



Check against delivery

**Mr. Jeffrey Schwartz
Executive Vice-President, Chief Financial Officer and Secretary**

**Dorel Industries Inc.
2010 Annual and Special Meeting of Shareholders**

**Montreal
May 27, 2010**

Thank you Martin and good morning.

To provide you with an overview of our revenue base by segment and geography, I will share two charts with you.

First, in line with our objectives of growing our bicycle business and our two core segments, note that our 2009 revenue increased to 32% in Recreational/Leisure from 30% the previous year. Home Furnishings increased 1% last year in the overall picture.

Next is our geographic distribution of sales. This is based on where our customers are located and not where the products are produced. The breakdown remained equal with 2008.

Our first quarter results released earlier this month were most encouraging. As indicated by Martin, it was a record quarter, in terms of both in revenue and net income. Revenue grew 13.5% to just over \$596 million and net income rose 33% to \$37.4 million. EPS was \$1.12 compared to \$0.84 last year.

Cash flow from operations for the quarter was also strong, improving \$30.6 million over last year's first quarter. Despite the increase in net working capital necessitated by the strong sales growth in the first three months, cash flow provided by operations was \$28.5 million compared to a use of cash of \$2.1 million last year. As a result, the Company's net debt position decreased by \$9 million in the quarter. This is in contrast to prior years when Dorel's first quarter has resulted in a net use of cash, with the majority of the Company's positive cash flow generally occurring in the second half.

The first quarter tax rate was 22.9% versus 16.5% a year ago as a greater proportion of earnings were within higher tax rate jurisdictions. Based on the year's current outlook, the annual tax rate should be between 18% and 22%.

On April 6th we announced new long-term financing by issuing a total of \$200 million of Senior Guaranteed Notes at favourable fixed rates. Final payment on the majority of the notes are due in 2020. Regarding our revolving debt, Management is very confident that a deal will be closed with our bank next month.

We are very pleased that Dorel's Board has decided to increase the quarterly dividend by 20% to 60 cents per share per annum on our various classes of shares. This is now in effect.

Turning to our outlook for the balance of the year, it is comforting to have had such a good start. Consumer confidence has risen in many of our markets including in many parts of Europe. This has certainly helped create good sell through at retailers where our exciting new product introductions and other marketing initiatives have attracted attention. Dorel's tradition of offering opening to mid price point products has been beneficial during the recession.

With an extensive new product pipeline, introductions will continue to be made through the coming months.

Several new items within the Juvenile segment will be launched, particularly in the second half this year at the major Juvenile trade shows in Cologne, Germany and Las Vegas. In Recreational/Leisure, the enthusiastic reaction to-date of our new model bicycles within the IBD network, as well as strong sales to mass merchants are expected to provide encouraging results in the months ahead. Plus, the multi-million dollar Schwinn advertising campaign, supported by additional retailer ads will help further build awareness of the iconic brand.

It is prudent to note that the first quarter results should not be extrapolated throughout 2010. Margins could be affected by rising commodity and freight costs. However, the momentum we have established to date this year positions us to benefit from new product introductions and our brand equity. And, as mentioned by Martin, our strong financial situation enables us to grow further by acquisition.

On behalf of Dorel's executive team, I would like to conclude by expressing sincere thanks to the 4500-strong Dorel workforce. With their dedicated efforts our teams did what had to be done, and we came through a rough 2009 better than many companies. We also thank our Board for their counsel and for their support in Management's belief that 2009 was not a time to shirk from opportunistic investments.

Thank for your attendance and attention. Martin and I will now be pleased to answer any questions you may have.