



Management's discussion and analysis of financial condition and results of operations January 26, 2008 3rd Quarter of Fiscal 2008

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.

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

Since February 21, 2008, our company became Sigma Industries Inc. This new corporate name confirms our strategy of operating manufacturing facilities, developing new products and acquiring companies with complementary technologies in order to offer a complete range of technological solutions and act as a solutions integrator for its clientele. In parallel with the adoption of this new corporate name, common shares of Sigma Industries now trade under ticker symbol SIC on the TSX Venture Exchange and the Company obtained a certificate of continuance under the Canada Business Corporations Act.

More importantly, on March 4, we announced the acquisition of Pickens Plastics, our first in the United States. Well established for over 30 years and ISO 9002 certified, Pickens brings us two facilities in north-eastern Ohio. This acquisition is in perfect harmony with our growth strategy which consists of consolidating our strong business relationships with our clients, adding complementary technologies in order to become a one-stop-shop solution for technological expertise and manufacturing processes and providing us with a better match-up between cash inflow and outflow in foreign currency. Moreover, its strategic location in close proximity to our target markets will facilitate its integration as well as future growth in all our operations.

Pickens enhances Sigma Industries' technological portfolio through the high-tonnage Sheet Moulding Compound (SMC) manufacturing process. It also possesses two painting lines for assembled components, one of which is entirely robotized, as well as two robotized jet trimmers. These assets yield a competitive edge that will enable us to offer more complete business solutions to our current and future customers.

Pickens' sales currently reach \$7.5 million and essentially reflect the production of industrial components, thus providing us with further sectorial diversification. In addition, the business volume generated by Pickens' clientele holds significant development prospects. Finally, strong cross-selling opportunities resulting from the offer of Pickens' technological expertise to Sigma's current customer base, as well as that of Sigma's manufacturing processes to clients of Pickens, combined with the latter's available production capacity, reveal a sustained growth potential.

With respect to operations, sales of \$14.8 million decreased in comparison with \$19.0 million in the preceding quarter. More importantly, despite lower sales, our third-quarter earnings before interest, taxes, depreciation and amortization (EBITDA), excluding the non-recurring gain on insurance settlement, of \$0.4 million was similar to that of the second quarter. As a percentage of sales, EBITDA for the third quarter stood at 2.8%, as opposed to 2.3% in the second quarter. This increase is a testimony to our earlier investments in automation and robotization, as greater productivity further reduced our operating costs.

By virtue of a \$1.4-million gain before taxes stemming from the settlement of an insurance claim, we posted net earnings of \$0.4 million compared with net losses in each of the first two quarters of our 2008 fiscal year.

During the third quarter, Sigma Industries' Faroex division, located in Gimli, Manitoba, completed its 20,000-square-foot expansion project to increase its capacity to produce components for the wind energy market so as to meet a fast-growing demand. Supporting the above, sales to this sector exceeded \$0.8 million during the quarter, more than doubling what was recorded at the same time a year earlier.

In order to constantly optimize our operational infrastructure, Sigma Industries proceeded with the merger of its metal component manufacturing facilities. The production of such components is now centralized at the PNS-TECH Inc. facility located in St-Agapit, Quebec. We have recently disposed of the building as well as certain equipment of the L'Islet, Quebec facility.

Although the context remains difficult for the manufacturing sector in general owing to the vigour of the Canadian dollar, our solid business relationships with global leaders, the continuous improvement in existing products and the development of new value-added products are key assets that yield a promising future.

We are satisfied with the progress accomplished, but much remains to be achieved. The joint efforts of all our employees and managers, aimed at continuously offering products of superior quality and of world-class reputation, will create further value for our shareholders.

(S) Denis Bertrand

Per: _____
Denis Bertrand
President and Chief Executive Officer



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 nine-month periods ended January 26, 2008 compared with the three-month and nine-month periods ended January 31, 2007 and its financial condition as at January 26, 2008 compared with April 30, 2007. This document should be read in conjunction with the unaudited interim consolidated financial statements for the three-month and nine-month periods ended January 26, 2008 and January 31, 2007 and with our 2007 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 March 20, 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, tax, depreciation and amortization ("EBITDA") excluding the non-recurring gain on insurance settlement, 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				
(in thousands of Canadian dollars)	Three months ended		Nine months ended	
	January 26, 2008	January 31, 2007	January 26, 2008	January 31, 2007
Net earnings (loss)	(365)	1,033	(1,153)	3,119
PLUS:				
Income tax expense (recovery)	186	609	(447)	1,787
Gain on insurance settlement	(1,436)	0	(1,436)	0
Depreciation and amortization	814	608	2,524	1,533
Financial expenses	485	504	1,245	1,263
EBITDA	414	2,754	733	7,702
Foreign exchange loss (gain)	34	(79)	268	(229)
EBITDAG	448	2,675	1,001	7,473

Company Overview

As at January 26, 2008, the Company had five wholly-owned subsidiaries:

- 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 truck 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

During the 2008-2009 fiscal year, the Company's development strategy will consist 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.

Financial Information for the three-month and nine-month periods ended January 26, 2008 and January 31, 2007

For the three-month periods ended January 26, 2008 and January 31, 2007, the unaudited interim consolidated operating results of the Company include the results of the following companies:

- Faroex, PNS and Sigma for the period from October 28, 2007 to January 26, 2008, being a three-month period in 2008, and for the period from November 1, 2006 to January 31, 2007, being a three-month period in 2007;
- René for the period from October 28, 2007 to January 26, 2008, being a three-month period in 2008, and for the period from November 1, 2006 to January 31, 2007, being a three-month period in 2007, and its subsidiary GSC for the period from October 28, 2007 to January 26, 2008, being a three-month period in 2008 and nil for 2007;
- Transcam for the period from October 28, 2007 to January 26, 2008, being a three-month period in 2008, and for the period from November 1, 2006 to January 31, 2007, being a three-month period in 2007, and nil for fiscal 2007 for the Acton Vale acquisition.

For the nine-month periods ended January 26, 2008 and January 31, 2007, the unaudited interim consolidated operating results of the Company include the results of the following companies:

- Faroex, PNS and Sigma for the period from May 1, 2007 to January 26, 2008, being a nine-month period in 2008, and for the period from May 1, 2006 to January 31, 2007, being a nine-month period in 2007;
- René for the period from May 1, 2007 to January 26, 2008, being a nine-month period in 2008, and for the period from June 28, 2006 to January 31, 2007, being a seven-month

and three-day period in 2007, and its subsidiary GSC for the period from May 1, 2007 to January 26, 2008, being a nine-month period in 2008 and nil for fiscal 2007;

- Transcam for the period from May 1, 2007 to January 26, 2008, being a nine-month period in 2008, and for the period from June 28, 2006 to January 31, 2007, being a seven-month and three-day period in 2007, and nil for fiscal 2007 for the Acton Vale acquisition.

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 important increases. Second, diesel fuel with lower levels of sulphur content (ULSD) mandated for these new trucks is more expensive and increases consumption by 1% to 3% per kilometer. 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 useful 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 January 2008 can be attributable to sales of 2006 models finalized at the beginning of 2007.

Table 1 shows the decline in Class 4-8 truck sales for the November 2007 to January 2008 period for the industry as a whole, whereas table 2 provides an overview of Class 8 sales, which regroups heavy-duty trucks, by manufacturer.

TABLE 1**Retail Sales - Class 4-8 Trucks – November-December 2007 and January 2008**

Source: Automotive News Data Center

Class	November 2007		Year-to-date		December 2007		Total 2007		January 2008		Year-to-date	
	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	Units	Year-over-year change
Class 4	5,487	(15.3%)	73,015	(4.4%)	5,818	(32.5%)	78,839	(9.3%)	5,183	4.1%	5,183	4.1%
Class 5	3,070	(27.5%)	40,686	(8.3%)	4,019	(21.5%)	44,925	(9.2%)	2,937	(7.9%)	2,937	(7.9%)
Class 6	3,170	(35.9%)	50,243	(21.2%)	3,500	(44.5%)	53,786	(23.3%)	3,667	(33.8%)	3,667	(33.8%)
Class 7	5,088	(24.1%)	65,470	(21.6%)	4,971	(31.4%)	70,426	(22.4%)	4,668	(32.3%)	4,668	(32.3%)
Class 8	10,309	(54.3%)	138,931	(46.1%)	12,034	(54.5%)	150,965	(46.8%)	9,600	(48.3%)	9,600	(48.3%)
Total	27,124	(39.6%)	368,345	(29.9%)	30,342	(43.5%)	398,941	(31.4%)	26,055	(33.5%)	26,055	(33.5%)

TABLE 2**Retail Sales Class 8 Trucks – November-December 2007 and January 2008**

Source: Automotive News Data Center

Manufacturer	November 2007		Year-to-date		December 2007		Total 2007		January 2008		Year-to-date	
	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	Units	Year-over-year change
Freightliner	1,901	(69.8%)	34,788	(51.5%)	2,583	(61.4%)	37,371	(52.3%)	2,436	(58.6%)	2,436	(58.6%)
International	2,441	(41.4%)	27,154	(45.0%)	2,521	(37.2%)	29,675	(44.4%)	2,456	(38.1%)	2,456	(38.1%)
Peterbilt	1,206	(61.2%)	18,384	(45.8%)	1,564	(54.1%)	19,948	(46.6%)	1,085	(40.2%)	1,085	(40.2%)
Kenworth	1,432	(50.0%)	17,914	(40.0%)	1,385	(57.1%)	19,299	(41.7%)	1,015	(47.9%)	1,015	(47.9%)
Mack	956	(54.3%)	12,204	(52.8%)	1,234	(66.1%)	13,438	(54.5%)	545	(62.9%)	545	(62.9%)
Volvo	1,626	(32.1%)	14,262	(47.6%)	1,802	(48.5%)	16,064	(47.7%)	1,474	(27.4%)	1,474	(27.4%)
Sterling	636	(50.8%)	11,272	(25.7%)	782	(49.2%)	12,054	(27.9%)	471	(56.4%)	471	(56.4%)
Others	111	(66.4%)	2,953	(32.8%)	163	(63.6%)	3,116	(35.6%)	118	(67.3%)	118	(67.3%)
Total	10,309	(54.3%)	138,931	(46.1%)	12,034	(54.5%)	150,965	(46.8%)	9,600	(48.3%)	9,600	(48.3%)

Consolidated Results of Operations

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

2008 Quarters ended	July 28 2007 \$	October 27 2007 \$	January 26 2008 \$		Total 9 Months \$
Sales	18,780	19,034	14,769		52,583
EBITDA*	(118)	437	414		733
Earnings (loss) before income taxes	(1,332)	(819)	551		(1,600)
Net earnings (loss)	(935)	(583)	365		(1,153)
Weighted average number of shares outstanding					
Basic	42,899,095	42,899,095	42,899,095		42,899,095
Diluted	43,120,969	43,013,792	42,899,095		43,228,059
Net earnings (loss) per share					
Basic	(0.022)	(0.014)	0.009		(0.027)
Diluted	(0.022)	(0.014)	0.009		(0.027)
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
2006 Quarters ended	July 31 2005 \$	October 31 2005 \$	January 31 2006 \$	April 30 2006 \$	Total \$
Sales	1,286	4,646	5,895	2,868	14,695
EBITDA*	27	831	720	(604)	974
Earnings (loss) before income taxes	(79)	692	552	(804)	360
Net earnings (loss)	(55)	450	359	(549)	206
Weighted average number of shares outstanding					
Basic	16,250,000	17,506,358	21,013,688	21,096,022	18,942,955
Diluted	16,250,000	17,506,358	21,013,688	21,096,022	19,271,983
Net earnings (loss) per share					
Basic	(0.003)	0.026	0.017	(0.026)	0.011
Diluted	(0.003)	0.026	0.017	(0.026)	0.011

* 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 insurance settlement.

Segmented Information

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

	Three-month periods ended				Nine-month periods ended			
	January 26, 2008		January 31, 2007		January 26, 2008		January 31, 2007	
	\$	%	\$	%	\$	%	\$	%
United States	9,208	62.4 %	16,467	71.9 %	36,579	69.6 %	42,910	69.8 %
Canada	5,466	37.0 %	6,133	26.8 %	15,180	28.9 %	16,149	26.4 %
Asia	89	0.6 %	103	0.4 %	308	0.6 %	642	1.1 %
South America	-	-	179	0.8 %	272	0.5 %	713	1.2 %
Europe	5	0.0 %	-	-	186	0.3 %	172	0.2 %
Australia	1	0.0 %	13	0.1 %	58	0.1 %	158	0.2 %
Others	-	-	-	-	-	-	20	0.1 %
	14,769	100.0 %	22,895	100.0 %	52,583	100.0 %	60,764	100.0 %

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

	Three-month periods ended				Nine-month periods ended			
	January 26, 2008		January 31, 2007		January 26, 2008		January 31, 2007	
	\$	%	\$	%	\$	%	\$	%
Transportation	9,426	63.8 %	16,472	72.0 %	35,341	67.2 %	42,797	70.4 %
Snow Removal	2,222	15.1 %	3,422	15.0 %	5,990	11.4 %	9,264	15.3 %
Agriculture	915	6.2 %	1,194	5.2 %	4,244	8.1 %	4,618	7.6 %
Industrial	1,095	5.2 %	994	4.3 %	2,800	5.3 %	2,065	3.4 %
Wind energy	775	7.4 %	360	1.6 %	2,622	5.0 %	360	0.6 %
Forestry	81	0.6 %	143	0.6 %	436	0.8 %	967	1.6 %
Others	255	1.7 %	290	1.3 %	1,150	2.2 %	693	1.1 %
	14,769	100.0 %	22,895	100.0 %	52,583	100.0 %	60,764	100.0 %

Sales

For the three-month period ended January 26, 2008, sales reached \$14.8 million, a decline of \$8.1 million compared with \$22.9 million at the same time last year. This reduction is owed to a \$9.4-million decrease in sales to the transportation industry caused by lower demand for heavy trucks following new environmental regulations implemented at the beginning of 2007. In addition, a reduction of \$1.2 million in sales to the snow removal industry stems from a decision to focus on the most profitable products. These factors were somewhat offset by additional sales of \$0.4 million to the wind energy market and by a contribution of roughly \$2.4 million from GSC and the Acton Vale plant, both acquired near the end of the previous fiscal year.

Sales to U.S. customers during the quarter ended January 26, 2008 amounted to \$9.2 million, or 62.4% of total sales, compared with \$16.5 million, or 71.9% of sales for the quarter ended January 31, 2007. This decline is due to lower activity in the heavy truck market and to the strength of the Canadian dollar.

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.

For the third quarter ended January 26, 2008, the cost of sales and operating expenses reached 97.0% of sales compared with 88.3% for the third quarter ended January 31, 2007. Even if the marginal contribution per unit produced was virtually unchanged, this increase was due to lower sales that could not be fully offset given the presence of fixed operating expenses.

For the nine-month period ended January 26, 2008, sales totalled \$52.6 million, down \$8.2 million from \$60.8 million generated during the first nine months of the previous year. Lower activity in the heavy truck market as well as a negative impact from a stronger Canadian dollar were not entirely offset by the inclusion of GSC, Acton Vale and René for the entire period, as opposed to only René for seven months last year.

For the first nine months of fiscal 2008, the cost of sales and operating expenses amounted to 98.1% of sales compared with 87.7% last year. This fluctuation is owed to lower sales as well as fixed operating expenses that more than offset a stable marginal unit contribution.

The Company's most important customer for the nine-month period ended January 26, 2008, accounted for 35.7% of total sales compared with 51.1% for the same period last year.

EBITDAG

Earnings before interest, taxes, depreciation, amortization and exchange gain, excluding the non-recurring gain on insurance settlement, amounted to \$0.4 million in the third quarter ended January 26, 2008, compared with \$2.7 million in the same period last year. This decrease of slightly over \$2.2 million essentially stems from the significant market decline in the heavy truck market in 2007, which increased the Company's breakeven point, whereas the appreciation in the value of the Canadian dollar further reduced the Company's EBITDAG by \$0.5 million.

The grant of stock purchase options required the recognition of stock-based compensation costs of \$10,815 during the quarter ended January 26, 2008, versus \$66,307 for the same period a year earlier.

For the first nine months of the current fiscal year, EBITDAG amounted to \$1.0 million, as opposed to \$7.5 million last year. The significant decline in the heavy truck market that raised the breakeven point explains most of the variation, while the negative impact of a stronger Canadian dollar was \$1.0 million. Stock-based compensation charges totalled \$0.1 million for the first nine months of fiscal 2008, versus \$0.2 million in fiscal 2007.

EBITDA

EBITDA for the third quarter of fiscal 2008 reached \$0.4 million compared with \$2.8 million for the quarter ended January 31, 2007. This reduction was caused by the sharp decline in the heavy truck market. In addition, a stronger Canadian dollar versus the US currency reduced EBITDA by \$0.5 million in comparison with the same period a year earlier.

For the first nine months of fiscal 2008, EBITDA totalled \$0.7 million whereas it reached \$7.7 million a year ago. The substantially lower activity in the heavy truck market that increased the breakeven point and a \$1.0-million impact from a stronger Canadian dollar essentially explain this decline.

Financial Expenses

Financial expenses for the quarter ended January 26, 2008 were \$484,685 compared with \$503,916 for the same period in fiscal 2007. This decline can be explained by a lower average debt level during the quarter.

For the nine-month period ended January 26, 2008, financial expenses reached \$1.2 million, a level slightly inferior to financial expenses of \$1.3 million incurred a year earlier, essentially for the same factors specified above.

Depreciation and Amortization

Depreciation and amortization for the third quarter of fiscal 2008 amounted to \$814,753, an increase of \$206,675 over the third quarter of fiscal 2007. This increase essentially stems from the amortization of intangible assets related to the acquisition of GSC and to the depreciation of fixed assets pertaining to the GSC and Acton Vale acquisitions, as well as to the automation and robotization of operations.

For the first nine months of the current fiscal year, depreciation and amortization reached \$2.5 million compared with \$1.5 million a year earlier. In addition to the aforementioned factors, the increase is owed to the depreciation of fixed assets and the amortization of intangible assets associated with acquisitions realized during fiscal 2007, namely:

- \$0.4 million for the depreciation of Rene's fixed assets;
- \$0.3 million for the amortization of GSC's intangible assets;
- \$0.3 million for the depreciation of Transcam's fixed assets.

Foreign Exchange Loss (gain)

The \$33,309 foreign exchange loss recorded in the third quarter 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 0.9622 on October 27, 2007 to a rate of 1.0070 on January 26, 2008. However, to reduce the impact of foreign exchange losses, the Company concluded contracts to sell US\$3.3 million between February 2008 and April 2009 at rates ranging from 0.9984 to 1.0246, for an average rate of 1.015, yielding an unrealized gain of \$21,159 as at January 26, 2008. For the nine-month period ended January 26, 2008, the foreign exchange loss amounted to \$267,558.

Gain on Insurance Settlement

During the quarter ended January 26, 2008, the Company recorded a gain on insurance settlement of \$1.4 million. This gain stems from the final settlement related to a fire that damaged the facility of René Composites Materials 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 (see "Subsequent Events" below) and a sum of \$2.7 million included in the Company's accounts receivable as at October 27, 2007.

Income Tax Expense (Recovery)

For the quarter ended January 26, 2008, the Company incurred an income tax expense of \$185,868 (33.7% of earnings before income taxes) compared with an expense of \$609,181 (37.1% of earnings before income taxes) at the same time last year.

For the nine-month period ended January 26, 2008, the income tax recovery totalled \$447,081 (27.9% of loss before income taxes), as opposed to an expense of \$1,786,599 (36.4% of earnings before income taxes) for the same period a year earlier.

Net Earnings (loss)

The Company posted net earnings of \$0.4 million, or \$0.009 per share (\$0.009 per share on a diluted basis), for the quarter ended January 26, 2008 compared with net earnings of \$1.0 million, or \$0.030 per share (\$0.029 per share on a diluted basis) for the same period last year. This decline is essentially owed to the substantial downturn in the heavy truck market as well as to the appreciation in the value of the Canadian dollar versus the US currency. Excluding the gain on insurance settlement, net of related income taxes, the Company would have incurred a net loss of approximately \$0.6 million in the quarter ended January 26, 2008.

For the first nine months of fiscal 2008, the net loss amounted to \$1.2 million, or \$0.027 per share (\$0.027 per share on a diluted basis), compared with net earnings of \$3.1 million, or \$0.093 per share (\$0.089 per share on a diluted basis), for the same period in fiscal 2007.

Financial Position

Consolidated Balance Sheet Data

(in '000s of Cdn\$)	July 28 2007	October 27 2007	January 26 2008	
Current assets	27,915	25,786	25,278	
Total assets	57,892	56,445	56,029	
Current liabilities	22,757	22,563	20,911	
Total liabilities	37,986	37,111	36,336	
Shareholders' Equity	19,906	19,334	19,693	

(in '000s of Cdn\$)	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

(in '000s of Cdn\$)	July 31 2005	October 31 2005	January 31 2006	April 30 2006
Current assets	5,437	8,241	7,825	10,062
Total assets	7,942	11,243	10,823	18,287
Current liabilities	4,361	6,447	5,862	7,549
Total liabilities	6,256	8,516	7,697	14,228
Shareholders' Equity	1,686	2,727	3,126	4,059

Assets

As of January 26, 2008, total assets amounted to \$56.0 million, compared with \$59.4 million on April 30, 2007. The reduction essentially stems from a decrease of \$4.4 million in short-term assets caused by lower accounts receivable and inventories due to 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 our next fiscal year in April 2009. Of note, accounts receivable as at January 26, 2008 included an amount of \$4.1 million representing an insurance claim receivable, which was collected after the end of the quarter (see “Subsequent events” below).

With respect to long-term assets, the value of property, plant and equipment increased by \$1.3 million following capital expenditures of \$2.9 million during the first nine months of the fiscal year. In addition, the value of intangible assets was reduced by \$1.2 million owing to related amortization, while future income tax assets increased by \$1.3 million because of net losses incurred since the start of the fiscal year.

Liabilities

As of January 26, 2008, the Company’s total liabilities were \$36.3 million, compared with \$38.6 million on April 30, 2007. This decrease is mainly explained by a \$1.4-million reduction in short-term liabilities, mostly accounts payable, as well as a reduction of \$0.5 million in long-term debt.

As of January 26, 2008, our short-term bank loans were \$4.9 million on an authorized bank credit line of CAN \$10.0 million bearing interest at prime rate plus 0.5%, and the long-term debt, including its current portion, amounted to \$15.7 million. 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. Proceeds were used to reduce the Company’s bank credit lines.

Financial ratios

In general, Sigma Industries Inc.’s financial position remains healthy, as proven by a long-term debt/equity ratio of 0.80 as of January 26, 2008 compared with 0.70 at the end of the previous fiscal year on April 30, 2007. The ratio includes the current portion of the long-term debt.

Liquidity, Cash Flows and Capital Resources

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

Summary of quarterly cash flows (in '000s of Cdn\$)	Three-month periods ended		Nine-month periods ended	
	January 26, 2008	January 31, 2007	January 26, 2008	January 31, 2007
Operating activities	(649)	7,904	1,317	10,820
Financing activities	1,375	(3,004)	1,171	17,873
Investing activities	<u>(759)</u>	<u>(3,922)</u>	<u>(2,861)</u>	<u>(26,946)</u>
Net change in cash	(33)	978	(373)	1,747
Cash – Beginning of period	<u>297</u>	<u>984</u>	<u>637</u>	<u>215</u>
Cash – End of period	264	1,962	264	1,962

Our activities, acquisitions and capital expenditures are primarily financed by cash flows from operating activities, the use of cash and credit facilities, and the issuance of common shares.

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

During the third quarter ended January 26, 2008, cash flow from operating activities before net changes in non-cash working capital items generated funds of \$0.7 million compared with \$1.6 million for the same period a year earlier. This reduction of more than \$0.8 million is essentially explained by lower net earnings.

For the same reasons, cash flow from operating activities before net changes in non-cash working capital items were at breakeven in the first nine months of fiscal 2008 compared with generating funds of \$5.5 million last year.

Non-cash working capital items used funds of \$1.4 million during the third quarter of fiscal 2008 mainly because of reductions in the value of accounts payable and income taxes payable during the period following the payment of \$1.8 million in income taxes during the quarter. As a result, cash flows from operating activities used \$0.6 million in cash during the quarter.

After the first nine months of this fiscal year, non-cash working capital items generated funds of \$1.3 million, essentially related to a reduction in current assets, namely a \$5.2-million reduction in the combined value of accounts receivable and inventories, a \$1.1-million increase in prepaid expenses, a \$2.1-million reduction of accounts payable and accrued liabilities and income taxes of \$0.7 million. The Company therefore generated cash flows from operating activities of \$1.3 million for the nine-month period.

Financing Activities

For the third quarter ended January 26, 2008, cash flows from financing activities generated funds of \$1.4 million attributable to an increase in long-term debt following an increase in the decreasing revolving bank loan totalling \$3.3 million, a reduction in bank loans of \$1.3 million and a \$0.6-million repayment of the Company's long-term debt.

After the first nine months of the current fiscal year, cash flows from financing activities have generated funds of \$1.2 million, including an increase in the decreasing revolving bank loan totalling \$3.3 million, long-term debt repayment of \$1.9 million and a reduction in bank loans of \$0.2 million.

Investing Activities

For the third quarter ended January 26, 2008, cash flows from investing activities reduced cash by \$0.8 million as a result of additions to property, plant and equipment related to the Company's automation and robotization plan aimed at reducing costs, as defined in its development strategy. After the first nine months of fiscal 2008, cash flows from investing activities used funds of \$2.9 million.

Shareholders' Equity

Share Capital

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

	Number	Amount \$
Balance as at April 30, 2007	42,899,095	13,126,424
Share issue expenses, net of related income taxes of \$525	-	(1,115)
Balance as at January 26, 2008	42,899,095	13,125,309

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 January 26, 2008:

	Number	Total compensation costs \$ (Note a)
Outstanding - End of period	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 nine-month periods ended January 26, 2008		82,102
Impact of stock options exercised and forfeited on the stock-based compensation costs for the next quarters		13,886
Stock-based compensation costs for the next fiscal periods		25,820
Options granted since the effective date of the stock option plan	2,425,000	
Options exercisable since the effective date of the stock option plan	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	200,000	

Note a- Total compensation costs during the vesting period

Note b- For the year ended April 30, 2007, an amount of \$8,103 has been reflected in the contributed surplus and an amount of \$73,978 has been reflected in the contributed surplus for the nine-month period ended January 26, 2008.

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 January 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 three-month period ended January 26, 2008, 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 26, 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 that followed 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 to the deferment date.

SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES

Our 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 our consolidated financial statements in our 2007 Annual Report for a complete description of our significant accounting policies and estimates.

Allowance for Doubtful Accounts

We evaluate the recovery of our accounts receivable on a regular basis by examining accounts receivable over time. We establish a reserve for unrecoverable debts based on our past experience in recovering accounts receivable and on the information available with regard to the status of our outstanding accounts receivable. Should our 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 our future results.

Allowance for Excess or Obsolete Inventories

Inventories are evaluated at the lower of cost and market value. Cost is determined on a first in, first out basis for raw materials and on a full cost basis for work in progress and finished products. Market value is defined as replacement cost for raw materials and as net realizable value for work in progress and finished products.

We establish these allowances based on inventory levels and forecast requirements to support the future sale of our 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 our 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 an impairment of the unamortized portion. Intangible assets with indefinite useful lives are subject to an impairment test on an annual basis, or more often, if events or circumstances indicate an impairment loss. An impairment loss exists when the carrying value of the intangible asset exceeds its fair value. As at January 26, 2008, there were no events or circumstances indicating that the carrying value of intangible assets may not be recoverable.

Finally, goodwill is tested annually at year-end, if impairment indicators arise, for impairment 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 January 26, 2008, there were no events or circumstances indicating that the carrying value of goodwill may not be recoverable.

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 disclosure 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 write-down to net realizable value. It also provides guidance on the cost formulas that are used to assign costs to inventories.

The company has not completed its assessment of the effect of these new standards on its consolidated financial statements, which will apply to the fiscal year beginning on May 1, 2008.

FINANCIAL AND OTHER INSTRUMENTS

Fair Value

Cash, accounts receivable, bank loans, accounts payable and accrued liabilities, as well as long-term debt are financial instruments whose carrying value approximates their fair value due to their short-term maturities, or to current market rates for most loans included in the long-term debt.

Credit Risk

Financial instruments which potentially subject the Company to a credit concentration risk consist primarily of cash, short-term investments and accounts receivable. Cash and short-term investments are held with or issued by high-credit quality financial institutions. Consequently, management considers the risk of non-performance of 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 credit worthiness. In addition, the Company performs ongoing credit reviews of all its customers and establishes an allowance for doubtful accounts receivable when accounts are determined to be uncollectible. The allowance for doubtful accounts was \$443,449 as at January 26, 2008 and \$372,710 as at April 30, 2007.

Interest Rate Risk

As at January 26, 2008, the Company’s exposure to interest rate risk was 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 to the interim consolidated financial statements as at January 26, 2008

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, substantially all of which are denominated in US dollars. These risks are partially as hedged by foreign currency forward contracts and certain operating costs in US dollars. However, as at January 26, 2008, the Company held contracts to sell US dollars at various forward rates, which are summarized as follows:

Expiry date	Contractual amount	Weighted average contractual forward rate
February 2008 to April 2009	US \$3,250,000	\$1.015

OFF-BALANCE-SHEET ARRANGEMENTS

There were no off-balance-sheet arrangements in the interim consolidated financial statements as at January 26, 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 January 26, 2008:

Periods	Operating leases	Property, plant and equipment	Long-term debt	Total
	\$	\$	\$	\$
0-12 months	261,292	198,284	4,196,273	4,655,849
13-24 months	133,031	-	2,947,276	3,080,307
25-36 months	86,647	-	2,514,647	2,601,294
37-48 months	39,733	-	5,761,187	5,800,920
49-60 months	1,790	-	353,024	354,814
61 months and over	-	-	216,661	216,661
	<u>522,493</u>	<u>198,284</u>	<u>15,989,068</u>	<u>16,709,845</u>

Certain leases include a renewal option.

RELATED PARTY TRANSACTIONS

During the six-month periods ended January 26, 2008 and January 31, 2007, management fees paid to two directors amounted to \$13,200 and \$34,604. These transactions are in the normal course of operations and are measured at the exchange amount. Services rendered consisted of a study on Management compensation during the nine-month period ended January 26, 2008 and of management fees related to research for the purpose of obtaining financing during the nine-month period ended January 31, 2007.

SUBSEQUENT EVENTS

On February 11, 2008, the Company received \$4.1 million representing the final settlement of the insurance claim resulting from a fire that damaged the installations of René Composites Materials in St-Éphrem-de-Beauce on October 19, 2005. A gain on insurance settlement of \$1.4 million before income taxes was recognized in the consolidated statement of income for the three-month period ended January 26, 2008. This sum was used to reduce the Company's bank debt.

On February 15, 2008, an amount of \$0.4 million was received following the sale of a building and of certain manufacturing equipment of the L'Islet facility. This asset disposal stems from the merger of all metal component manufacturing operations at the PNS-TECH facility in St-Agapit. This amount was used to reduce the Company's bank debt.

On February 21, 2008, the Company announced it had changed its corporate name, previously Sigma Ventures Inc., to Sigma Industries Inc. and obtained a certificate of continuance under the Canada Business Corporations Act. Following the adoption of this new corporate name, Sigma Industries' common shares now trade under ticker symbol SIC on the TSX Venture Exchange. In addition, the Company established a wholly-owned U.S. subsidiary called Sigma US Industries Inc. in order to pursue its growth strategy in the United States.

On March 4, 2008, the Company announced that its wholly-owned subsidiary, Sigma US Industries Inc. reached an agreement to acquire all the shares of Pickens Plastics ("Pickens") based in Jefferson, Ohio. Pickens owns two manufacturing facilities; a 115,000-square-foot plant located in Jefferson and a 50,000-square-foot facility in Ashtabula, Ohio. It currently has 60 employees, including 50 directly related to manufacturing operations. Pickens' sales currently reach \$7.5 million and essentially reflect the production of industrial components, thus providing Sigma with further sectorial diversification. The transaction was retroactive to February 29, 2008.

RISK FACTORS

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

Market Development and Sustained Growth

Failure to further develop our key markets and existing geographic markets or to successfully expand our business into new markets could have an adverse impact on sales growth and operating results. Our ability to further penetrate our key markets in the existing geographic markets in which we compete, and successfully expand our business into other countries in Europe, South America or elsewhere, is subject to numerous factors, many of which are beyond our control. There can be no assurance that our efforts to increase market penetration in our key markets and our existing geographic markets will be successful. Failure to achieve our goals may have an adverse effect on our 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

We plan to continue to acquire companies and assets. There can be no assurance that acquisitions will take place or that we will succeed in integrating the newly-acquired companies and assets into our 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 our results of operations. In addition to the cash flows from operating activities, our acquisition plan 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

Our success depends on our 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 our efforts to achieve growth.

Continuous Disclosure Process and Disclosure Controls

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 Vice-President, Finance 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>.

The Company's Chief Executive Officer and Vice-President Finance are responsible for establishing and maintaining the Company's disclosure procedures and controls. These disclosure procedures and controls have been designed to ensure that the information that the Company is required to disclose in its reports to regulatory authorities are filed or provided in a timely manner as required by law, and that they are communicated to management, including the Chief Executive Officer and Vice-President Finance, thus allowing them to react promptly to the information provided.

The Company's management, the Chief Executive Officer and Vice-President Finance have evaluated the effectiveness of the financial disclosure controls and procedures as at January 26, 2008, and have concluded that such financial disclosure controls and procedures are, in all material respects, effective as at January 26, 2008, and that the material information on the Company, including its subsidiaries, has been communicated to them.

The company will supplement the documentation of the internal controls during the fourth quarter of its 2008 fiscal year ending April 26, 2008.

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 March 20, 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.

(S) Denis Bertrand

Per: _____
Denis Bertrand
President and Chief Executive Officer

(S) Bertrand Côté

Per: _____
Bertrand Côté
Vice-President, Finance

March 20, 2008