



Management's discussion and analysis of financial condition and results of operations October 27, 2007 2nd Quarter of Fiscal 2008

Sigma Ventures Inc. (TSX-V: SVX), a leading composite and metal products manufacturer, has five operating subsidiaries and employs close to 500 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 accretive acquisitions. Its recent and planned growth initiatives are expected to continue to raise Sigma's profile with investors.

MESSAGE TO SHAREHOLDERS

The three-month period ended October 27, 2007 witnessed a slight improvement in sales in comparison with the preceding quarter but, more importantly, a significant improvement in terms of tighter cost controls. These two factors allowed Sigma to return to operating profitability, as evidenced by earnings before interest, taxes, depreciation and amortization (EBITDA) of \$437,000 compared with a small loss three months earlier. Excluding the impact of a strong Canadian dollar, our EBITDA would have reached \$1 million.

Market conditions have remained difficult in the heavy-duty truck market with shipments more than 50% below last year's level and these conditions were exacerbated by the strength of the Canadian dollar. Nevertheless, we avoided the eye of the storm by relying on the operational expertise of our subsidiaries and by benefiting from synergies, such as the sharing of best business practices stemming from the integration of entities acquired throughout fiscal 2007. In addition, our earlier investments in automation and robotization generated increased productivity, thereby further reducing operating costs.

During the quarter, we began the 20,000-square-foot expansion project of the Faroex facility aimed at increasing our capacity to produce components for the wind energy market in order to meet a fast-growing demand. Supporting the above, this sector generated sales in excess of \$1.1 million during the quarter whereas we had no such activity at the same time last year. This new capacity will be put into service in January.

This surge allowed our second-quarter sales to reach \$19.0 million, up 1.4% from \$18.8 million three months earlier. However, it was not enough to offset the declining activity in the heavy truck market which, in buoyant market conditions a year ago, enabled Sigma to achieve record quarterly sales of \$26.3 million.

As stated earlier, second-quarter EBITDA amounted to \$437,000 compared with a loss of \$118,000 in the preceding quarter. This sequential improvement yielded a lower net loss that stood at \$583,000, versus \$935,000 in the first quarter.

Although industry experts foresee better days ahead in 2008 in the heavy truck market, we are determined to diversify our activities both by business segment and by geographical regions. We thus remain on the lookout for acquisition opportunities that would further strengthen our solid business relationships with existing clients while yielding a better match-up between cash inflow and outflow in foreign currency.

In parallel, our investments in state-of-the-art manufacturing equipment bring us increasingly closer to our objective of offering a one-stop-shop solution in terms of technological expertise and manufacturing processes. The resulting continuous improvement in existing products, combined with the development of new value-added products through an optimal usage of our resources will create further value for our shareholders.

We are pleased with the progress accomplished during the last quarter and given our strong business relationships with global leaders in wind energy and transit business, Sigma's future remains very promising. Although the strength of the Canadian dollar poses a short-term challenge for all exporting manufacturers, we know we can rely on our competent employees and managers, as they will continue to offer products of superior quality and of world-class reputation.

Denis Bertrand
Président and Chief Executive Officer
Sigma Ventures 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 Ventures 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 27, 2007 compared with the three-month and six-month periods ended October 31, 2006 and its financial condition as at October 31, 2007 compared to April 30, 2007. This document should be read in conjunction with the unaudited interim consolidated financial statements for the three-month and six-month periods ended October 27, 2007 and October 31, 2006 and with our 2007 Annual Report. Additional information concerning Sigma Ventures 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 19, 2007, 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") 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		Six months ended	
	October 27, 2007	October 31, 2006	October 27, 2007	October 31, 2006
Net earnings (loss)	(583)	1,649	(1,518)	2,086
PLUS:				
Income tax expense (recovery)	(236)	921	(633)	1,177
Depreciation and amortization	881	591	1,710	925
Financial expenses	375	492	760	759
EBITDA	437	3,653	319	4,947
Foreign exchange loss (gain)	133	(57)	234	(150)
EBITDAG	570	3,596	553	4,797

Company Overview

As at October 27, 2007, 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 and L'Islet, 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

From now through during the fiscal year 2008-2009, the Company's development strategy includes:

- 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 six-month periods ended October 27, 2007 and October 31, 2006

For the three-month periods ended October 27, 2007 and October 31, 2006, the unaudited interim consolidated operating results of the Company include the results of the following companies:

- Faroex, PNS and Sigma for the period from July 29, 2007 to October 27, 2007, being a three-month period in 2007, and for the period from August 1, 2006 to October 31, 2006, being a three-month period in 2006;
- René for the period from July 29, 2007 to October 27, 2007, being a three-month period in 2007 and for the period from August 1, 2006 to October 31, 2006, being a three-month period in 2006, and its subsidiary GSC for the period from July 29, 2007 to October 27, 2007, being a three-month period in 2007 and nil for fiscal 2006;
- Transcam for the period from July 29, 2007 to October 27, 2007, being a three-month period in 2007 and for the period from August 1, 2006 to October 31, 2006, being a three-month period in 2006, and nil for fiscal 2006 for the Acton Vale acquisition.

For the six-month periods ended October 27, 2007 and October 31, 2006, 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 October 27, 2007, being a six-month period in 2007, and for the period from May 1, 2006 to October 31, 2006, being a six-month period in 2006;
- René for the period from May 1, 2007 to October 27, 2007, being a six-month period in 2007 and for the period from June 28, 2006 to October 31, 2006, being a four-month and three-day period in 2006, and its subsidiary GSC for the period from May 1, 2007 to October 27, 2007, being a three-month period in 2007 and nil for fiscal 2006;

- Transcam for the period from May 1, 2007 to October 27, 2007, being a six-month period in 2007 and for the period from June 28, 2006 to October 31, 2006, being a four-month and three-day period in 2006, and nil for fiscal 2006 for the Acton Vale acquisition.

Medium & Heavy Duty Truck Industry Overview

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

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

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

Table 1 shows the decline in Class 4-8 truck sales for the August 2007 to October 2007 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 – August-September-October 2007

Class	August 2007		Year-to-date		September 2007		Year-to-date		October 2007		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	6 981	(27.0%)	55 036	(4.1%)	6 350	48.2%	61 386	(0.5%)	6 142	(24.9%)	67 528	(3.3%)
Class 5	3 825	(8.9%)	31 223	(4.1%)	3 115	(22.0%)	34 338	(6.0%)	3 278	(8.1%)	37 616	(6.2%)
Class 6	4 977	(11.0%)	38 445	(15.5%)	3 811	(24.7%)	42 256	(16.4%)	4 817	(41.5%)	47 073	(19.9%)
Class 7	6 145	(32.4%)	49 267	(20.9%)	4 808	(35.3%)	54 075	(22.4%)	6 307	(11.6%)	60 382	(21.4%)
Class 8	9 817	(58.9%)	107 176	(42.5%)	9 677	(58.8%)	116 853	(44.3%)	11 769	(53.1%)	128 622	(45.3%)
Total	31 745	(39.3%)	281 147	(26.8%)	27 761	(37.3%)	308 908	(27.9%)	32 313	(38.1%)	341 221	(29.0%)

Source: Automotive News Data Center

TABLE 2**Retail Sales - Class 8 Trucks – August-September-October 2007**

Manufacturer	August 2007		Year-to-date		September 2007		Year-to-date		October 2007		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	2 000	(71.5%)	28 656	(45.3%)	1 835	(70.4%)	30 491	(48.0%)	2 396	(65.0%)	32 887	(49.8%)
International	2 025	(52.8%)	19 817	(42.9%)	2 030	(56.5%)	21 847	(44.5%)	2 866	(50.7%)	24 713	(45.3%)
Peterbilt	1 582	(52.8%)	14 282	(41.1%)	1 364	(59.3%)	15 646	(43.3%)	1 532	(52.2%)	17 178	(44.2%)
Kenworth	1 557	(45.9%)	13 673	(35.7%)	1 309	(53.3%)	14 982	(37.7%)	1 500	(49.0%)	16 482	(39.0%)
Mack	824	(63.7%)	9 081	(53.3%)	1 000	(54.3%)	10 081	(53.4%)	1 167	(45.8%)	11 248	(52.7%)
Volvo	844	(63.4%)	10 132	(49.4%)	1 199	(52.7%)	11 331	(49.7%)	1 305	(42.6%)	12 636	(49.1%)
Sterling	779	(41.3%)	9 075	(17.3%)	743	(43.0%)	9 818	(20.9%)	818	(44.5%)	10 636	(23.4%)
Others	206	(53.5%)	2 460	(26.5%)	197	(39.0%)	2 657	(25.7%)	185	(48.8%)	2 842	(30.0%)
Total	9 817	(58.9%)	107 176	(42.5%)	9 677	(58.8%)	116 853	(44.3%)	11 769	(53.1%)	128 622	(45.3%)

Source: Automotive News Data Center

Consolidated Results of Operations

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

Fiscal year ending April 26, 2008	July 28 2007 \$	October 27 2007 \$			Total 6 Months \$
Sales	18,780	19,034			37,815
EBITDA*	(118)	437			319
Loss before income taxes	(1,332)	(819)			(2,151)
Net loss	(935)	(583)			(1,518)
Weighted average number of shares outstanding					
Basic	42,899,095	42,899,095			42,899,095
Diluted	43,120,969	43,013,792			43,228,059
Net loss per share					
Basic	(0.022)	(0.014)			(0.035)
Diluted	(0.022)	(0.014)			(0.035)
Fiscal year ended April 30, 2007	July 31 2006 \$	October 31 2006 \$	January 31 2007 \$	April 30 2007 \$	Total \$
Sales	11,564	26,304	22,895	22,398	83,161
EBITDA*	1,294	3,653	2,754	1,714	9,416
Earnings before income taxes	693	2,570	1,642	278	5,184
Net earnings	436	1,650	1,033	533	3,651
Weighted average number of shares outstanding					
Basic	31,970,602	34,059,387	34,466,521	39,879,438	35,092,429
Diluted	35,746,795	36,128,103	35,681,834	40,704,015	37,057,644
Net earnings per share					
Basic	0.014	0.048	0.030	0.013	0.104
Diluted	0.012	0.046	0.029	0.013	0.099
Fiscal year ended April 30, 2006	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 (net 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 (net 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

* Non-GAAP financial measure

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

	Three-month periods ended				Six-month periods ended			
	October 27		October 31		October 27		October 31	
	2007		2006		2007		2006	
	\$	%	\$	%	\$	%	\$	%
United States	13,031	68.5 %	19,079	72.5 %	27,371	72.4 %	26,443	69.8 %
Canada	5,755	30.2 %	6,510	24.7 %	9,714	25.7 %	10,016	26.4 %
South America	39	0.2 %	349	1.3 %	272	0.7 %	534	1.4 %
Asia	43	0.2 %	253	1.0 %	218	0.6 %	539	1.4 %
Europe	124	0.7 %	69	0.3 %	182	0.5 %	172	0.5 %
Australia	43	0.2 %	24	0.1 %	57	0.1 %	145	0.4 %
Others	0	0.0 %	20	0.1 %	0	0.0 %	20	0.1 %
	19,034	100.0 %	26,304	100.0 %	37,815	100.0 %	37,868	100.0 %

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

	Three-month periods ended				Six-month periods ended			
	October 27		October 31		October 27		October 31	
	2007		2006		2007		2006	
	\$	%	\$	%	\$	%	\$	%
Transportation	11,968	62.9 %	19,143	72.8 %	25,915	68.5 %	26,325	69.5 %
Snow Removal	2,852	15.0 %	3,877	14.7 %	3,767	10.0 %	5,822	15.4 %
Agriculture	1,416	7.4 %	1,815	6.9 %	3,329	8.8 %	3,424	9.0 %
Wind energy	1,110	5.8 %	0	0.0 %	1,847	4.9 %	0	0.0 %
Industrial	1,007	5.3 %	936	3.6 %	1,706	4.5 %	1,071	2.8 %
Forestry	116	0.6 %	415	1.6 %	355	0.9 %	824	2.2 %
Others	565	3.0 %	119	0.4 %	895	2.4 %	403	1.1 %
	19,034	100.0 %	26,304	100.0 %	37,815	100.0 %	37,868	100.0 %

Sales

For the three-month period ended October 27, 2007, sales reached \$19.0 million compared with \$26.3 million at the same time last year, representing a decline of \$7.3 million. This reduction is owed to a decrease of \$7.2-million in sales to the transportation industry caused by lower demand for heavy trucks following the implementation of new environmental regulations at the beginning of 2007. In addition, reduced activity in the snow removal industry, in order to focus on the most profitable products, lowered sales by \$1.0 million. These factors were somewhat offset by additional sales of \$1.1 million to the wind energy market and by the contribution of GSC and of the Acton Vale plant, both acquired near the end of the previous fiscal year.

Sales to U.S. customers during the quarter ended October 27, 2007, accounted for 68.5% of total sales compared with 72.5% for the quarter ended October 31, 2006. Sales to U.S. customers thus reached \$13.0 million during the second quarter compared with \$19.1 million for the same period last year. This decline is due to lower activity in the heavy truck market as well as the strength of the Canadian dollar.

For the second quarter ended October 27, 2007, the cost of sales and operating expenses reached 97.0% of sales compared with 86.3% for the second quarter ended October 31, 2007. This increase is attributable to lower sales that could not be fully offset given the presence of fixed operating expenses.

For the six-month period ended October 27, 2007, sales totalled \$37.8 million, stable versus sales of \$37.9 million generated during the first six months last year. Despite lower activity in the heavy truck market, this stability is owed to the inclusion of GSC, Acton Vale and René for the entire period, as opposed to only René for four months last year.

For the first six months of the current fiscal year, the cost of sales and operating expenses amounted to 98.5% of sales compared with 87.3% last year. This variation is owed to lower sales as well as fixed operating expenses.

The Company's most important customer for the six-month period ended October 27, 2007, accounted for 38.0% of total sales compared with 49.2% for the same period last year.

EBITDAG

Earnings before interest, taxes, depreciation, amortization and exchange gain amounted to \$0.6 million in the second quarter ended October 27, 2007, compared with \$3.6 million in the same period last year, for a decrease of \$3.0 million. This fluctuation essentially stems from the significant market decline in the heavy truck market in 2007 whereas the appreciation in the value of the Canadian dollar lowered the Company's EBITDAG by \$0.6 million.

The grant of stock purchase options required the recognition of stock-based compensation costs of \$32,000 during the quarter ended October 27, 2007, versus \$91,000 for the same period in 2006.

For the first six months of the current fiscal year, EBITDAG stood at \$0.6 million, as opposed to \$4.8 million last year. The significant decline in the Class 7 and 8 truck markets explains most of the decline, while the impact of a stronger Canadian dollar amounted to \$0.8 million. Stock-based compensation charges totalled \$71,000 for the first half of the current fiscal year and \$176,000 one year earlier.

EBITDA

EBITDA for the second quarter ended October 27, 2007 reached \$0.4 million compared with \$3.7 million for the same period last year. This decline was caused by the sharp decline in the heavy truck market. Furthermore, a stronger Canadian dollar versus the US currency lowered EBITDA by \$0.6 million. EBITDA for the quarter ended October 27, 2007 has been obtained by adding net loss plus income taxes, financial expenses, depreciation and amortization.

For the first six months of the fiscal year, EBITDA totalled \$0.3 million whereas it reached \$4.9 million last year. The substantially lower activity in the Class 7 and 8 truck markets and a 0.8-million impact from a stronger Canadian dollar were responsible for this decline.

Financial Expenses

Financial expenses for the quarter ended October 27, 2007 were \$374,000 compared with \$492,000 for the same period in 2006. This decline can be explained by a \$920,000 reduction in debt levels during the quarter and by the fact that the Company's debt was reflecting, as of last year, the recent acquisition of René effective June 28, 2006.

For the six-month period ended October 27, 2007, financial expenses reached \$760,000, a level comparable with financial expenses incurred for the same period a year ago.

Depreciation and Amortization

Depreciation and amortization for the second quarter ended October 27, 2007 amounted to \$881,000, an increase of \$289,000 over the second quarter of 2006. 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 six months of the current fiscal year, depreciation and amortization reached \$1,709,000 million compared with \$925,000 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 the acquisition of René.

Foreign Exchange Loss (gain)

The \$133,000 foreign exchange loss recorded in the quarter is chiefly owed to the appreciation of the Canadian dollar versus the US dollar, as it moved from a closing rate of 1.0618 on July 28, 2007 to a rate of 0.9622 on October 27, 2007. However, to reduce the impact of foreign exchange losses, the Company concluded contracts totalling US\$1.2 million to sell US dollars at an average exchange rate of 1.0435 in November and December 2007. For the six-month period ended October 27, 2007, the foreign exchange loss amounted to \$234,000.

Income Tax Expense (Recovery)

For the quarter ended October 27, 2007, the Company recovered \$235,000 in income taxes (28.8% of loss before income taxes) compared with an expense of \$921,000 (35.8% of earnings before income taxes) at the same time last year.

For the six-month period ended October 27, the income tax recovery totalled \$633,000 (29.4% of loss before income taxes), as opposed to an expense of \$1.2 million (36.1% of earnings before income taxes) for the same period a year earlier.

Net Loss

The Company posted a net loss of \$0.6 million, or \$0.014 per share (\$0.014 per share on a diluted basis), for the three-month period ended October 27, 2007 compared with net earnings of \$1.6 million, or \$0.048 per share (\$0.046 per share on a diluted basis) for the same period in 2006. This decline of \$2.2 million 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.

For the first six months of the current fiscal year, the net loss amounted to \$1.5 million, or \$0.035 per share (\$0.035 per share on a diluted basis), compared with net earnings of \$2.1 million, or \$0.063 per share (\$0.060 per share on a diluted basis), for the same period in 2006.

Financial Position

Consolidated Balance Sheet Data

(in '000s of Cdn\$)	July 28 2007	October 27 2007
Current assets	27,915	25,786
Total assets	57,892	56,445
Current liabilities	22,757	22,563
Total liabilities	37,986	37,111
Shareholders' Equity	19,906	19,334

(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	59,014
Current liabilities	23,094	24,802	21,595	22,356
Total liabilities	41,694	43,261	38,578	38,251
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 October 27, 2007, total assets amounted to \$56.4 million, compared with 59.0 million at the end of the previous fiscal year. The \$2.6-million variation is mainly attributable to a decrease of \$3.9-million in short-term assets, chiefly related to a reduction of \$3.3 million in inventories.

With respect to long-term assets, the value of property, plant and equipment increased by \$1.3 million following capital expenditures of \$2.1 million during the first six months of the fiscal year. In addition, future income tax assets increased by \$0.9 million because of net losses incurred since the start of the fiscal year.

Liabilities

As of October 27, 2007, the Company's total liabilities were \$37.1 million, compared with \$38.3 million on April 30, 2007. The decrease is mainly explained by a \$1.1-million reduction in long-term debt, while short-term liabilities and future income tax liabilities were basically unchanged.

Financial ratios

In general, Sigma Ventures Inc.'s financial position remains healthy, as proven by a long-term debt/equity ratio of 0.67 as of October 27, 2007, a figure similar to a ratio of 0.68 on April 30, 2007. Calculation of 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\$)	3 months ended		6 months ended	
	October 27 2007	October 31 2006	October 27 2007	October 31 2006
Operating activities	1,491	4,042	1,965	2,916
Financing activities	(920)	(1,970)	(203)	20,877
Investing activities	(1,317)	(579)	(2,102)	(23,024)
Net change in cash	(746)	1 493	(340)	769

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.

As of October 27, 2007, Sigma's consolidated cash position was \$0.3 million, its short-term bank loans were \$6.2 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 \$13.0 million. One of the long-term debt components is a decreasing revolving bank loan of \$8.6 million, of which an amount of \$4.4 million was repaid in April 2007 from the proceeds of the private placement of March 14 and 29, 2007, thus leaving an amount of \$3.3 million available. The balance is payable in monthly instalments of \$175,000 beginning in June 2009.

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 second quarter ended October 27, 2007, cash flow from operating activities before net changes in non-cash working capital items generated funds of \$0.1 million compared with \$2.9 million for the same period a year earlier. This reduction of \$2.8 million is explained by a net loss of \$0.6 million this year versus net earnings of \$1.6 million last year.

For the same reasons, cash flow from operating activities before net changes in non-cash working capital items used funds of \$0.7 million in the first six months of the current fiscal year compared with generating funds of \$3.9 million last year.

Non-cash working capital items generated funds of \$1.4 million during the second quarter of this fiscal year owing to an inventory reduction of \$1.6 million. Cash flows from operating activities thus stood at \$1.5 million for the quarter.

After the first six months of this fiscal year, non-cash working capital items generated funds of \$2.7 million resulting from a \$3.3-million decrease in the value of inventories. The Company therefore generated cash flows from operating activities of \$2.0 million during the period.

Financing Activities

For the second quarter ended October 27, 2007, cash flows from financing activities used funds of \$920,000 entirely due to the repayment of long-term debt and bank loans. After the first six months of the current fiscal year, cash flows from financing activities used funds of \$203,000.

Investing Activities

For the second quarter ended October 27, 2007, the reduction in cash flows from investing activities was \$1.3 million resulting from 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 six months, cash flows from investing activities used funds of \$2.1 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 October 27, 2007	<u>42,899,095</u>	<u>13,125,309</u>

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

Stock Options for Directors, Officers, Employees and Consultants

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

The following table presents information about stock options outstanding and exercisable under the plan as of October 27, 2007:

	<u>Number</u>	<u>Total compensation costs \$ (Note a)</u>
Outstanding - Beginning and end of period	1,835,000	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 first quarter ended July 28, 2007		71,287
Impact of stock options exercised and forfeited on the stock-based compensation costs for the next quarters		7,160
Stock-based compensation costs for the next fiscal periods		43,361
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	1,585,000	
Options exercised since the effective date of the stock option plan	540,000	
Options forfeited since the effective date of the stock option plan	50,000	

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.

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 27, 2007.

Latest Exercise Date	Exercise Price	Number	Value (if fully exercised)
November 14, 2007	\$0.60	797,332	478,399
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

In the third quarter of our 2008 fiscal year ending April 26, 2008, 797,332 warrants expired on November 14, 2007. 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 October 27, 2007, 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 October 27, 2007, 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.

The fair value of short-term investments amounted to \$63,860 and \$126,690, respectively as at October 27, 2007 and April 30, 2007.

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 \$384,732 as at October 27, 2007 and \$372,710 as at April 30, 2007.

Interest Rate Risk

As at October 27, 2007, 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 October 27, 2007

Currency risks and foreign currency forward contracts

The Company is exposed to currency risks as a result of its export sales of products manufactured in Canada, 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 October 27, 2007, 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
November 2007 to December 2007	US\$1,200,000	\$1.0435

OFF-BALANCE-SHEET ARRANGEMENTS

There were no off-balance-sheet arrangements in the interim consolidated financial statements as at October 27, 2007.

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 27, 2007:

Periods	Operating leases \$	Property, plant and equipment \$	Long-term debt	Total
0-12 months	327,440	556,896	2,463,690	3,348,026
13-24 months	138,020	-	2,083,180	2,221,200
25-36 months	100,287	-	2,302,866	2,403,153
37-48 months	56,128	-	2,321,308	2,377,436
49-60 months	2,684	-	4,119,204	4,121,888
	<u>624,559</u>	<u>556,896</u>	<u>13,290,248</u>	<u>14,471,703</u>

Certain leases include a renewal option.

RELATED PARTY TRANSACTIONS

During the six-month periods ended October 27, 2007 and October 31, 2006, management fees paid to two directors amounted to \$13,200 and \$26,270. 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 six-month period ended October 27, 2007 and of management fees related to research for the purpose of obtaining financing during the six-month period ended October 31, 2006.

SUBSEQUENT EVENT

On December 10, 2007, the Company utilized the outstanding balance of \$3,325,000 from its decreasing revolving bank loan, which now stands at \$11,900,000. This loan reduces by the same amount its bank credit line and at the same time, improves its working capital. This bank loan will remain subject to maintaining certain financial ratios that were met as at December 10, 2007. Monthly principal instalments will begin in May 2008, and end in June 2011, and will increase from \$175,000 to \$191,935.

Annual principal repayments on long-term debt over the next five twelve-month periods now consists of:

	\$
2008	3,615,300
2009	3,511,400
2010	2,516,086
2011	2,524,528
2012	4,227,468

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 October 27, 2007, and have concluded that such financial disclosure controls and procedures are, in all material respects, effective as at October 27, 2007, 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 third and fourth quarters 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 December 19, 2007, 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

December 19, 2007