



## C O M M U N I Q U É

### DOREL JUVENILE GROUP, N.A.

Cosco  
Safety 1<sup>st</sup>

### DOREL JUVENILE GROUP, Europe

Maxi Cosi  
BébéConfort

### HOME FURNISHINGS

Ameriwood  
Ridgewood  
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 REACHES TOP END OF EARNINGS GUIDANCE FOR FISCAL 2002

- Earnings increase 31%
- Sales up 8%, nudge US\$1 billion
- Recent European acquisition sets stage for record year
- Total debt, net of cash, reduced to US\$39 million from US\$217 million
- New Director named to Board

Montreal, March 4, 2003--Dorel Industries Inc. (TSX: DII.A, DII.B; NASDAQ: DIIBF) today released year-end and fourth quarter results for the year ending December 30, 2002. Sales for the year were just shy of the US\$1 billion mark, growing by 8% to US\$992 million compared to US\$917 million a year ago. The Company attained the top end of its narrowed EPS guidance, issued November 5, 2002, posting diluted earnings per share of US\$2.00. This compares with net income of US\$0.89 per share in 2001. In 2001, the net income figure included goodwill amortization and certain one-time charges. Excluding these items, earnings per share were US\$1.64, an increase over the prior year of US\$0.36 or 22%. Full year earnings per share were diluted by US\$0.13 as a result of the additional shares issued by the Company in May 2002.

Net income for the year was US\$61.6 million compared to US\$25.5 million in 2001. After adjusting for the amortization of goodwill and certain one-time charges, earnings in the prior year were US\$47 million.

Cash flow from operations for 2002 was US\$127 million compared to US\$47 million in 2001, an improvement of US\$80 million. 2002 accounts receivable collections and inventory turns were better than at any time in recent years. This improved cash flow management, combined with the US\$75 million of cash received for shares issued during the year resulted in significant debt reduction. Total debt, net of cash, decreased by US\$178 million to only US\$39 million from US\$217 million at the end of 2001.

As stated on January 28, 2003 Dorel expects to earn between US\$2.45 to US\$2.56 per share for the current fiscal year, including the effect of the recent Ampa Group acquisition.

Revenues and earnings for the fourth quarter and year and December 30, 2002 were as follows:

<b>Summary of Financial Highlights</b>			
Fourth quarter ended December 30			
All figures in thousands of US \$ (except per share amounts)			
	<b>2002</b>	<b>2001</b>	<b>Change %</b>
Revenue	240,988	219,472	9.8%
Income before amortization of goodwill and one-time charges *	14,626	8,472	72.6%
Per share – Basic	0.47	0.30	56.7%
Per share - Diluted	0.46	0.30	53.3%
Net income (loss)	14,626	(7,011)	
Per share – Basic	0.47	(0.25)	
Per share - Diluted	0.46	(0.25)	
Average number of shares outstanding - diluted weighted average	31,957,233	28,629,036	

<b>Summary of Financial Highlights</b>			
Year ended December 30			
All figures in thousands of US \$ (except per share amounts)			
	<b>2002</b>	<b>2001</b>	<b>Change %</b>
Revenue	992,073	916,769	8.2%
Income before amortization of goodwill and one-time charges *	61,595	46,954	31.2%
Per share – Basic	2.05	1.67	22.8%
Per share - Diluted	2.00	1.64	22.0%
Net income	61,595	25,504	141.5%
Per share – Basic	2.05	0.91	125.3%
Per share - Diluted	2.00	0.89	124.7%
Average number of shares outstanding – diluted weighted average	30,739,238	28,568,566	

\* For 2001, calculated as Income from continuing operations before the amortization of goodwill, plus \$12,402 which represents the after-tax impact of the one-time charge for product liability expense

"We are particularly proud of our record performance again this past year in light of the continuing sluggish U.S. and European economies. Our growth resulted from the development of innovative, popular products and solid relationships with the world's largest mass marketers. Sales grew despite unsteady consumer confidence and a mass merchant's entry into Chapter 11 protection. Over the years, we have created extremely strong channels of distribution by providing our customers with brand-name merchandise with rapid sell-throughs and by ensuring service that retailers can consistently count on. These distribution channels are a key to our continued growth," commented Dorel President and CEO, Martin Schwartz.

## **SEGMENTED RESULTS**

### **JUVENILE**

Sales for the year in Juvenile rose 5% to US\$528 million. Earnings from operations were up 12% to US\$43 million. In the fourth quarter, sales decreased just over 1% to US\$107 million while earnings from operations rose 178% to US\$6.6 million from US\$2.4 million a year ago.

"We made a number of key moves in Juvenile this past year, addressing the important areas of product development, product safety, and sales. This has led to several operational improvements. The overall result has been a marked turnaround after Juvenile's disappointing performance in 2001. While pleased with the most significant bottom line improvement, sales were affected by difficult economic conditions in the U.S. and particularly in Europe," said Mr. Schwartz.

### **READY-TO-ASSEMBLE FURNITURE**

Annual sales decreased 1% to US\$257.5 million while earnings from operations rose 5% to US\$48 million. Fourth quarter sales were basically flat at US\$61 million. Earnings from operations rose 3% to US\$12.7 million.

Improvements in productivity, operating cost containment, including lower raw material prices and aggressive marketing of a dynamic ready-to-assemble furniture line all contributed the RTA segment out-performing its competition. With an emphasis on continuous improvement and plant efficiency, a benchmarking program has been initiated at all Ameriwood facilities. Demand in Dorel's RTA business remains strong, in large part due to the significant depth of product offerings and solid customer relationships with U.S. mass merchants.

### **HOME FURNISHINGS**

Home Furnishings sales were up 35% for the year to US\$206 million. Earnings from operations saw a dramatic increase, reaching US\$16.5 million from US\$2.2 million last year. For the fourth quarter, sales increased 50% to US\$72.5 million while earnings from operations jumped to US\$5.3 million from last year's US\$67 thousand.

The work begun last year to radically improve the futon business has been most successful. The line was solidly profitable in 2002, due to higher volume, spectacular increases in productivity and a better control of raw material costs. There is also a new, much clearer focus on Cosco's home furnishings business, with its own dedicated management team, including a separate design organization.

Dorel Asia continued its progress in 2002. Some of its products, such as affordable leather recliners, were hugely successful in the American market.

## **MODIFIED SEGMENTED REPORTING**

As previously announced, the Ready-to-Assemble Furniture and Home Furnishings segments are being combined into one segment in fiscal 2003 to be known as Home Furnishings. Over the past number of years the operating units within these two segments have become increasingly integrated in the way they are operated and in the way they are reported internally. This change is in accordance with Canadian Generally Accepted Accounting Principles (GAAP). The Juvenile segment will continue to report separately.

## BOARD CHANGES

Mr. Harold P. (Sonny) Gordon, Q.C. has been appointed to the Company's Board of Directors, effective immediately. Mr. Gordon combines a diverse background of governmental, legal and international business experience. His career has included a Senior Partnership at the law firm Stikeman Elliott, both in Montreal and in London, England. He has also served for an extended period as a Director and Vice Chairman at Hasbro, Inc. (NYSE: HAS), a major toy and games company. Mr. Gordon is currently Chairman of Dundee Bancorp Inc. (TSX: DBCa.To), a financial services and merchant banking company. He also holds a number of directorships with publicly traded corporations and charitable organizations.

"Sonny's vast and varied international experience will serve Dorel extremely well, particularly as the Company's global reach continues to grow", stated Mr. Schwartz.

It was also announced today that Mr. Bruce Kaufman, a long-time Dorel Board member, has resigned as a director of the Company. Mr. Kaufman is to become increasingly involved in the day-to-day operations of one of Dorel's foreign subsidiaries. As a result, his role will change from that of an independent representative on the Dorel Board of Directors to a member of management.

"I wish to thank Bruce for his contributions as a member of the Board since we first went public. Since 1987, Bruce has helped guide Dorel as it has grown from a company with sales of roughly US\$25 million in 1987 to a worldwide organization with sales well over US\$1 billion expected in 2003", continued Mr. Schwartz.

## OUTLOOK

"The improvements made throughout 2002 to our operations, gains in market share in all of our segments, our strong financial position and the recent, highly strategic juvenile products acquisition of the Ampa Group in Europe have established a very strong platform for an exciting 2003. We have also developed an exceptionally strong capability to source a wide variety of products, designed by Dorel, and manufactured in Asia, allowing us to maintain a highly competitive position. We will continue to be relentless in our pursuit to be the lowest cost producer in all areas of our operations. While we fully expect another record year, we must remain cognizant of the fragile economy and alert in order to capitalize on opportunities," concluded Mr. Schwartz.

## PROFILE

Dorel Industries Inc. is a global manufacturer of consumer products. It specializes in two market segments: juvenile products and home furnishings. Dorel's extensive product offering includes juvenile products such as infant car seats, strollers, high chairs, toddler beds, cribs, infant health and safety aids, play-yards and juvenile accessories; home furnishings such as a wide variety of Ready-to-Assemble (RTA) furniture for home and office use as well as metal folding furniture, futons, step stools, ladders and other imported furniture items.

Dorel employs approximately 4,500 people in fourteen countries. Major North American facilities are located in Montreal, Quebec; Cornwall, Ontario; Columbus, Indiana; Wright City, Missouri; Tiffin, Ohio; Dowagiac, Michigan; 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 1<sup>st</sup> brand names. In Canada, Dorel operates Ridgewood Industries and Dorel Home Products. European operations are carried out through the Dorel Juvenile Group (DJG Europe) located in Holland and the Ampa Group which has major facilities in France, Italy and Portugal. Brand names marketed in Europe are Maxi-Cosi, Bébé Confort, Quinny, Safety 1<sup>st</sup>, Babidéal, MonBébé and Baby Relax. Dorel's imported furniture business is carried out through Dorel Asia.

### 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.

## INFORMATION FOR SHAREHOLDERS

Dorel Industries Inc. will be holding a conference call this afternoon at 4:00 PM Eastern Standard Time, to discuss its fourth quarter and year end results. Anyone interested is asked to call (514) 227-8860 (in Montreal or overseas) or 1-800-814-4941 (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 1-877-289-8525 and entering the passcode 240125# on your phone. This tape recording will be available on Tuesday, March 4<sup>th</sup> as of 6:00 P.M. until 11:30 P.M. on Friday, March 7<sup>th</sup>.

**DOREL INDUSTRIES INC.  
CONSOLIDATED BALANCE SHEET  
AS AT DECEMBER 30, 2002  
ALL FIGURES IN THOUSANDS OF US \$**

	as at December 30, 2002	as at December 30, 2001
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	54,450	18,640
Funds held by ceding insurer	11,298	-
Accounts receivable	98,267	95,445
Inventories	142,157	152,411
Income taxes refundable	-	5,156
Prepaid expenses	10,465	8,743
Future income taxes	11,114	11,195
	<u>327,751</u>	<u>291,590</u>
CAPITAL ASSETS	95,374	98,366
DEFERRED CHARGES	14,111	12,557
GOODWILL	155,669	151,624
INTANGIBLE ASSETS	5,818	4,055
FUTURE INCOME TAXES	-	1,327
OTHER ASSETS	11,400	9,055
	<u>610,123</u>	<u>568,574</u>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Bank indebtedness	8,346	7,911
Accounts payable and accrued liabilities	131,805	104,873
Income taxes payable	11,721	-
Current portion of long-term debt	2,061	2,680
	<u>153,933</u>	<u>115,464</u>
LONG-TERM DEBT	<u>83,301</u>	<u>225,246</u>
PENSION OBLIGATION	<u>13,213</u>	<u>12,879</u>
FUTURE INCOME TAXES	<u>5,670</u>	<u>3,073</u>
<b>SHAREHOLDERS' EQUITY</b>		
CAPITAL STOCK	138,446	63,023
RETAINED EARNINGS	212,660	153,223
CUMULATIVE TRANSLATION ADJUSTMENT	2,900	(4,334)
	<u>354,006</u>	<u>211,912</u>
	<u>610,123</u>	<u>568,574</u>

**DOREL INDUSTRIES INC.**  
**CONSOLIDATED STATEMENT OF INCOME**  
**FOR THE FOURTH QUARTER AND YEAR ENDED DECEMBER 30, 2002**  
**ALL FIGURES IN THOUSANDS OF US \$**

	Fourth quarter ended		Year ended	
	December 30, 2002	December 30, 2001	December 30, 2002	December 30, 2001
SALES	240,988	219,472	992,073	916,769
EXPENSES				
Cost of sales	184,196	175,050	760,423	718,123
Operating	29,171	29,027	106,969	97,164
Amortization	6,707	3,329	24,850	21,168
Research and development costs	(475)	(554)	3,698	2,569
Product liability	-	20,000	-	20,000
Interest on long-term debt	2,027	3,479	9,987	17,643
Other interest	112	238	452	819
	<u>221,738</u>	<u>230,569</u>	<u>906,379</u>	<u>877,486</u>
Income (loss) from continuing operations before income taxes and amortization of goodwill	19,250	(11,097)	85,694	39,283
Income taxes	4,624	(7,168)	24,099	4,731
Income (loss) from continuing operations before amortization of goodwill	14,626	(3,929)	61,595	34,552
Amortization of goodwill	-	2,025	-	7,990
Income (loss) from continuing operations	14,626	(5,954)	61,595	26,562
Loss from Discontinued operations	-	(1,058)	-	(1,058)
NET INCOME (LOSS)	<u>14,626</u>	<u>(7,012)</u>	<u>61,595</u>	<u>25,504</u>
EARNINGS PER SHARE - BASIC:				
Before amortization of goodwill	0.47	(0.14)	2.05	1.23
From continuing operations	0.47	(0.21)	2.05	0.94
Net income	0.47	(0.25)	2.05	0.91
EARNINGS PER SHARE - DILUTED:				
Before amortization of goodwill	0.46	(0.14)	2.00	1.21
From continuing operations	0.46	(0.21)	2.00	0.93
Net income	0.46	(0.25)	2.00	0.89
SHARES OUTSTANDING				
Basic - weighted average	31,303,176	28,170,492	30,097,165	28,159,026
Diluted - weighted average	<u>31,957,233</u>	<u>28,629,036</u>	<u>30,739,238</u>	<u>28,568,566</u>

**DOREL INDUSTRIES INC.**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE FOURTH QUARTER AND YEAR ENDED DECEMBER 30, 2002**  
**ALL FIGURES IN THOUSANDS OF US \$**

	Fourth quarter ended		Year ended	
	December 30, 2002	December 30, 2001	December 30, 2002	December 30, 2001
<b>CASH PROVIDED BY (USED IN):</b>				
<b>OPERATING ACTIVITIES</b>				
Income (loss) from continuing operations:	14,626	(5,954)	61,595	26,562
Adjustments for:				
Amortization	6,707	5,354	24,850	29,158
Future income taxes	1,958	4,323	4,711	5,704
Loss (gain) on disposal of capital assets	1,061	(256)	858	(146)
Funds held by ceding insurer	(11,298)	-	(11,298)	-
	13,054	3,467	80,716	61,278
Changes in non-cash working capital	49,419	60,540	46,222	(14,126)
<b>CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>62,473</b>	<b>64,007</b>	<b>126,938</b>	<b>47,152</b>
<b>FINANCING ACTIVITIES</b>				
Decrease in long-term debt	(20,130)	(34,780)	(142,704)	(40,320)
Issuance of capital stock	102	-	75,472	528
Repurchase of capital stock	(174)	-	(218)	-
Share issue expenses	-	-	(3,062)	-
Increase (decrease) in bank indebtedness	(501)	(1,982)	(902)	3,258
<b>CASH USED IN FINANCING ACTIVITIES</b>	<b>(20,703)</b>	<b>(36,762)</b>	<b>(71,414)</b>	<b>(36,534)</b>
<b>INVESTING ACTIVITIES</b>				
Acquisition of subsidiary company	-	-	-	(9,156)
Cash on hand	-	-	-	548
	-	-	-	(8,608)
Financed by long-term debt	-	-	-	8,608
	-	-	-	-
Additions to capital assets - net	(5,898)	(4,071)	(15,840)	(11,199)
Proceeds from sale of accounts receivable	-	-	-	27,750
Other assets	2,120	(1,000)	2,120	(1,000)
Deferred charges	(2,658)	(3,594)	(5,818)	(7,050)
Intangible assets	(2,965)	(3,522)	(3,571)	(4,424)
<b>CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES</b>	<b>(9,401)</b>	<b>(12,187)</b>	<b>(23,109)</b>	<b>4,077</b>
<b>NET CASH USED IN DISCONTINUED OPERATIONS</b>	<b>-</b>	<b>(3,675)</b>	<b>-</b>	<b>(3,675)</b>
<b>EFFECT OF EXCHANGE RATE CHANGES ON CASH</b>	<b>850</b>	<b>1,010</b>	<b>3,395</b>	<b>950</b>
<b>NET INCREASE IN CASH</b>	<b>33,219</b>	<b>12,394</b>	<b>35,810</b>	<b>11,970</b>
Cash and cash equivalents, beginning of period	21,231	6,246	18,640	6,670
<b>CASH AND CASH EQUIVALENTS, END OF PERIOD</b>	<b>54,450</b>	<b>18,640</b>	<b>54,450</b>	<b>18,640</b>

DOREL INDUSTRIES INC.  
CONSOLIDATED STATEMENT OF RETAINED EARNINGS  
FOR THE YEAR ENDED DECEMBER 30, 2002  
ALL FIGURES IN THOUSANDS OF US \$

	2002	2001
BALANCE, BEGINNING OF PERIOD	153,223	127,719
Net income	61,595	25,504
Share issue expenses (net of income taxes of \$1,072)	(1,990)	-
Premium paid on repurchase of shares	(168)	-
	212,660	153,223
BALANCE, END OF PERIOD	212,660	153,223