



Check against delivery

**Mr. Martin Schwartz
President and Chief Executive Officer**

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

**Montreal
May 27, 2010**

Jeffrey and I will now review Dorel's 2009 performance, update you on activities to-date this year, and outline the strategy we have developed to continue building Dorel in the years ahead. We are excited about our prospects and feel confident that the actions we have already taken, and those planned, solidly place Dorel in a growth mode.

Just before we start, I draw your attention to the forward looking statement on the screens. I also want to point out that all figures quoted today are in US dollars.

We were extremely pleased with 2009's results. Given the highly challenging context of the global recession, we accomplished and surpassed some of our goals.

In fact, excluding the effects of foreign exchange hedging, Dorel's normalized earnings improved over the previous year, and I remind you that 2008 was the best ever for the Company.

There were a number of reasons for this success. We concentrated on developing new, innovative products; offered consumers primarily recession resistant value-added goods at opening to mid-price points, implemented a disciplined minimum margin requirement program and conducted a strict cost containment plan, all of which combined to provide a solid 2009 performance.

Dorel maintained its commitment to new product development throughout the global downturn. This is a key driver for us, as it is with any serious consumer products company, and one we are very conscious of. We continued to allocate funds to R&D, new facilities and to acquisitions, at a time when most other companies were cutting back to boost dwindling profits. We are intent on growing Dorel and have maintained the required investments for the future. This resulted in the introduction of a number of excellent new products in 2009 which has further strengthened our competitive position in our core Juvenile and Recreational/Leisure segments.

Proof of this is the record start we have had to 2010, as our first quarter was the best-ever, in terms of both revenue and profits. Revenue rose 13.5% to just over \$596 million and net income was up 33.3% to \$37.4 million or \$1.12 per diluted share.

All three of our segments experienced significant increases which underline the intensive efforts we have made in product development and market expansion throughout 2009. Organic growth during the first quarter was 9.5%, emphasizing the success and acceptance of our exhaustive product development efforts, with strong point-of-sale levels for many of our products.

Since the beginning of the year the Cycling Sports Group has added more dealers in a single quarter than at any other time, opening new accounts across all brands in the important Independent Bicycle Dealer network. Home Furnishings has also continued to post robust results with its value-added products gaining further traction with consumers.

A few minutes now to show off some of the exciting new products driving our growth.

Showcasing product innovation in Juvenile, the **Safety 1st Air Protect** car seat we unveiled last summer was and remains a real game changer. Developed at Dorel Juvenile Group in the US in collaboration with Kettering University's renowned Crash Safety Center, Air Protect is designed to protect children in side impact collisions, which have dramatically increased over the years and which are the deadliest crashes for children.

We developed a state-of-the-art layer of air protection where it's needed most, around the child's head. This new technology is most significant for Dorel as it will serve as a platform for additional car seat introductions, such as two additional collections at lower price levels being rolled out later this year. A version of Air Protect was recently introduced in Europe under the Maxi-Cosi Rodi brand.

Dorel Europe has launched a flurry of new products, including the **Maxi-Cosi FamilyFix**, the ultimate state-of-the-art Isofix car seat base. The light-and-sound LED display ensures correct fitting and absolute safety. Lights signal the correct fit of the base onto the Isofix anchoring points in the car and confirm that the support leg has been clicked into the right height and position.

Combining an attractive design, user-friendliness and comfort, the **Quinny Senzz** is compact and suitable from birth, when used with a Maxi-Cosi infant car seat. The unique one-hand folding system quickly and easily folds the Quinny Senzz into a compact package, which remains upright for easy storage. The cleverly integrated handle lets you carry the Quinny Senzz effortlessly with just one hand.

In Bikes, our product development process begins with strong consumer insights that lead us to create some of the industry's best performing products.

Here are just three examples:

Cannondale Six Carbon 5

- This superb and nimble bike is more than 100 grams lighter than the last year's version.
- The Six Carbon has a precisely oriented carbon fiber frame construction that provides exceptional power transfer while pedaling, crucial for efficient racing and riding.
- Cycling Plus Magazine recently named the Cannondale Six Carbon 5 as Bike Of The Year, calling it a "true superbike."

Schwinn Hornet –men's white

- The New Schwinn Hornet cruiser, featuring a new aluminum alloy frame, is designed for the consumer who wants to relax and enjoy their ride.
- The cruiser saddle and swept-back handlebars add increased comfort and style.
- And, it's perfect for people who want a low-maintenance multi-speed cruiser.

GT FURY

- The GT Fury has one of the most eye-catching and unique frame designs in the sport and is built to attack and conquer the toughest race courses in the world.
- 10 times stronger than its aluminum counterparts, we have revolutionized the downhill category by engineering the hardest hitting, smoothest riding carbon fiber down-hill bike in the business.

And I remind you of the bike we featured here last year—Cannondale's SuperSix that led to a King of the Mountain win in the 2009 Tour de France.

It is products such as these which make Dorel stand out in the market.

I will now discuss highlights of our three segments, what we are doing to drive them and where we see growth.

Let's begin with Juvenile which accounted for 46% of our total revenue in 2009 and generated earnings from operations of \$92.5 million. Including the impact of foreign exchange, revenue last year was down \$79 million or just over 7%. This was due to the overall difficult retail environment. The impact was the greatest in Europe, where traditionally our products have been in the mid to higher price points. Nonetheless, internal forecasts for the year were achieved.

The good news is that in recent months we've seen improving sales momentum both in North America and in Europe. Juvenile revenue for the first quarter was up close to \$32 million, or 12.5%, with increases from all divisions. We are maintaining, if not slightly growing market share due to great products and our diversity of recognized brands.

Strong performances in the US across a broad range of product categories increased overall retail sales levels in multiple channels. Consumers continue to recognize Dorel's brands for their value and safety. Also, Dorel Europe began to benefit from the improving economies in most European countries as well as the full impact of successful new product launches.

Innovation, expertise, and a commitment to quality make our reputation first class and our products the choice of millions of parents around the world. In recent years we've intensified our product development. As such, each Juvenile division has additional product launches planned throughout 2010.

Dorel is the global leader in the car seat category and the creation of the Air Protect technology further strengthens this position.

Its level of side impact protection has never been seen before. We've shared the technology with the US National Highway Traffic Safety Administration, supporting their efforts to provide more comprehensive regulation for side impact crash testing.

This is but one example in our unrelenting commitment to quality and safety. As the world's largest car seat manufacturer and a leader in many other juvenile product categories, we take the trust that parents and caregivers place in Dorel and in our brands very seriously.

We spend millions annually in quality control and to operate world class testing equipment. A few months ago, we announced a \$21 million investment to establish a state-of-the-art Car Seat Design and Development Competency Center at major car seat factory in Columbus, Indiana. Similar Centers exist in France and the Netherlands. All North American car seat R&D and product development will be consolidated in Columbus by this September.

A revolutionary new crash test sled, dedicated computational engineering resources and advanced side impact capabilities are just some of the assets being added as the first major milestone in our car seat product capital investment program.

This will drive additional technological advancements and important innovations for child passenger safety.

Air Protect is just the start for us. Other important projects are on the drawing board.

The bottom line is that our juvenile products must be the best and safest or we are not satisfied.

We are also being increasingly proactive in getting the safety message out to parents. Last month, as part of the Safety 1st campaign to mark 25 years of safety innovation, it launched Safety 1st TV, an interactive online video resource providing child safety advice through a series of 50 brief, informative videos.

This is just one example of what Kimberlee is talking about.

We are building on the strength of the Safety 1st brand in Europe as well. While there are existing Safety 1st products available abroad, an all new collection will be unveiled at the important Cologne Juvenile show in September. This, in effect, will be the re-launch of Safety 1st in Europe and will provide consumers with an excellent choice in the important mid-price point category. Traditionally we have operated in the high price-end in Europe but we are quickly adapting to the new realities of the economy with offerings at more popular prices.

Our other international Juvenile operations, specifically in Australia and Brazil have good potential. Business in Australia has doubled since we purchased a majority share of a business there and Brazil is now positioned for growth in a strong economy.

A further catalyst in Brazil is that within the next two weeks, all children aged up to 7 ½ years will be required to use a child restraint system in cars. And Brazil will be strictly enforcing the new law.

To summarize Juvenile, there are three pillars to our strategy for growth: strong international brands, continuous product innovation and expansion into new international markets. We are working actively to identify such opportunities.

In 2009 Recreational/Leisure revenue was just over \$681 million and accounted for 32% of overall sales. Earnings from operations slipped just under 5% to \$40 million. Our objective in bikes is to grow the business into a global force, much as we have done in Juvenile. We have been working diligently to reach this goal. Our confidence in the future of bikes prompted us to make a number of strategic investments last year. We purchased the assets of our Australian bike distributor as well as those of UK's pre-eminent distributor of the Mongoose and GT brands.

This is in line with Dorel's commitment to take control of our international bicycle brands in certain geographies and to work closer with distributors in others to accelerate growth within the critical IBD channel.

While sales on high ticket bikes suffered during the recession, a great deal was accomplished to set the stage for what we expect will be a solid 2010. Things are off to a most encouraging start. Retail sales have spiked over the past couple of months, both in the Independent Bicycle Dealer or IBD channel and at the mass merchant level. These are, of course, the key selling months for bikes and we are encouraged with current in-store point-of-sale levels.

Aided by great early spring weather and increasing consumer confidence, March and April were particularly strong at the mass level. There is every indication that this momentum will continue over the few months.

We have made a major commitment to support these sales efforts with a multi-million dollar Schwinn advertising campaign.

While Schwinn has gained tremendous notoriety as an iconic brand---as evidenced by this unsolicited cartoon that appeared in USA Today, we felt it was time to re-invest in the name with an elaborate print advertising, television, support programs at retail and on-line components. The theme centerpiece is the wholesome, nostalgic appeal of the Schwinn bicycle bell, creating a call to action to connect with the important things in life...

Great products like Schwinn only come with great people. New talent was recruited for our bike segment in 2009; combining the best from the sporting world with other adjacent industries to strengthen our core competencies. The structure was also simplified, organizing around our brands to be more consumer-driven in our approach to product development, marketing and sales.

Our growth strategy is driven by our unwavering commitment to innovation. Frankly, we had some catch-up to do after purchasing Cannondale two years ago. With the changes we've made, our design, product development and manufacturing teams have executed superbly. The Cannondale products are the best ever and the results are clear.

A record number of new dealers were added over the past few months, many in key markets such as Los Angeles, Northern California and Colorado.

With the goal of getting more people on bikes, we're introducing new initiatives to simplify the bicycle shopping experience and make it more effective for consumers. Better merchandising and highly-trained sales staff are but two of the components to improving this process and to driving increased sales of our high-margin parts and accessories, currently roughly a \$60 million business with considerably more upside. Schwinn is taking a leading role in this.

As brand name recognition is highly important in our industry, we spend strategically in sports marketing to support the pro athletes who recruit more fans with every race. A major initiative is Cannondale's co-sponsorship of Team Liquigas, the professional road racing team. Several of its members did very well during last summer's Tour de France and given our new bikes, we have high hopes this year.

Supporting worthy causes is also a priority. We've made a major commitment over the years to Bikes Belong, an association dedicated to improving bicycling in America. Bikes Belong works to put more people on bicycles more often. From supporting programs that make communities safer for cycling to sponsoring national bicycling conferences, Bikes Belong carefully selects projects and partnerships that have the capacity to make a difference.

Another growth path is our new Apparel Footwear Group, which combines the branded apparel of SUGOI, Cannondale, GT, Schwinn, Iron Horse and Mongoose – in both

custom and its regular offerings. Just a couple of weeks ago, Alan and I helped inaugurate SUGOI's new, expanded facilities outside Vancouver. The modern factory will allow AFG to increase custom apparel capacity and offer lead times above industry standards. We've barely scratched the surface in this expanding market and expect this new division to triple the custom apparel business within five years.

We are very pleased with the progress made to-date in Recreational/Leisure. There is still much to do but we are definitely on track to making great things happen in the bike industry.

With sales of \$464 million, Home Furnishings accounted for 22% of our revenue last year and was a solid contributor to our overall profitability. Earnings from operations soared from \$8 million in 2008 to almost \$37 million in 2009—the result of dedicated efforts by everyone in the segment. This dramatic improvement is another example of how Dorel's entrepreneurial style can turn around under-performing businesses.

Our opening price point products have been attractive to existing and new consumers seeking to fill their basic furniture needs, and underlines how we serve price-conscious consumers. The positive performance continued through the first quarter this year as most divisions secured new placements at certain of its key customers. Input costs, for commodities such as steel and particle board, are increasing and this is something we are closely monitoring. Home Furnishings remains a cash generator which is helping to fund investments in our other two core segments.

Speaking of investments in juvenile and bikes, this company has grown through significant acquisitions over the years. We continue to keep our eyes open for companies in our sectors that are the proper fit. While there is nothing imminent, Dorel has the balance sheet and equally as important, the capability, to digest another key transaction. The management structure we put in place two years ago was designed with this in mind.

We must ensure that we capitalize on further opportunities, deliver long-term sustainable growth and above all, maximize shareholder value. Jeffrey will now provide an insight into our financial situation and will discuss our future prospects.