



(TSX: DII.B, DII.A)



# Investor Fact Sheet – Q2 '10

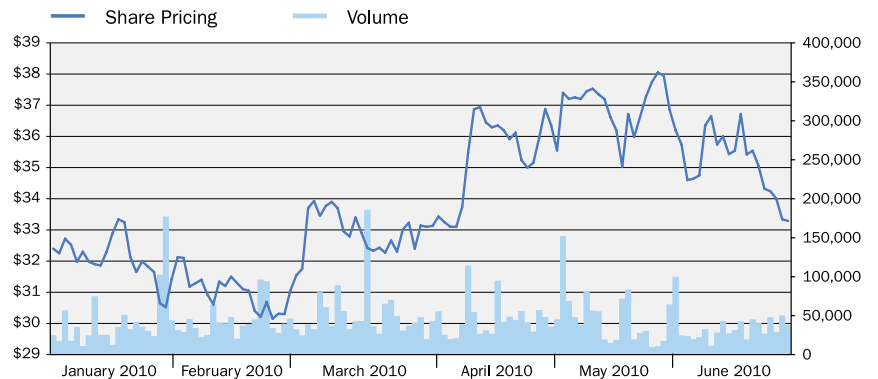
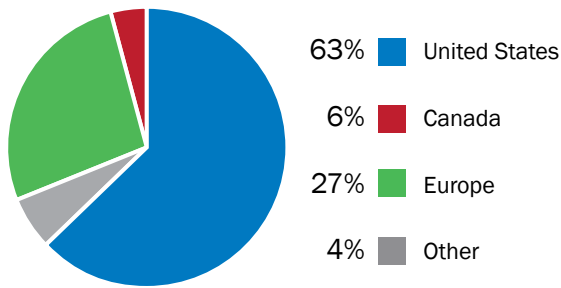
Second Quarter, June 30 2010

## A Word from the President

We are proud of this quarter's results. Despite negative factors such as foreign exchange, high input costs and increasing ocean freight rates, our divisions performed well and succeeded in building business slowly but steadily. Solid top-line results, in conjunction with cost and productivity efforts, enabled us to deliver meaningful profit improvement. We are seeing the benefits of on-going investments in our bicycle business through improved product development, solidifying our structure and promoting our brands which are gaining wider acceptance and are more in demand. As we continue to capitalize on our strong business model in Home Furnishings, it was again a significant contributor to profits as consumers recognize the value of their products, particularly during these uncertain times.

**Martin Schwartz**  
President & CEO, August 5, 2010

## Geographic Distribution of Sales 2009



## Company Overview

Dorel Industries Inc. (TSX: DII.B, DII.A) is a world class juvenile products and bicycle company. Established in 1962, Dorel creates style and excitement in equal measure to safety, quality and value. The Company's lifestyle leadership position is pronounced in both its Juvenile and Bicycle categories with an array of trend-setting products. Dorel's powerfully branded products include Safety 1st, Quinny, Cosco, Maxi-Cosi and Bébé Confort in Juvenile, as well as Cannondale, Schwinn, GT, Mongoose, Ironhorse and SUGOI in Recreational / Leisure. Dorel's Home Furnishings segment markets a wide assortment of furniture products, both domestically produced and imported. Dorel is a US\$2 billion company with 4500 employees, facilities in nineteen countries, and sales worldwide.

## 2010 Outlook

Dorel's first half record results set the stage for a solid year. Revenues are expected to continue to exceed 2009 levels, however the pace of earnings will not be maintained in Q3, due principally to Juvenile segment challenges. Q2 margins declined from Q1 due to rising commodity/freight costs. These issues and the impact of foreign exchange rates will affect Q3 earnings. While rising commodity prices are expected to ease, it will take the current quarter to work through existing higher priced inventory. We expect to see an easing of these headwinds in Q4. Juvenile will be introducing new products, providing some pricing relief and a better sales mix. This, combined with more stable commodity costs, is expected to improve margins moving into the New Year. Recreational/Leisure and Home Furnishings are poised to perform well in H2.

### Juvenile



### Recreational / Leisure



### Home Furnishings



## Q2 Highlights:

- Revenue rose 10.3% to US\$607.7 M while net income increased 41.9% to US\$35.1 M or \$1.05 per diluted share, compared to US\$24.8 M or US\$0.74 per diluted share a year ago
- The first half was a record for the Company. Revenue was up 11.9% to US\$1.2 billion and net income increased 37.3% to US\$72.5 M from 2009
- Juvenile revenue rose 6.2% to US\$259.8 M. Earnings from operations grew 53.2% to US\$25.6 M compared to US\$16.7 M in 2009 or US\$29.4 M if mark-to-market losses incurred in 2009 are excluded
- North America accounted for 2/3 of the growth driven by new product introductions; the balance from Brazil due to new car seat legislation
- Recreational/Leisure revenue rose 7.9% to US\$214.9 M. Earnings from operations grew 6.8% US\$17.1 M
- CSG sales up considerably with excellent demand for elite racing bikes such as the Cannondale SuperSix
- Further expansion of Independent Bike Dealers network
- Schwinn POS levels strong, bolstered by major ad campaign
- Pacific Cycle hindered by lack of supply due to global ocean container shortage
- Home Furnishings revenue increased 24.9% to US\$133 M. Earnings from operations rose 46.4% to US\$11.3 M
- Gains were led by Cosco Home & Office's turnaround as the division produced solid earnings improvement
- Segment's POS levels sustained as consumers attracted by value-oriented furniture

## Financial Highlights (in thousands of US\$, except per share amounts)

Periods Ended June 30	Q2'10	Q2'09	% Chg	6M'10	6M'09	% Chg
Revenue	607,695	551,123	10.3	1,204,008	1,076,353	11.9
Gross Profit	140,760	121,115	16.2	289,489	244,325	18.5
Net Income	35,131	24,764	41.9	72,498	52,793	37.3
Earnings per share - Basic	1.07	0.74	44.6	2.20	1.58	39.2
- Fully Diluted	1.05	0.74	41.9	2.18	1.58	38.0
Capital Expenditures	15,027	11,053	35.9	25,392	17,239	47.3
Cash flow from operations	52,552	77,060	(31.8)	81,053	74,981	8.1
Weighted avg. # of diluted shares outstanding	33,316,585	33,388,415	(0.2)	33,292,611	33,384,027	(0.3)
Total Assets				2,052,656	2,029,022	1.2
Total Debt*				331,831	451,930	(26.6)
Shareholder's Equity				1,103,811	1,056,488	4.5

\* Total Debt = Bank Indebtedness + Current portion of long-term debt + long-term debt

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### STOCK DATA as of August 5, 2010 (TSX: DII.B)

Market capitalization (CAD\$M) .....\$1,135.4  
P/E ratio (LTM) .....8.58  
Stock price (CAD\$) .....\$34.55  
52-wk high (CAD\$) .....\$39.35  
52-wk low (CAD\$) .....\$26.41

Except for historical information provided herein, this fact sheet may contain information and statements of a forward-looking nature concerning the future performance of the Company. These statements are based on suppositions and uncertainties as well as on management's best possible evaluation of future events. Such factors may include, without excluding other considerations, fluctuations in quarterly results, evolution in customer demand for the Company's products and services, the impact of price pressures exerted by competitors, and general market trends or economic changes. As a result, readers are advised that actual results may differ from expected results.