



JUVENILE

Cosco
Safety 1st
Maxi-Cosi
Quinny
Baby Relax
Babidéal
MonBébé
Bébé Confort

HOME FURNISHINGS

Ameriwood
Ridgewood
Charleswood
Dorel Home Products
Cosco Home & Office
Dorel Asia
Carina Furniture

RECREATIONAL / LEISURE

Pacific Cycle
Schwinn
GT
Mongoose
InSTEP

EXCHANGES

CANADA

TSX:
DII.A, DII.B

U.S.A.

NASDAQ:
DIIB

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DOREL CLARIFIES JUVENILE PRODUCTS PATENT INFRINGEMENT CASE

Most recent court ruling could reduce previous award

Montreal, August 19, 2004 — Dorel Industries Inc. (TSX: DII.A, DII.B; NASDAQ: DIIB) today clarified published media reports concerning this week's findings of a U.S. appeals court in a patent infringement case involving Safety 1st, a Dorel subsidiary, and Mattel Inc. "The information currently being circulated is both incomplete and incorrect and it is in the best interests of all to set the record straight, particularly when the latest court decisions could significantly reduce any final penalties," said Dorel President and CEO, Martin Schwartz.

Over a year ago, a jury awarded Mattel's Fisher-Price unit US\$1.9 million from Safety 1st over patent claims for portable bassinets and bouncers. The incidents occurred prior to Dorel's May 2000 acquisition of Safety 1st.

It is appropriate to clarify the following:

- The US Federal Circuit overturned the jury's previous finding of infringement of a third patent. This is significant as the jury's 2003 verdict of US\$1.9 million was composed of US\$1million for infringement of two patents and US\$900,000 for infringement of a third design patent infringement, which the appellate court has now rejected.
- In setting the verdict aside, the judge did not say, as reported, that "the jury failed to consider Fisher-Price's lost profits"; rather, he stated that a new trial was "clearly necessitated" because the court had overturned a finding of infringement as to one Safety 1st product and it was unclear how the US\$1million damage award related to the sales of that product, as opposed to the others.
- What the media reports referred to as "another product" that should be considered by the new jury had already been considered by the first jury in reaching its US\$1 million number.

"Dorel has invested heavily over the years in product development at all of our divisions. We are exceedingly proud of our in-house capabilities. As an example, the Dorel Juvenile Group in the US has launched over 200 new juvenile products for this year alone. This is why we have become the market leader in many of the categories we do business in. Even the suggestion that Dorel has engaged in a pattern of repeated and wilful patent infringements is both insulting and preposterous," commented Mr. Schwartz.

Dorel had discontinued the products covered by the injunction in early 2003 and thus none of its current products or sales are affected. The Company also stated that it does not foresee any additional financial impact as a result of this case.

Profile

Dorel is a global consumer products company which designs, manufactures or sources, markets and distributes a diverse portfolio of powerful product brands, marketed through its Juvenile, Home Furnishings, and Recreational/Leisure segments. US operations include the Dorel Juvenile Group USA, which incorporates the Cosco and Safety 1st brands; Ameriwood Industries, Cosco Home & Office; and Pacific Cycle, which includes the Schwinn, Mongoose, GT, InSTEP and Roadmaster brands. In Canada, Dorel operates Dorel Juvenile Group Canada, Ridgewood Industries and Dorel Home Products. The Dorel Juvenile Group Europe carries out activities throughout Europe, under the Maxi-Cosi, Quinny, Safety 1st, Bébé Confort, Babidéal, MonBébé and Baby Relax brands. Dorel Asia sources and imports home furnishings. Dorel employs approximately 5,000 people in fourteen countries. 2003 sales were US\$1.2 billion. 2004 sales are expected to be between US\$1.6 – US\$1.8 billion.

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.

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