million compared with \$37.8 million in the first six months of 2008. This decrease is primarily attributable to lower sales to the heavy-duty truck industry, partially offset by increased sales to the bus industry and of industrial products. Sales from Sigma OH totalled \$3.6 million.

Segmented Information

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

	Three-month periods ended				Six-month periods ended			
	October 25, 2008		October 27, 2007		October 25, 2008		October 27, 2007	
	\$	%	\$	%	\$	%	\$	%
Heavy-duty truck – class 8	8,096	48.3%	11,157	58.6%	16,783	52.5%	24,251	64.1%
Snow removal	2,558	15.3%	2,852	15.0%	3,259	10.2%	3,767	10.0%
Agriculture	1,683	10.0%	1,416	7.4%	3,571	11.2%	3,329	8.8%
Bus	1,552	9.2%	811	4.3%	2,439	7.6%	1,663	4.4%
Industrial products	1,383	8.3%	1,007	5.3%	3,116	9.8%	1,706	4.5%
Wind energy	919	5.5%	1,110	5.8%	1,582	4.9%	1,847	4.9%
Others	570	3.4%	681	3.6%	1,220	3.8%	1,251	3.3%
	16,761	100.0%	19,034	100.0%	31,970	100.0%	37,814	100.0%

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

	Three-month periods ended				Six-month periods ended			
	October 25, 2008		October 27, 2007		October 25, 2008		October 27, 2007	
	\$	%	\$	%	\$	%	\$	%
United States	10,138	60.5%	13,031	68.5%	20,824	65.2%	27,371	72.4%
Canada	6,217	37.1%	5,755	30.2%	10,428	32.6%	9,714	25.7%
Asia	242	1.4%	43	0.2%	358	1.1%	218	0.6%
Europe	114	0.7%	124	0.7%	229	0.7%	182	0.5%
South America	50	0.3%	39	0.2%	103	0.3%	272	0.7%
Australia	0	0.0%	43	0.2%	28	0.1%	57	0.1%
	16,761	100.0%	19,034	100.0%	31,970	100.0%	37,815	100.0%

For the quarter ended October 25, 2008, sales from the United States amounted to \$10.1 million, or 60.5% of total sales, compared with \$13.0 million, or 68.5% of sales, for the quarter ended October 27, 2007. This reduction is due to the Company's lower sales to the heavy-duty truck sector and to the economic slowdown most particularly affecting the United States.

For the six-month period ended October 25, 2008, sales from the United States reached \$20.8 million, or 65.2% of sales, compared with \$27.4 million, or 72.4% of sales, for the corresponding period a year earlier.

For the three-month and six-month periods ended October 25, 2008, sales from the Company's five largest customers represented 64.0% and 67.1%, respectively, of total sales, compared with 70.3% and 75.5% for the three-month and six-month periods ended October 27, 2007, respectively. Two of these customers represented more than 10% of the Company's total sales for the three-and six-month periods ended October 25, 2008, and October 27, 2007. For these same periods, sales from the most important customer were more than 1.5 time greater than those from 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.

Cost of sales and operating expenses

Cost of sales and operating expenses reached \$19.8 million, or 118.4% of the Company's sales during the second quarter ended October 25, 2008. This deficit stems from cost overruns on the production of certain components destined to the agricultural equipment and the bus industries for which the Company ceased, or will ceased in the nearby future, production. Affected components mainly pertain to contracts announced in September 2008. These excess costs are attributable to cost overruns related to problems encountered during the implementation of new technological processes at the Sigma OH facilities in Ohio, which caused an increased amount of work to be outsourced. Cost of sales and operating expenses for the second quarter also include an inventory devaluation of \$179,562, an \$82,100 decrease in the value of accounts receivable and adjustments totalling \$265,007 for the subsidiaries' contributions to the retroactive workers' compensation plan. For the corresponding period a year ago, cost of sales and operating expenses amounted to \$18.5 million, or 97.0% of sales.

For the first six months of fiscal 2009, cost of sales and operating expenses stood at \$34.7 million, or 108.6% of sales, compared with \$37.3 million, or 98.5% of sales during the first six months of fiscal 2008.

EBITDAG

The loss before interest, taxes, depreciation and amortization and exchange gain amounted to \$3.1 million during the second quarter ended October 25, 2008, as opposed to earnings of \$0.6 million for the same period a year prior. This decrease is mainly attributable to the aforementioned excess costs.

For the six-month period ended October 25, 2008, the before interest, taxes, depreciation and amortization and exchange gain totalled \$2.7 million, versus earnings of \$0.6 million last year.

Foreign Exchange Loss (gain)

The exchange gain of \$356,434 recorded during the second quarter is mainly attributable to the variation in the value of the Canadian dollar versus the US dollar, as it moved from a closing rate of 1.0196 as at July 26, 2008 to 1.2729 as at October 25, 2008. For the first six months of fiscal 2009, the exchange gain reached \$397,255.

To reduce the impact of future foreign exchange gains or losses, the Company concluded contracts to sell and purchase US dollars at various forward rates summarized as follows:

Description	Expiration Date	Contractual Amount \$	Weighted Average Contractual Forward Rate \$
As at October 25, 2008			
Sale of US dollars	October 2008 to December 2009	5,650,000	1.0895
Purchase of US dollars	November 2008 to March 2009	1,140,000	0.9848

As at October 25, 2008, the Company's consolidated balance sheet showed an unrealized loss of \$669,575.

EBITDA

The loss before interest, taxes, depreciation and amortization in the three-month period ended October 25, 2008 was \$2.7 million versus earnings of \$0.4 million in the quarter ended October 27, 2007. This decline almost entirely stems from Sigma US, the Company's US-based subsidiary, which lost \$2.6 million in the second quarter following the aforementioned cost overruns.

For the second quarter ended October 25, 2008, Canadian operations generated an EBITDA before non-recurring adjustments for the subsidiaries' contributions to the retroactive workers' compensation plan of \$213,295, or 1.5% of sales, compared with \$436,729, or 2.3% of sales, for the same period a year ago.

For the first six months of fiscal 2009, the loss before interest, taxes, depreciation and amortization amounted to \$2.4 million, as opposed to earnings to \$0.3 million in the preceding year. Canadian operations generated an EBITDA of \$0.8 million, or 2.8% for the first six months of the current year, which compares favourably with \$0.3 million, or 0.8% of sales, a year ago. The loss from US-based operations reached \$3.1 million.

Financial Expenses

Financial expenses for the second quarter ended October 25, 2008 were \$464,060 compared with \$412,583 for the same period last year. Despite a higher average debt level during the second quarter of this year, the increase in financial expenses was mitigated by a reduction in interest rates between the two periods compared. As at October 25, 2008, approximately 63.6% of the Company's long-term debt, representing \$12.8 million out of a total long-term debt of \$20.2 million, including the current portion, but excluding deferred financing expenses, bore a variable interest rate.

For the first six months of fiscal 2009, financial expenses reached \$819,762 compared with \$826,786 a year earlier.

Depreciation and Amortization

Depreciation and amortization for the second quarter of fiscal 2009 reached \$960,066, up from \$842,769 in the second quarter of fiscal 2008. The increase is essentially due to the depreciation of fixed assets and the amortization of intangible assets resulting from the acquisition of Sigma OH, as well as to increased automation and robotization of manufacturing operations.

For the six-month period ended October 25, 2008, depreciation and amortization amounted to \$1.9 million, versus \$1.6 million for the same period a year ago.

Other Non-Cash Charges and Restructuring Expenses

For the three-month period ended October 25, 2008, the Company recorded non-cash charges totalling \$3.5 million. These charges mainly pertain to the write-off of various assets related to the GSC subsidiary, whose plant will be closed at the end of December 2008. Charges are broken down as follows:

- 1- \$1.3 million to write-off property, plant and equipment including, most of which consists of tooling associated with the contracts terminated by Sigma OH;
- 2- \$1.4 million to write-off GSC's intangible assets;
- 3- \$0.8 million to write-off the portion of the Company's goodwill related to GSC.

For the three-month period ended October 25, 2008, the Company recorded restructuring expenses of \$436,431 mainly consisting of severance pay reflecting headcount reduction across the Company's subsidiaries.

Income Tax Recovery

For the quarter ended October 25, 2008, the Company registered an income tax recovery of \$986,796, or 12.2% of the loss before income taxes, compared with a recovery of \$235,431, or 28.8% of the loss before income taxes, for the same period last year. The lower recovery rate is explained by the write-off of Sigma US Industries' future income taxes amounting to \$1.3 million following accumulated losses since its acquisition. Excluding this non-recurring item, the income tax recovery would have been \$2.3 million, or 28.2% of the loss before income taxes.

For the first half of fiscal 2009, the Company recorded an income tax recovery of \$1.3 million, or 14.3% of the loss before income taxes, compared with a recovery of \$632,949, or 29.4% of the loss before income taxes, a year earlier. Excluding the write-off of Sigma US Industries' future income taxes, the income tax recovery would have amounted to \$2.3 million, equivalent to 28.7% of the loss before income taxes.

Net Loss

For the three-month period ended October 25, 2008, the Company posted a net loss of \$7.1 million, or \$0.166 per share, fully diluted, compared with a net loss of \$0.6 million, or

\$0.014 per share, fully diluted, for the same period last year. The increase in the Company's net loss is owed to the various non-recurring charges and costs overruns incurred by the US subsidiary whose net loss amounted to \$3.2 million during the second quarter.

For the first six months of fiscal 2009, the Company's net loss reached \$7.7 million, or \$0.180 per share, fully diluted, compared with a net loss of \$1.5 million, or \$0.035 per share, fully diluted, during the corresponding period a year ago. The net loss of the US subsidiary stood at \$3.8 million for the first six months of the current year.

Financial Position

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

	July 26, 2008	October 25, 2008		
	\$	\$		
Current assets	22,359	26,300		
Total assets	56,965	59,640		
Current liabilities	18,719	43,747		
Total liabilities	37,261	47,961		
Shareholders' equity	19,704	11,679		

	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	41,695	43,261	38,578	38,617
Shareholders' equity	9,936	11,924	14,679	20,764

Assets

Total assets stood at \$59.6 million as at October 25, 2008, up from \$57.0 million as at April 26, 2008. This variation is mainly attributable to increased current assets, which reached \$26.3 million as at October 25, 2008, versus \$22.3 million on April 26, 2008.

Accounts receivable increased by nearly \$2.5 million since the beginning of the fiscal year, as a result of increased seasonal sales of snow removal products by the PNS subsidiary near the end of the second quarter and the contribution of the new contracts announced in September 2008. As at October 25, 2008, slightly more than 63.6% of the Company's accounts receivable were at less than 30 days and approximately 28.1% were between 31 and 60 days. Inventories increased by \$2.2 million due to higher raw material inventories for snow removal products and for the new

contracts announced in September. In addition, the value of accounts receivable and inventories labelled in US dollars has noticeably increased since the beginning of fiscal 2009 owing to the appreciation of the US dollar versus the Canadian dollar.

The value of property, plant and equipment (PPE) increased by \$0.4 million over the first six months of the current fiscal year. This increase is due to investments of \$1.5 million and to the rise in the value of PPE related to the US subsidiary following the appreciation of the US dollar. Conversely, depreciation of \$1.1 million and the aforementioned write-off reduced the value of PPE.

The value of intangible assets was reduced by slightly over \$2.0 million, to \$5.6 million as at October 25, 2008 due to the reduction of nearly \$1.4 million in the carrying value of GSC's intangible assets and to amortization of \$0.7 million. Given the \$0.8-million write-off in the value of the goodwill allocated to GSC, the consolidated value of goodwill now stands at \$1.7 million as at October 25, 2008.

Liabilities

As at October 25, 2008, the Company's total liabilities increased to \$47.9 million, compared with \$36.7 million as at April 26, 2008. The variation of \$11.2 million is explained by a \$25.7-million increase in the value of short-term liabilities partially offset by a \$14.5-million decrease in the value of long-term liabilities.

The main factor behind the fluctuations in both short-term and long-term liabilities is the reclassification of a substantial proportion of the Company's long-term debt as part of the current portion (see Financial Ratios below)

As at October 25, 2008, the Company's bank loans amounted to \$6.5 million out of an authorized bank credit line of CAN \$10.0 million, bearing interest at prime rate plus 0.5%. Long-term debt, including the current portion and deferred financing expenses, stood at \$19.7 million on October 25, 2008, a level comparable to that of April 26, 2008.

Financial Ratios

The Company's ratio of total debt to tangible net worth stood at 8.55 as at October 25, 2008, compared with 2.54 at the close of the preceding fiscal year on April 26, 2008 (see note 8 of the notes to the unaudited interim consolidated financial statements for the three-month period ended October 25, 2008).

Because of losses incurred during the quarter ended October 25, 2008, the Company is no longer in compliance with certain financial ratios linked to the restrictive clauses of its credit facilities. These ratios are total debt to tangible net worth and the working capital ratio. As a result, all debts associated with the non-respect of the ratios have been reclassified as part of the current portion of long-term debt. The Company is currently in discussions with its lenders to amend the terms and conditions of its credit facility. However, should renegotiating terms and conditions fail, the Company will have to seek new financing sources consisting of subordinated debt, convertible debentures or shareholders' equity.

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		Six-month periods ended	
	October 25, 2008	October 27, 2007	October 25, 2008	October 27, 2007
Operating activities	(2,553)	1,491	(3,215)	1,965
Financing activities	3,945	(920)	5,213	(203)
Investing activities	(931)	(1,317)	(1,541)	(2,102)
Effect of foreign exchange rate changes on cash	(760)	-	(759)	-
Decrease in cash	(299)	(746)	(302)	(340)
Cash – Beginning of period	650	1,043	653	637
Cash – End of period	351	297	351	297

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 second quarter ended October 25, 2008, cash flows from operating activities before changes in non-cash working capital items reduced liquidities by \$2.9 million, as opposed to increasing liquidities by \$0.1 million in the three-month period ended October 27, 2007. This decrease is primarily attributable to a higher net loss in spite of non-cash charges that have no impact on liquidities.

Non-cash working capital items generated liquidities of \$0.4 million during the second quarter of fiscal 2009, as increases in accounts receivable and inventories were offset by an increase in accounts payable and accrued liabilities. During the second quarter of the preceding year, non-cash working capital items generated liquidities of \$1.4 million. Cash flows from operating activities thus reduced liquidity by \$2.6 million in the second quarter of fiscal 2009 compared with an increase in liquidity of \$1.5 million a year ago.

For the six-month period ended October 25, 2008, cash flows from operating activities before changes in non-cash working capital items reduced liquidities by \$3.1 million compared with a decrease of \$0.7 million during the same period in the prior year. After changes in non-cash working capital items, the Company's operating activities reduced liquidities by \$3.2 million in the first six months of fiscal 2009, as opposed to an increase of \$2.0 million a year ago.

Financing Activities

For the second quarter ended October 25, 2008, cash flows from financing activities generated funds of \$3.9 million mainly due to the increase in bank loans stemming from the net operating loss and working capital requirements. During the quarter ended October 27, 2007, cash flows from financing activities had required funds of \$0.9 million.

For the first six months of fiscal 2009, cash flows from financing activities generated funds of \$5.2 million compared with a liquidity reduction of \$0.2 million for the first half of fiscal 2008.

Investing Activities

For the second quarter of the current fiscal year, cash flows from investing activities reduced liquidities by \$0.9 million essentially because of additions to PPE. Cash flows from investing activities had reduced liquidity by \$1.3 million during the second quarter last year.

For the first six months of fiscal 2009, cash flows from investing activities decreased liquidities by \$1.5 million compared with a reduction of \$2.1 million for the same period a year ago.

Shareholders' Equity

Share Capital

There were no changes in the Company's share capital since April 26, 2008.

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 October 25, 2008:

	Number	Total compensation costs (Note a) \$
<i>Outstanding -End of period</i>	1,485,000	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 six-month period ended October 25, 2008		15,911
Stock-based compensation costs for the next periods		907
Options granted since the effective date of the stock option plan	2,425,000	
Options outstanding as at October 25, 2008	1,485,000	
Options exercisable as at October 25, 2008	1,435,000	
Options exercised since the effective date of the stock option plan	540,000	
Options forfeited since the effective date of the stock option plan		
Current fiscal year – Note b	200,000	
Prior fiscal years – Note c	200,000	
Note a- Total compensation costs during the vesting period		
Note b- For the three-month and six-month periods ended October 25, 2008, amount of \$27,891 has been reflected in the contributed surplus		
Note c- 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 October 25, 2008:

Latest Exercise Date	Exercise Price	Number	Value (if fully exercised)
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

For the three-month period ended October 25, 2008, 135,289 warrants were forfeited. There were no changes in the Company's outstanding and exercisable warrants as of the date of this MD&A.

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

CICA Handbook Section 3062 "*Goodwill and Other Intangible Assets*" establishes standards for the recognition, measurement, presentation and disclosure of goodwill subsequent to its initial recognition and of intangible assets by enterprises. They must be tested for impairment on an annual basis or more frequently if events or circumstances indicate that they might be impaired. The Company performed an impairment test for one of its subsidiaries in the three-month period ended October 25, 2008.

Recoverability of goodwill is determined at the reporting unit level using a two-step approach. First, the net carrying value of a reporting unit is compared to its fair value. If the net carrying value of a reporting unit exceeds its fair value, the second step must be performed. In this step, the amount of the impairment loss, if any, represents the excess of the carrying value of goodwill over its fair value and the loss is charged to earnings in the period in which it is incurred. For the purposes of this impairment test, the fair value of goodwill is estimated in the same way as goodwill is determined in business combinations; that is, the excess of the fair value of a reporting unit over the estimated fair value of its net identifiable assets. The company has elected to perform its impairment test for the three-month period ended October 25, 2008 and has recognized an impairment loss for one of its subsidiaries.

Concerning long-lived assets, impairment exists when the carrying value of an asset or group of assets is greater than the undiscounted future cash flows expected to be provided by the asset or group of assets. The amount of impairment loss, if any, is the excess of the carrying value over the fair value. The fair value of long-lived assets is determined based on discounted future cash flows. For the three-month period ended October 25, 2008, an impairment loss has been recorded.

For the three-month period ended October 25, 2008, the Company performed a comprehensive review of the current performance and strategic direction of its subsidiaries. This strategic review revealed that several economic factors such as the current global financial crisis, the decline in demand for some manufactured good and the term credit crisis in the United States could have an impact on the Company. Therefore, the Company conducted an in-depth analysis to determine whether it was appropriate to retain the manufacture of some products and keep certain markets. Moreover, due the presence of these factors, changes have been made to the estimated realizable value for one of the Company's subsidiaries. The strategic review focused on the carrying amount of certain assets including inventories, intangible assets and goodwill in the subsidiary.

Based on the review described above, the Company recorded other non-cash charges of \$3,495,389, which are mostly related to one of the Company's subsidiaries. These charges are detailed as follows:

	<u>Three Months Ended</u>		<u>Six Months Ended</u>	
	<u>October 25, 2008</u>	<u>October 27, 2007</u>	<u>October 25, 2008</u>	<u>October 27, 2007</u>
	\$	\$	\$	\$
Property, plant and equipment	1,306,447	-	1,306,447	-
Intangible assets	1,352,809	-	1,352,809	-
Goodwill	836,133	-	836,133	-
Total	3,495,389	-	3,495,389	-

Future accounting changes

Accounting changes adopted

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

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.

OFF-BALANCE-SHEET ARRANGEMENTS

There were no off-balance-sheet arrangements in the interim consolidated financial statements as at October 25, 2008.

CONTRACTUAL OBLIGATIONS

The table below summarizes the Company's contractual obligations for its operating leases, the acquisition of property, plant and equipment and long-term debt as at October 25, 2008:

Periods	Operating leases \$	Property, plant and equipment \$	Long-term debt	Total
0-12 months	242,941	-	19,629,575	19,872,516
13-24 months	164,599	-	202,496	367,095
25-36 months	74,507	-	79,748	154,255
37-48 months	11,300	-	55,416	66,716
49-60 months	1,686	-	55,416	57,102
Thereafter	-	-	175,100	175,100
	<u>495,033</u>	<u>-</u>	<u>20,197,751</u>	<u>20,692,784</u>

Certain leases include a renewal option.

RELATED PARTY TRANSACTIONS

There is no related party transaction for the three-month and six-month periods ended October 25, 2008 and October 27, 2007.

SUBSEQUENT EVENTS

On December 2, 2008, the Company announced its withdrawing from the production of certain components destined to the agricultural equipment and the bus industries as well as the closure of its Chesterville, Quebec plant.

This decision to terminate certain contracts is attributable to cost overruns related to problems encountered during the implementation of new technological processes at the Sigma OH facilities in Ohio, which caused an increased amount of work to be outsourced. Some of these excess costs will also impact third-quarter results. Affected components mainly pertain to contracts announced last September. Based on mutual agreements with its clients, the Company redirected the

production of certain components to third parties, while remaining ones will be transferred in the next few weeks. Annual sales could therefore be reduced by approximately \$13 million.

The Chesterville plant will close at the end of December 2008, resulting in the elimination of nearly 15 positions. Production, consisting mainly of composite products for various service vehicles, will be transferred to the Company's other facilities.

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 57.9% and 58.2% of the Company's total sales for the three-month and six-month periods ended October 25, 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 US 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 rises against the US dollar, this would negatively affect the Company's results of operations. For the three-month period ended October 25, 2008, the Company sold US\$2.9 million at an average exchange rate of 1.0487 CAD for a sum totalling CAD\$3.0 million.

Concentration of customers

For the three-month and six-month periods ended October 25, 2008, the Company's five largest customers represented 64.0% and 67.1% 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, increase net loss accordingly for the three-month period ended October 25, 2008. As of October 25, 2008, approximately 63.6% of the long-term debt, representing \$12.8 million out of a total long-term debt of \$20.2 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 December 23, 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.sigmaventures.ca](http://www.sigmaventures.ca) or on the following Internet site: <http://www.sedar.com>.

(S) Denis Bertrand

Per: _____
Denis Bertrand
President and Chief Executive Officer

(S) Bertrand Côté

Per: _____
Bertrand Côté
Chief Financial Officer

December 23, 2008.