

**JUVENILE**

Cosco  
Maxi-Milliaan B.V.  
Safety 1<sup>st</sup>  
Dorel (U.K.)

**READY-TO-ASSEMBLE**

Ameriwood  
Ridgewood

**HOME FURNISHINGS**

Dorel Home Products  
Cosco  
Dorel Asia

**EXCHANGES****CANADA:**

Toronto  
Stock Exchange:  
DII.A, DII.B

**U.S.A.:**

NASDAQ:  
DIIBF

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## DOREL ON TRACK FOR GROWTH IN 2002 ONE-TIME CHARGE TO BE TAKEN IN 2001

**Montreal, January 17, 2002** - Dorel Industries Inc. (TSE: DII.A, DII.B; NASDAQ: DIIBF) today provided guidance for 2002 stating that it expects to earn between \$1.90 to \$2.00 per share for the year ending December 31, 2002. The Company also announced that it would record a special one-time after-tax charge against earnings of \$12.4 million in fiscal 2001 in connection with a decision to increase the self-insured component of its product liability insurance program. Excluding this one-time charge, the Company stated that it expects its earnings for 2001 to fall slightly short of the lower end of the forecast range of \$1.40 - \$1.50 per share provided in November 2001.

### 2002 GUIDANCE

Dorel stated that it is expecting to earn between \$1.90 to \$2.00 per share in 2002. These figures take into account the new accounting treatment of goodwill amortization that goes into effect in 2002. The effect of this accounting change will be to add \$0.28 per share to income in 2002 versus 2001. This growth in net income over 2001 is expected to come from all of the Company's operating segments.

The Juvenile Segment is expected to record sales of between \$525 and \$575 million and earnings from operations of between 7.5% and 8.5% of sales. RTA is expected to generate sales of between \$270 and \$285 million and earnings from operations of approximately 16.5% to 17.5% of sales. Home Furnishings should record sales of between \$165 and \$175 million and earnings from operations of 4% to 5% of sales.

In Juvenile, increased market penetration in Europe and the overall impact of new product introductions are expected to add to the Company's sales. This, combined with improved operations in both Europe and North America, should contribute to improved profitability. RTA is expected to see continued top line and bottom line growth even with the challenging retail environment. Home Furnishings should also experience improvement over 2001 with the futon business returning to profitability and a greater contribution from its import business. "All three of our operating segments are expected to improve in 2002, both in sales and profitability. As was shown in 2001, Dorel continued to grow despite the challenges that were presented through the year," stated Mr. Martin Schwartz, Chairman and Chief Executive Officer of Dorel Industries.

### ONE-TIME CHARGE

Dorel has made a strategic decision to become less reliant on traditional insurance by increasing its self-insurance product liability program and lessening its dependence on third-party insurers. The Company stated that this change in policy is due to the recent unprecedented tightening of insurance markets that has resulted in an exorbitant increase in premiums and required retention levels. It emphasized that the charge is not related to specific cases but rather is a general provision required as part of increased self-insurance to address the potential liability risks and associated costs of the Company's products currently in the market place. Dorel continues to maintain traditional insurance for catastrophic losses. The charge is based on the Company's latest actuarial reports and will be included in the Company's fourth quarter results to be released in February.

"We believe that given the current situation within the insurance industry and the increase in premiums that we are seeing for product liability insurance, it is prudent for our Company to increase our self-insurance product liability program," commented Mr. Schwartz.

"Dorel's success in becoming the market share leader of children's car seats has resulted in a significant increase in the amount of its car seats that are in use. In fact, over the past six years there has been an almost fivefold increase in the Company's car seat sales." Mr. Schwartz also pointed out that the Company believes that they will see a decrease in liability related to car seats once the new government-enforced *Latch Locking System* for car seats comes into effect in late 2002. Dorel is at the forefront of this new technology that will allow for easier and safer mounting of child restraints that will greatly reduce the potential misuse of these products.

## **DOREL PROFILE**

Dorel Industries Inc. is a rapidly growing, consumer products manufacturer specializing in three product areas. Dorel's product offerings include juvenile products such as infant car seats, strollers, high chairs, toddler beds, cribs, infant health and safety aids, play-yards and juvenile accessories; a wide variety of ready-to-assemble (RTA) furniture for home and office use; and home furnishings such as metal folding furniture, chairs, tables, bunk beds, futons and step stools.

Dorel employs approximately 3,800 people in nine countries. Major North American facilities are located in Montreal, Quebec; Cornwall, Ontario; Columbus, Indiana; Wright City, Missouri; Tiffin, Ohio; Dowagiac, Michigan; Cartersville, Georgia and Canton, Massachusetts. The Company's major divisions in the United States include Cosco, Ameriwood and Safety 1<sup>st</sup>. In Canada, Dorel operates Ridgewood and Dorel Home Products. European operations are carried out through Maxi-Miliaan B.V. in the Netherlands as well as Dorel (U.K.) in the United Kingdom.

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Except for historical information provided herein, this press release 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.

## **INFORMATION FOR SHAREHOLDERS**

Dorel Industries Inc. will be holding a conference call this morning at 10:00 AM Eastern Standard Time, to discuss the 2002 guidance provided as well as to review the details of the one-time charge. Anyone interested is asked to call (514) 985-7007 (in Montreal or overseas) or 1-888-209-3768 (elsewhere in North America). It is also possible to sit in on the conference call through webcasting sites at the following addresses: [www.newswire.ca](http://www.newswire.ca) or [www.q1234.com](http://www.q1234.com).

If you are unable to call in at this time, you may access a tape recording of the meeting by calling 1-800-558-5253 and entering the passcode 20254431 on your phone. This tape recording will be available on Thursday, January 17<sup>th</sup> as of 12:00 P.M. until 11:00 P.M. on Monday, January 21<sup>st</sup>.