



JUVENILE

Cosco
Maxi-Milliaan B.V.
Safety 1st
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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PRODUCT DEVELOPMENT DRIVING DOREL'S GROWTH 2002 Begins with Solid Profits and Strong Balance Sheet

Montreal, May 30, 2002—Surrounded by an assortment of Dorel Industries' (TSX: DII.A, DII.B; NASDAQ: DIIBF) recent product innovations, President and CEO, Martin Schwartz, today told shareholders that as it enters its 40th year the consumer products company is on track to further reward them. Last month, Dorel recorded its best quarter ever and earlier this week concluded a sale of shares that has significantly strengthened its balance sheet.

Mr. Schwartz said the year is off to an exceptionally strong start. "This follows a year, while tough for everyone, that was one during which Dorel out-performed the competition and succeeded in building market share in each of our three segments. Our focus on new product development is relentless. It is key to our success and has been a major factor in placing us ahead of the competition. On average, Dorel introduces 100 new quality products each year. Despite our size, we can bring new products to market in record time."

In fiscal 2001 sales rose 21% to \$US917 million, while income from continuing operations, before one-time charges, was \$1.36 per share fully-diluted compared with \$1.31 per share earned in 2000. After one-time charges, net income was \$0.89 per share compared to \$0.61 per share in fiscal 2000.

First Quarter 2002

Sales for the first quarter ended March 31, 2002 were up 4% to \$255 million compared to \$245 million a year ago. Net income rose almost 30% to \$15.7 million or \$0.55 per share from \$12.1 million or \$0.43 per share. Excluding goodwill amortization, earnings in 2001 would have been \$14.1 million or \$0.50 per share. In terms of profitability, this was the best first quarter in the history of Dorel, surpassing the previous high, recorded a year ago.

Juvenile

The Juvenile Segment has rebounded after a difficult fourth quarter in 2001. Measures taken have quickly produced results. Quarter over quarter sales rose 36%, while operating earnings jumped from \$2.4 million to \$13.9 million. The sales increases were broad-based with both North America and Europe showing improvement. Bruce Cazenave was named President and CEO of the Dorel Juvenile Group, North America and began his functions May 1st.

With a focus on safety, fashion and convenience, Dorel launched its most exciting and complete line of juvenile products ever as well as a wide range of branded products under the Eddie Bauer and Disney licenses. A highlight at the Annual Juvenile Products Manufacturers' Association Show in Dallas was Dorel's LATCH (Lower Anchors and Tethers for Children) System car seat line which represents one of the most important car seat safety innovations in over a decade. Additional items included a variety of products ranging from safer, more comfortable booster car seats, to radio child monitors, to lighter strollers, high chairs and walkers.

The Juvenile Segment's European presence will continue to be bolstered by initiatives recently put in place. A new line of popular-priced car seats and strollers has been designed for Europe's mass retailers, hypermarches, as well as for newer entry big box operations such as Wal*Mart. This will widen the Company's growing customer base and will complement its existing strong product lines in Europe.

To further enhance product development, Mr. Schwartz announced that all product development, with the exception of car seats, is being consolidated at the Safety 1st location in Canton, Mass. "Since our acquisition of Safety 1st two years ago we have operated two product development groups. This move will provide several benefits, including greater innovation, higher margins and a faster time-to-market with new products. We will have one center of creativity, one talent pool, where all energies will be focused."

Ready To Assemble Furniture

Demand in RTA is strong, largely due to the significant depth of Ameriwood's product offerings. Productivity is up over last year and material costs remain low.

At the April High Point Furniture Market, Ameriwood introduced several collections, featuring exciting new finishes and hardware. In addition, five furniture collections incorporating stylish metal and wood components were shown. Particular emphasis was placed on home office furniture. Reaction to the record number of new product offerings was very strong.

"We have a solid position in RTA and continue to make gains at the expense of our competition. I'm encouraged by the fact that the RTA industry has been showing definite signs of strengthening and we will benefit from this," said Mr. Schwartz.

Home Furnishings

Home Furnishings has benefited from continued strength in demand and a successful program that significantly lowered the cost structure of the Montreal operations. The futon business returned to profitability in the first quarter.

Dorel Asia continued to grow and faces a very positive outlook. At High Point, imported furniture items were an important part of the introductions with innovative designs in a wide assortment of furniture and accessories. Six new futons specifically targeted to the mass market were also presented. Of particular interest were high-quality imported motion-seating products. Also launched were new storable tables and an innovative line of stackable chairs with a unique European look.

Balance Sheet

Dorel's balance sheet has continued to benefit from an emphasis on improved cash and working capital management. At the end of the first quarter, debt levels, net of cash, were almost \$54 million lower than the prior year. Last week, the Company concluded the sale of 2.9 million shares at \$38.50 per share. Net proceeds of \$CAN108.0 million will be used to significantly reduce bank indebtedness.

Outlook

Mr. Schwartz said that Dorel is focused on improving the way it conducts business. "We must not take anything for granted, despite our successes. Although we have increased shareholder value, we recognize there always remains room for improvement. We are, and will continue to be, relentless in our pursuit to be the lowest cost producer in all areas of our operations. This means being more efficient, raising margins, cutting operating expenses, lowering purchasing costs and becoming better than we are today. The popularity of our products with consumers ensures that retailers increasingly turn to Dorel. Aggressive product development will continue to drive our growth. Our Juvenile, RTA and Home Furnishings segments have each developed aggressive plans to grow their market share."

The Company is maintaining its guidance for the 2002 fiscal year of earnings in the range of \$1.90 to \$2.00 per share.

Profile

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

Dorel employs approximately 3,600 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 Ameriwood Industries and the Dorel Juvenile Group (DJG USA), which incorporates the Cosco and Safety 1st brand names. In Canada, Dorel operates Ridgewood Industries and Dorel Home Products. European operations are carried out through the Dorel Juvenile Group (DJG Europe) which includes the Maxi-Cosi, Quinny and Safety 1st brand names. Dorel's international sourcing operations are carried out through Dorel Asia based in Hong Kong.

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Forward-Looking Statements

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.