Dorel Industries Inc.
1255 Greene Ave, Suite 300
Westmount, Quebec H3Z 2A4
(514) 934-3034
www.dorel.com

NOTICE OF ANNUAL AND SPECIAL GENERAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an Annual and Special General Meeting (the "Meeting") of holders of Class A Multiple Voting Shares and Class B Subordinate Voting Shares of Dorel Industries Inc. (the "Company") will be held at Centre Mont-Royal, Salon International – Rooms 1 and 2, 2200 Mansfield Street, Montreal, Quebec, on Wednesday, May 18, 2005 at 10:00 a.m. The purposes of the Meeting are:

(1) To receive and consider the consolidated financial statements of the Company for the fiscal year ended December 30, 2004 and the auditors' report thereon;

(2) To elect directors;

(3) To appoint auditors and authorize the directors to fix their remuneration;

(4) To consider, and if deemed advisable, to adopt a resolution annexed as Schedule B to the Management Proxy Circular, approving the Deferred Share Unit Plan; and

(5) To transact such other business as may properly be brought before the Meeting.

If you are unable to attend the Meeting in person, please date, sign and return the enclosed form of proxy. Proxies to be used at the Meeting must be deposited with Computershare Trust Company of Canada (Attention: Proxy Department), 100 University Avenue, 9th Floor, Toronto, Ontario M5J 2Y1 prior to 5:00 p.m. on the last business day immediately preceding the Meeting or with the Secretary of the Company before the commencement of the Meeting or at any adjournment thereof.

Unless otherwise indicated, all references to "dollars" and the symbol "$" in the annexed management proxy circular are to Canadian dollars.

DATED at Montreal, Quebec
April 12, 2005

BY ORDER OF THE BOARD OF DIRECTORS

Jeffrey Schwartz

Jeffrey Schwartz
Executive Vice-President, Chief Financial Officer and Secretary

MANAGEMENT PROXY CIRCULAR

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SOLICITATION OF PROXIES BY MANAGEMENT

This Management Proxy Circular is furnished in connection with the solicitation by the management of Dorel Industries Inc. (the "Company") of proxies to be used at the Annual and Special General Meeting of shareholders (the "Meeting") of the Company to be held at the time and place and for the purposes set forth in the Notice of Meeting. It is expected that the solicitation will be made primarily by mail. However, officers and employees of the Company may also solicit proxies by telephone, telecopier, e-mail or in person. The total cost of solicitation of proxies will be borne by the Company.

APPOINTMENT AND REVOCATION OF PROXIES

The persons named in the enclosed form of proxy are directors and officers of the Company. A shareholder has the right to appoint as his or her proxy a person, who need not be a shareholder, other than those whose names are printed on the accompanying form of proxy. **A shareholder who wishes to appoint some other person to represent him or her at the Meeting may do so either by inserting such other person's name in the blank space provided in the form of proxy and signing the form of proxy or by completing and signing another proper form of proxy.**

A shareholder who has given a proxy may revoke it, as to any motion on which a vote has not already been cast pursuant to the authority conferred by it, by an instrument in writing executed by the shareholder or by his attorney authorized in writing or, if the shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized. The revocation of a proxy, in order to be acted upon, must be deposited with the Company's transfer agent and registrar, Computershare Trust Company of Canada (Attention: Proxy Department), 100 University Avenue, 9th Floor, Toronto, Ontario M5J 2Y1 prior to 5:00 p.m. on the last business day immediately preceding the Meeting or with the Secretary of the Company before the commencement of the Meeting or at any adjournment thereof.

EXERCISE OF DISCRETION BY PROXIES

Shares represented by properly executed proxies in favour of the persons designated in the enclosed form of proxy, in the absence of any direction to the contrary, will be voted for: (i) the election of directors; (ii) the

appointment of auditors; and (iii) the resolution approving the Deferred Share Unit Plan of the Company, as stated under such headings in this Management Proxy Circular. Instructions with respect to voting will be respected by the persons designated in the enclosed form of proxy. With respect to amendments or variations to matters identified in the Notice of Meeting and with respect to other matters that may properly come before the Meeting, such shares will be voted by the persons so designated in their discretion. At the time of printing this Management Proxy Circular, management of the Company knows of no such amendments, variations or other matters.

VOTING SHARES

As at February 28, 2005, there were issued and outstanding 4,706,294 Class A Multiple Voting Shares and 28,098,398 Class B Subordinate Voting Shares of the Company. Each Class A Multiple Voting Share entitles the holder thereof to ten votes while each Class B Subordinate Voting Share entitles the holder thereof to one vote. The Company has fixed March 28, 2005 as the record date (the "Record Date") for the purpose of determining shareholders entitled to receive notice of the Meeting. Any registered shareholder of record as at the close of business on March 28, 2005 will be entitled to vote at the Meeting. The Company will prepare a list of shareholders entitled to receive notice of this Meeting and showing the number of shares held by each such shareholder, which list shall be as at a date not later than ten days after the Record Date.

NON-REGISTERED SHAREHOLDERS

Only registered shareholders or the persons they appoint as their proxies are permitted to vote at the Meeting. However, in many cases, shares beneficially owned by a person (a "Non-Registered Holder") are registered either: (i) in the name of an intermediary (an "Intermediary") that the Non-Registered Holder deals with in respect of the common shares, such as securities dealers or brokers, banks, trust companies, and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans; or (ii) in the name of a clearing agency of which the Intermediary is a participant. In accordance with National Instrument 54-101 of the Canadian Securities Administrators, entitled "Communication with Beneficial Owners of Securities of a Reporting Issuer", the Company has distributed copies of the Notice of Meeting and this Management Proxy Circular (collectively, the "Meeting Materials") to the clearing agencies and Intermediaries for distribution to Non-Registered Holders. Intermediaries are required to forward the Meeting Materials to Non-Registered Holders, and often use a service company for this purpose. Non-Registered Holders will either:

(a) typically, be provided with a computerized form (often called a "voting instruction form") which is not signed by the Intermediary and which, when properly completed and signed by the Non-Registered Holder and returned to the Intermediary or its service company, will constitute voting instructions which the Intermediary must follow. The Non-Registered Holder will generally be given a page of instructions which contains a removable label containing a bar-code and other information. In order for the applicable computerized form to validly constitute a voting instruction form, the Non-Registered Holder must remove the label from the instructions and affix it to the computerized form, properly complete and sign the form and submit it to the Intermediary or its service company in accordance with the instructions of the Intermediary or service company. In certain cases, the Non-Registered Holder may provide such voting instructions to the Intermediary or its service company through the Internet or through a toll-free telephone number; or

(b) less commonly, be given a proxy form which has already been signed by the Intermediary (typically by a facsimile, stamped signature), which is restricted to the number of shares beneficially owned by the Non-Registered Holder but which is otherwise not completed. In this case, the Non-Registered Holder who wishes to submit a proxy should properly complete the proxy form and submit it to Computershare Trust Company of Canada (Attention: Proxy Department), 100 University Avenue, 9th Floor, Toronto, Ontario M5J 2Y1.

In either case, the purpose of these procedures is to permit Non-Registered Holders to direct the voting of the shares which they beneficially own.

Should a Non-Registered Holder who receives a voting instruction form wish to vote at the Meeting in person (or have another person attend and vote on behalf of the Non-Registered Holder), the Non-Registered Holder should print his or her own name, or that of such other person, on the voting instruction form and return it to the Intermediary or its service company. Should a Non-Registered Holder who receives a proxy form wish to vote at the Meeting in person (or have another person attend and vote on behalf of the Non-Registered Holder), the Non-Registered Holder should strike out the names of the persons set out in the proxy form and insert the name of the Non-Registered Holder or such other person in the blank space provided and submit it to Computershare Trust Company of Canada at the address set out above.

In all cases, Non-Registered Holders should carefully follow the instructions of their Intermediary, including those regarding when, where and by what means the voting instruction form or proxy form must be delivered.

A Non-Registered Holder may revoke voting instructions which have been given to an Intermediary at any time by written notice to the Intermediary.

PRINCIPAL SHAREHOLDERS

As at February 28, 2005, to the best knowledge of the Company, the following persons beneficially owned, directly or indirectly, or exercised control or direction over, more than 10% of the Class A Multiple Voting Shares of the Company:

Name and place of residence	Number of shares held	Percentage of class
Alan Schwartz .... Montreal, Quebec	771,600	16.4%
Martin Schwartz .... Montreal, Quebec	761,600	16.2%
Jeff Segel .... Montreal, Quebec	765,600	16.3%
Jeffrey Schwartz .... Toronto, Ontario	761,600	16.2%
Laura Schwartz .... Montreal, Quebec	669,240	14.2%

As at the same date, to the best knowledge of the Company, the following person beneficially owned, directly or indirectly, or exercised control or direction over more than 10% of the Class B Subordinate Voting Shares of the Company:

Name and place of residence	Number of shares held	Percentage of class
Franklin Templeton Investments Corp. .... San Mateo, California	4,248,175	15.1%

BUSINESS TO BE TRANSACTED AT THE MEETING

This Management Proxy Circular contains information relating to the receipt of the Company's audited consolidated financial statements, the election of directors, the appointment of auditors, and the approval of the Deferred Share Unit Plan.

1. Financial Statements

The audited consolidated financial statements of the Company for the fiscal year ended December 30, 2004 and the report of the auditors thereon will be tabled at the Meeting. These audited consolidated financial statements form part of the 2004 Annual Report of the Company, which was mailed to shareholders with this Notice of Meeting and Management Proxy Circular. Additional copies of the 2004 Annual Report may be obtained from the Secretary of the Company upon request and will be available at the Meeting.

2. Election of Directors

The Board of Directors currently consists of nine directors. The persons named in the enclosed form of proxy intend to vote for the election of the ten nominees whose names are set forth below. Each director will hold office until the next annual general meeting of shareholders or until the election of his or her successor, unless he or she resigns or the office becomes vacant by removal, death or other cause.

The following table sets out the name and municipality of residence of each of the persons proposed to be nominated for election as director, all other positions and offices with the Company now held by such person, his or her principal occupation, the year in which such person became a director of the Company, the number of Class A Multiple Voting Shares and Class B Subordinate Voting Shares of the Company that such person has advised are beneficially owned or over which control or direction is exercised by such person as at the date indicated below, the number of Class B Subordinate Voting Shares in respect of which each such person holds an option, and the number of Deferred Share Units ("DSUs") held:

Name, municipality of residence and principal occupation	First year as director	Position on Board committees	Number of shares beneficially owned or over which control is exercised as at February 28, 2005		Number of Class B shares subject to option	Number of Deferred Share Units (DSUs) held
			Class A	Class B		
Martin Schwartz Montreal, Quebec President and Chief Executive Officer of the Company	1987	—	761,600	404,850	175,000	—
Martin Schwartz is a co-founder of Ridgewood Industries Ltd., which was merged with Dorel Industries Inc. and several other associated companies to create the Company, which subsequently went public in 1987. Originally Executive Vice-President of the Company, Mr. Schwartz has held the position of President and Chief Executive Officer since 1993.						
Jeff Segel Montreal, Quebec Executive Vice-President, Sales and Marketing of the Company	1987	—	765,600	370,850	175,000	—
Jeff Segel is a co-founder of Ridgewood Industries Ltd. Mr. Segel has held the position of Vice-President, Sales and Marketing since 1987. In 2003, Mr. Segel's title was changed to Executive Vice-President, Sales and Marketing.						
Alan Schwartz Montreal, Quebec Executive Vice-President, Operations of the Company	1987	—	771,600	388,097	175,000	—
Alan Schwartz is a co-founder of Ridgewood Industries Ltd. Mr. Schwartz has held the position of Vice-President, Operations since 1989. In 2003, Mr. Schwartz's title was changed to Executive Vice-President, Operations.						

Name, municipality of residence and principal occupation	First year as director	Position on Board committees	Number of shares beneficially owned or over which control is exercised as at February 28, 2005		Number of Class B shares subject to option	Number of Deferred Share Units (DSUs) held
			Class A	Class B		
Jeffrey Schwartz Toronto, Ontario Executive Vice-President and Chief Financial Officer of the Company	1987	—	761,600	405,050	175,000	—

Jeffrey Schwartz was originally Vice-President of the Juvenile Division of the Company, a position he held until 1989, when the Company's Canadian divisions were merged and he became Vice-President, Finance of the Company. Mr. Schwartz held the position of Vice-President, Finance from 1989 until 2003. In 2003, his title was changed to Executive Vice-President and Chief Financial Officer. Mr. Schwartz is a graduate of McGill University in Montreal in the field of business administration.

Dr. Laurent Picard Montreal, Quebec Corporate Director	1988	—	—	24,100	24,000	—

Dr. Laurent Picard is a former professor and has taught at various universities in Canada. During his career, Dr. Picard was Associate Director of the Management Department at HEC (Université de Montréal) as well the Dean of the Faculty of Management of McGill University. Dr. Picard was a full professor until his retirement in 1997. Over the years he has served on numerous public service and government committees and was named a Companion of the Order of Canada in 1977. Dr. Picard has also served as President of the CBC.

Maurice Tousson Toronto, Ontario President and Chief Executive Officer CDREM Group Inc. (retailer)	1995	Lead Director, Member of the Audit Committee(1), Member of the Human Resources and Corporate Governance Committee	2,000	15,400	30,000	784

Maurice Tousson is the President and Chief Executive Officer of CDREM Group Inc., a chain of retail stores known as *Centre du Rasoir* or *Personal Edge*, a position he has held since January 2000. Mr. Tousson has held executive positions at well-known Canadian specialty stores, including Chateau Stores of Canada, Consumers' Distributing and Sports Experts, with responsibilities for operations, finance, marketing and corporate development. Mr. Tousson holds an MBA degree from Long Island University in New York.

(1) Mr. Tousson was Chair of the Audit Committee until April 12, 2005.

Name, municipality of residence and principal occupation	First year as director	Position on Board committees	Number of shares beneficially owned or over which control is exercised as at February 28, 2005		Number of Class B shares subject to option	Number of Deferred Share Units (DSUs) held
			Class A	Class B		
Harold P. "Sonny" Gordon, Q.C. Sunny Isles, Florida Chairman Dundee Corporation (financial services, wealth management and investment company)	2003	Chairman of the Human Resources and Corporate Governance Committee, Member of the Audit Committee	—	—	36,000	618

Harold P. Gordon has been Chairman of the Board of Directors of Dundee Corporation (formerly Dundee Bancorp Inc.) since November 2001, prior to which he was Vice-Chairman of Hasbro Inc., a position he held until May 2002. Mr. Gordon has previously worked as a special assistant to a Minister of the Government of Canada, and was a managing partner of Stikeman Elliott LLP during his 28-year career as a practicing lawyer. Mr. Gordon serves as a director of Dundee Corporation, Transcontinental Limited, Alliance Atlantis Communications Inc. and Sonomax Hearing Healthcare Inc. and is Chairman of the Sauvé Scholars Foundation, as well as several private corporations.

Dian Cohen Toronto, Ontario President DC Productions Limited (economic communications and management consulting services company)	2004	Member of the Human Resources and Corporate Governance Committee	—	300	12,000	425

Dian Cohen is an economist and consultant. She is a recognized commentator and author of several books on community, business and globalization. Ms. Cohen has been the recipient of many awards for economic communications excellence, as well as the Order of Canada. She has wide board experience with both national and international corporations. At present, Ms. Cohen is a director of Norbord Inc. and Fraser Papers Inc., and a trustee of Great Lakes Hydro Income Trust.

Alain Benedetti, FCA Montreal, Quebec Corporate Director	2004	Chairman of the Audit Committee(2)	—	—	12,000	462

Alain Benedetti, FCA, is the retired Vice-Chairman of Ernst & Young LLP, where he worked for 34 years, most recently as the Canadian area managing partner, overseeing all Canadian operations. Prior thereto, he was the managing partner for eastern Canada and the Montreal office. Mr. Benedetti has extensive experience with both public and private companies. He is currently Chairman of the Board of Concordia University and Vice-Chair of the Canadian Institute of Chartered Accountants.

(2) Mr. Benedetti became Chair of the Audit Committee on April 12, 2005.

Name, municipality of residence and principal occupation	First year as director	Position on Board committees	Number of shares beneficially owned or over which control is exercised as at February 28, 2005		Number of Class B shares subject to option	Number of Deferred Share Units (DSUs) held
			Class A	Class B		
Robert P. Baird, Jr. Old Greenwich, Connecticut President and Chief Executive Officer Philips Domestic Appliances and Personal Care (a division of Koninklijke Philips Electronics N.V.)	—	—	—	—	—	—

Since May 2002, Robert P. Baird, Jr. has been President and Chief Executive Officer of Philips Domestic Appliances and Personal Care, located in Stamford, Connecticut. Prior thereto, Mr. Baird was a consultant in the New York office of Egon Zehnder International, with practice specialties in the consumer products industry and marketing management. Mr. Baird holds an MBA degree from the J.L. Kellogg School at Northwestern University, with concentrations in Marketing, Management and Finance. He also holds a B.A. in Economics from St. Lawrence University.

Board of Directors' Compensation/Attendance

In 2004, the Company paid directors' fees only to the Company's independent directors. The basis for compensation of the independent directors was as follows:

- annual director's fee: $25,000;
- additional fee for the Lead Director: $10,000;
- Audit Committee Chairman fee: $6,000;
- Audit Committee member fee (other than Chairman): $3,000;
- Human Resources and Corporate Governance Committee Chairman fee: $4,000;
- Human Resources and Corporate Governance Committee member fee (other than Chairman): $2,000;
- Board of Directors and committee meeting fee: $1,000 per meeting; and
- Reimbursement of travel and out-of-pocket expenses.

Fees to the independent members of the Board of Directors in 2004 were as follows:

Name	Annual fee	Committee fees	Board attendance fees	Committee attendance fees	Total fees
Maurice Tousson	$ 35,000	$ 9,000	$ 4,000	$ 9,000	$ 57,000
Harold P. Gordon	25,000	6,000	4,000	9,000	44,000
Laurent Picard	25,000	2,500	1,000	—	28,500
Dian Cohen	12,500	1,000	2,000	3,000	18,500
Alain Benedetti	12,500	1,500	2,000	2,000	18,000

Where board or committee membership was for less than a full year, the applicable fee was pro-rated accordingly.

Directors' Shareholding Requirements

The Board of Directors has determined that each director of the Company should hold a minimum number of shares of the Company, equivalent in value to four years of directors' fees. The minimum must be reached within five years of initial election to the Board of Directors.

To facilitate the acquisition of the minimum number of shares, the Board of Directors established the Deferred Share Unit Plan in April 2004 for the Company's external directors. The Deferred Share Unit Plan enables external directors to defer receipt of their directors' compensation until their term expires or they resign. In the six-month period ended December 30, 2004, four of the Company's five external directors elected to accept all of their directors' fees pursuant to the Deferred Share Unit Plan and to defer receipt of their directors' compensation until such time as their term expires or they resign, thereby aligning the interests of the directors with those of the shareholders. DSUs earned in the six-month period ended December 30, 2004 were as follows:

Name	# of DSUs
Maurice Tousson	784
Harold P. Gordon	618
Dian Cohen	425
Alain Benedetti	462
Total	2,289

At the Meeting, shareholders will be asked to consider a resolution approving the Deferred Share Unit Plan, which resolution is annexed to this Management Proxy Circular as Schedule B. See "Approval of Deferred Share Unit Plan" below.

Summary of Board of Directors and Committee Meetings Held

The Board of Directors holds meetings at least four times each year, prior to the release of quarterly financial statements, with additional meetings held as required. For the fiscal year ended December 30, 2004, the Board of Directors met a total of four times, with a 92% attendance record by the directors. In addition, the independent directors held meetings without management or the other directors present at least once each quarter. In 2004, there were an aggregate of nine meetings of the Audit Committee and the Human Resources and Corporate Governance Committee. Attendance by committee members at these meetings averaged 85%. The Company does not have an Executive Committee.

Summary of Attendance of Directors

For the fiscal year ended December 30, 2004:

Director	Board meetings attended	Committee meetings attended
Martin Schwartz (1)	4/4	N/A
Jeff Segel (1)	4/4	N/A
Alan Schwartz (1)	4/4	N/A
Jeffrey Schwartz (1)	4/4	N/A
Dr. Laurent Picard	1/4	0/4
Maurice Tousson	4/4	9/9
Harold P. Gordon	4/4	9/9
Dian Cohen (2)	2/2	3/3
Alain Benedetti (2)	2/2	2/2

(1) Did not serve on any Board of Directors committees in 2004.
(2) Appointed director during the year.

3. Appointment of Auditors

Except where authorization to vote with respect to the appointment of auditors is withheld, the persons named in the accompanying form of proxy intend to vote for the appointment of KPMG LLP, Chartered Accountants, as the auditors of the Company until the next annual general meeting of shareholders.

Goldsmith Hersh, Chartered Accountants, served as the auditors of the Company since its initial public offering in 1987. At the request of the Company, Goldsmith Hersh, Chartered Accountants, resigned as auditors of the Company on March 22, 2005. To fill the vacancy created by the resignation, the Board of Directors appointed KPMG LLP, Chartered Accountants, as auditors of the Company on March 23, 2005. At the Meeting, shareholders will be asked to vote for the appointment of KPMG LLP, Chartered Accountants, as the auditors of the Company until the next annual general meeting of shareholders.

In light of the change of auditors, a reporting package is annexed to this Management Proxy Circular as Schedule A. The reporting package contains a: (a) Notice of Change of Auditors from the Company dated March 31, 2005; (b) letter dated April 7, 2005 from Goldsmith Hersh, Chartered Accountants; (c) letter dated April 8, 2005 from KPMG LLP, Chartered Accountants; and (d) Confirmation of Audit Committee Review dated April 11, 2005, signed by Maurice Tousson, then-Chairman of the Audit Committee of the Company.

Fees Paid to the Company's Auditors

In 2004, the Company's lead auditors were Goldsmith Hersh, Chartered Accountants. Other accounting firms served as the auditors of certain of the Company's subsidiaries, and reported their findings to Goldsmith Hersh, Chartered Accountants.

The table below represents all fees paid to the Company's various auditors for the fiscal years ended December 30, 2004 and 2003:

	Years ended December 30	
	2004	2003
	(in U.S. dollars)	
Audit services	$ 1,358,000	$ 933,000
Audit related services	92,000	116,000
Tax services	249,000	302,000
Non-audit services	122,000	41,000
TOTAL	$ 1,821,000	$ 1,392,000

The Audit Committee has considered whether the provision of services other than audit services is compatible with maintaining auditors' independence. The Audit Committee has adopted a policy that prevents the Company from engaging the auditors for "prohibited" categories of non-audit services and requires pre-approval of the Audit Committee for other permissible categories of non-audit services, such categories as determined under the United States *Sarbanes-Oxley Act of 2002* (the "Sarbanes-Oxley Act").

Representatives of Goldsmith Hersh, Chartered Accountants will be in attendance at the Meeting, will have the opportunity to make a statement if they so wish and will be available to respond to questions from shareholders.

4. Approval of Deferred Share Unit Plan

In April 2004, the Board of Directors approved a Deferred Share Unit Plan for the Company's external directors. The purpose of the Deferred Share Unit Plan is to assist the Company in attracting, retaining and motivating qualified individuals to serve as members of the Board of Directors of the Company and to promote a greater alignment of interests between the external directors and the shareholders of the Company.

Under the Deferred Share Unit Plan, an external director of the Company may elect annually to have his or her director's fees and fees for attending meetings of the Board of Directors or committees thereof paid in the form of Deferred Share Units ("DSUs"). The number of DSUs received by a director is determined by dividing the amount of the fees to be paid in the form of DSUs on that date (the "Award Date") by the fair market value of the Company's Class B Subordinate Voting Shares on the Award Date. The Award Date is generally the last business day of each quarter of the Company's fiscal year. The fair market value of the Class B Subordinate Voting Shares is equal to their average closing price during the five trading days preceding the Award Date. DSUs are credited to an account maintained for the director by the Company.

Upon the termination of a director's service with the Company, the director will receive either:

(a) a cash amount equal to the number of DSUs in the director's account multiplied by the fair market value of the Class B Subordinate Voting Shares on the date on which a notice of redemption is filed with the Company by the director. The fair market value of the Class B Subordinate Voting Shares will be equal to their average closing price during the five trading days preceding the redemption date;

(b) a number of Class B Subordinate Voting Shares equal to the number of DSUs in the director's account. Such Class B Subordinate Voting Shares will be purchased by the Company on the Toronto Stock Exchange or issued from treasury; or

(c) a combination of cash and Class B Subordinate Voting Shares.

The mode of payment will be determined by the Board of Directors in its discretion. All payments will be made net of applicable taxes. The maximum number of Class B Subordinate Voting Shares that may be issued from treasury under the Deferred Share Unit Plan is 75,000, representing 0.27% of the issued and outstanding Class B Subordinate Voting Shares. As set out above, four of the Company's external directors earned an aggregate of 2,289 DSUs during the fiscal year ended December 30, 2004, representing 0.008% of the issued and outstanding Class B Subordinate Voting Shares. No financial assistance is provided by the Company to the external directors in connection with the Deferred Share Unit Plan.

The Company has obtained a prospectus exemption from the Autorité des marchés financiers with respect to the possible issuance of Class B Subordinate Voting Shares from treasury pursuant to the Deferred Share Unit Plan. Approval of the Deferred Share Unit Plan by the Toronto Stock Exchange is subject to approval of the Deferred Share Unit Plan by a majority of the votes cast at the Meeting, excluding the votes attaching to shares beneficially owned by external directors of the Company who may participate in the Deferred Share Unit Plan and such directors' associates. Consequently, the votes attached to an aggregate of 2,000 Class A Multiple Voting Shares and 39,800 Class B Subordinate Voting Shares held by such individuals will not be calculated for the purposes of approving the Deferred Share Unit Plan.

The text of the resolution with respect to the Deferred Share Unit Plan is annexed as Schedule B to this Management Proxy Circular.

REPORTS OF COMMITTEES OF THE BOARD OF DIRECTORS

1. Report of the Audit Committee

Consisting of three independent directors (Alain Benedetti, Harold P. Gordon and Maurice Tousson), the Audit Committee has oversight responsibility for the Company's financial reporting processes and the quality of its financial reporting.

In 2003, the Audit Committee reviewed and revised its Charter. As part of this work, the Audit Committee considered new Canadian and U.S. requirements for audit committees and emerging best practices. A copy of the Charter is annexed to this Circular at Schedule D.

In fulfilling its mandate in 2004, the Audit Committee has:

Financial Reporting:

- reviewed with management and the external auditors, prior to publication, the annual consolidated financial statements, the notes thereto and Management Discussion and Analysis ("MD&A"), the interim financial statements and MD&A, the annual information form and this Management Proxy Circular. This review included a discussion with the external auditors with respect to matters required to be disclosed under generally accepted accounting principles and matters pertaining to professional auditing guidelines and standards in Canada and the United States, including the auditors' independence;

- reviewed and approved the implementation of any new accounting policies; and

- received the written disclosures from the external auditors recommended by the Canadian Institute of Chartered Accountants and the Independence Standards Board in the United States.

The Chief Executive Officer and the Chief Financial Officer of the Company currently certify the information set forth in the consolidated financial statements and related disclosure materials as required by the *Sarbanes-Oxley Act*.

Based on this information, the Audit Committee recommended to the Board of Directors that the audited financial statements, the notes thereto and MD&A be included in the Annual Report to shareholders.

External Auditors:

- reviewed the performance and qualifications of the external auditors;

- reviewed the independence of the external auditors, based on the auditors' disclosure of its relationships with the Company and its compensation, and determined that the auditors were independent;

- approved the fees payable to the external auditors;

- reviewed the overall scope and plans of the annual audit with the external auditors and management;

- met privately with the representatives of the external auditors to discuss the scope of their work, their relationship with management and the internal auditor, and other issues which the external auditors wished to raise with the Audit Committee; and

- for 2005, reviewed proposals from various audit firms to replace Goldsmith Hersh, Chartered Accountants, as the external auditors of the Company, and recommended the appointment of KPMG LLP, Chartered Accountants.

Internal Auditor:

- reviewed the mandate, independence, qualifications, resources and annual work plan of the internal audit department;

- reviewed the results of audits performed; and

- met privately with the Director, Internal Audit.

Risk Management, Regulatory Compliance and Other

- established a process to review and approve any services to be provided by the external auditors, including the use of other accounting and tax advisors to conduct work not performed by the external auditors;

- ensured that a risk management process is fully operational and that the Company provides regular reports;

- reviewed reports from the external auditors and the internal auditor relating to the adequacy of the Company's risk management practices, as well as management responses;

- reviewed the financial performance of the Company's pension plans;

- maintained, through the Company's Code of Conduct, a procedure for the receipt of complaints regarding accounting or auditing matters, whereby issues may be submitted confidentially to the Audit Committee; and

- reviewed the specific Code of Conduct applicable to the senior financial management group of the Company.

The Audit Committee met regularly with the external auditors, the Director, Internal Audit, the Chief Financial Officer, the Vice-President, Finance and other members of management. In addition, the Audit Committee met without management at each meeting of the Committee.

The Audit Committee also reviewed its mandate and performance. The Audit Committee is satisfied with the appropriateness of its mandate and is satisfied that it met the terms of its mandate in 2004.

Signed:

Alain Benedetti (Chair) Harold P. Gordon, Q.C. Maurice Tousson

2. Report of the Human Resources and Corporate Governance Committee

Consisting of three independent directors (Harold P. Gordon, Maurice Tousson and Dian Cohen), the mandate of the Human Resources and Corporate Governance ("HRCG") Committee is to generally assume the responsibility for developing the Company's approach to matters of corporate governance and to review and make recommendations to the Board of Directors as to all such matters. In addition, the Committee generally assumes responsibility for making recommendations to the Board of Directors on all matters relating to the compensation of directors, members of the various committees of the Board of Directors, the Chairman of the Board, officers and employees of the Company.

In early 2004, the HRCG Committee reviewed and revised its Charter, which was then approved by the Board of Directors and which is annexed to this Management Proxy Circular at Schedule D.

In fulfilling its mandate, the HRCG Committee has:

- reviewed the size and composition of the Board of Directors to ensure that the current Board of Directors has the diversity of experience and is of an adequate size to provide for effective decision-making and staffing of Board of Directors committees;

- recommended to the Board of Directors the nominees to stand for election as directors at the Meeting;

- ensured the appropriate structure, composition and mandate of each Board of Directors committee;

- reviewed the compensation paid to directors to ensure that it was competitive and aligned the interests of directors with those of shareholders;

- monitored the Board of Directors' governance guidelines;

- reviewed the performance of the Chief Executive Officer and three Executive Vice-Presidents for 2004 and recommended to the Board of Directors their annual salary, incentive compensation and option grants;

- determined performance metrics and payout targets for the Chief Executive Officer and three Executive Vice-Presidents;

- reviewed the calculation of 2004 incentive compensation payments for officers and employees and recommended those amounts to the Board of Directors;

- reviewed and recommended grants of stock options to employees in 2004;

- reviewed and approved the 2004 annual incentive compensation performance metrics and payment targets for officers and employees; and

- reviewed and recommended the appointment of officers.

The HRCG Committee also reviewed its mandate and performance and is satisfied that it met the terms of its mandate in 2004.

Through the HRCG Committee, the Board of Directors reviews, evaluates and modifies its governance standards. The Board of Directors is satisfied that the Company's governance program is consistent with the guidelines adopted or proposed by the Toronto Stock Exchange and NASDAQ. A detailed comparison of the Company's governance practices with the guidelines of the Toronto Stock Exchange is annexed to this Management Proxy Circular as Schedule C.

Executive Compensation Strategy

The compensation program for the Company's executives is based on the Company's total reward strategy and is designed to:

- align the immediate and long-term interests of the executive team with the annual and long-term interests of the shareholders;

- attract and retain highly capable executives; and

- engage the leadership team by defining and rewarding performance for achieving a balance of Company-wide and business unit goals.

Base pay, annual incentives, long-term incentives, benefits and related rewards are designed within this overall strategy.

The Company gathers and compiles competitive remuneration data from external surveys using a cross section of comparable Canadian and U.S.-based organizations with which the Company competes for executive talent.

Program Components

Base Pay. The base pay for each executive is reviewed annually to ensure that it properly reflects a balance of market conditions, the levels of responsibility and accountability of each individual, their unique talents, capabilities and level of sustained performance, and the fiscal resources of the Company.

Annual Incentives. Annual incentives are reviewed annually and designed around the fiscal year's business strategies and performance targets. They combine metrics that reflect a blend of financial and operational Company-wide and business unit goals. These performance metrics are based on attaining specific earnings targets, as well as specified Company stock price value objectives. At the end of the year, the Company compares actual results against each performance goal and computes the incentive compensation earned.

Long-Term Incentives. The Company uses a stock option plan to align the executives' and selected senior employees' long-term interests with those of its shareholders. Options vest after one year, and option holders are entitled to exercise 25% of the total number of options held each successive year. The HRCG Committee believes this long-term incentive helps focus the Company's executives and other senior management on long-term growth.

Executive Compensation and Evaluation. The base salary, annual incentives and long-term incentives for the Chief Executive Officer and three Executive Vice-Presidents are reviewed by the HRCG Committee and recommended to the Board of Directors for approval.

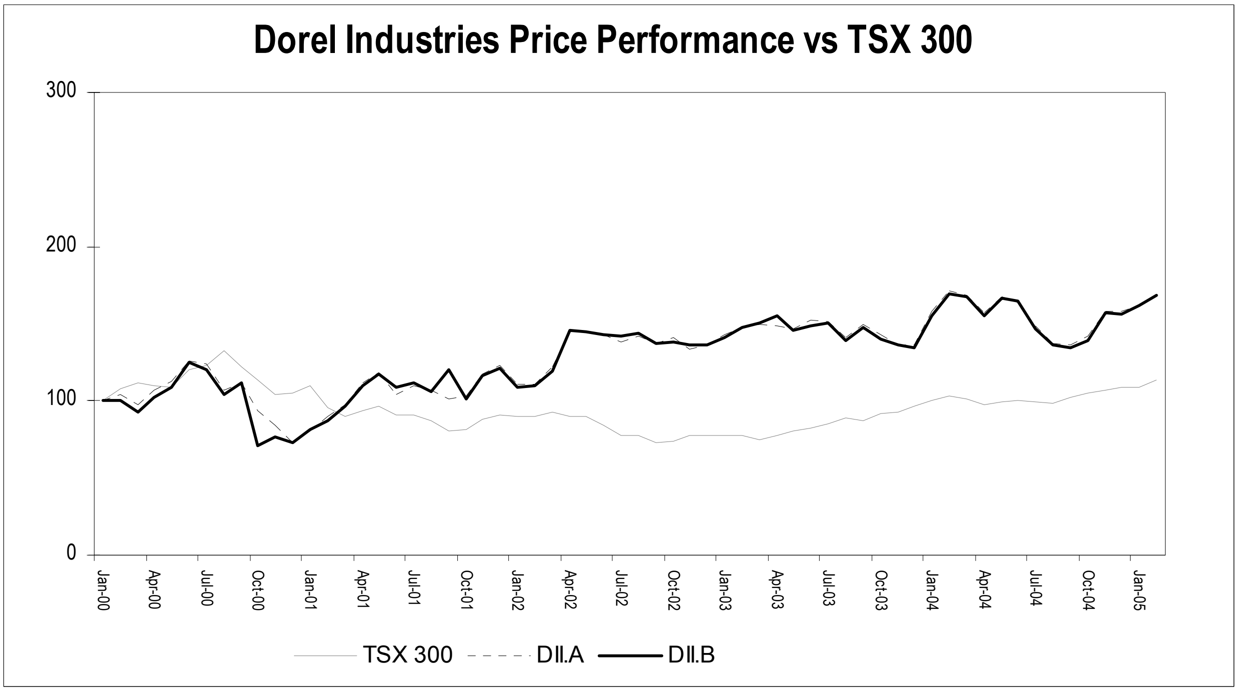
The base pay of the Chief Executive Officer and three Executive Vice-Presidents was set at $750,000 for 2004, based on performance levels and market data from external surveys of comparable roles within the Company's comparative group of companies. In addition, an annual incentive of $900,000 was paid to each, based on the Company's earnings targets and stock price value objectives.

Signed:

Harold P. Gordon, Q.C. (Chair) Maurice Tousson Dian Cohen

COMPARATIVE SHAREHOLDER RETURN

The following graph compares the total return of a $100 investment in the Class A Multiple Voting Shares and Class B Subordinate Voting Shares of the Company, respectively, made on January 1, 2000 with the cumulative return of the S&P/TSX Composite Index for the period from January 1, 2000 to February 28, 2005.



EXECUTIVE COMPENSATION

The following table sets forth all annual compensation for services in all capacities to the Company and its subsidiaries for the fiscal years ended December 30, 2004, 2003 and 2002 in respect of the President and Chief Executive Officer, the Executive Vice-President and Chief Financial Officer, and the three other most highly compensated executive officers (collectively, the "Named Executive Officers").

Summary Compensation Table

Name and Principal Position		Annual Compensation Salary $	Bonus $	Other annual compensation[(1)] $	Long Term Compensation Awards Number of options granted	Restricted stock awards	Payouts LTIP payouts	All Other
Martin Schwartz	2004	750,000	900,000	—	75,000	—	—	—
President and Chief	2003	725,000	914,932	—	—	—	—	—
Executive Officer	2002	700,000	762,153	—	100,000	—	—	—
Jeff Segel	2004	750,000	900,000	—	75,000	—	—	—
Executive Vice-President,	2003	725,000	914,932	—	—	—	—	—
Sales and Marketing	2002	700,000	762,153	—	100,000	—	—	—
Alan Schwartz	2004	750,000	900,000	—	75,000	—	—	—
Executive Vice-President,	2003	725,000	914,932	—	—	—	—	—
Operations	2002	700,000	762,153	—	100,000	—	—	—
Jeffrey Schwartz	2004	750,000	900,000	—	75,000	—	—	—
Executive Vice-President	2003	725,000	914,932	—	—	—	—	—
and Chief Financial Officer	2002	700,000	762,153	—	100,000	—	—	—
Pierre Dupuis	2004	457,500	499,091	—	40,000	—	—	—
Vice-President,	2003	427,500	427,500	—	—	—	—	—
Management Development	2002	399,583	362,552	—	50,000	—	—	—

(1) Disclosure of perquisites and other personal benefits is required only if they are greater than the lesser of $50,000 and ten percent of the total of the annual salary and bonus of the Named Executive Officer.

Option Grants During the Most Recently Completed Fiscal Year

In March 1998, the Board of Directors of the Company established the 1998 Stock Option Plan (the “1998 Plan”) for the Company’s directors, officers, employees and subsidiaries. The 1998 Plan was ratified by the shareholders at the annual general meeting held on May 28, 1998. In January 2001, the Board of Directors amended the 1998 Plan, increasing the number of Class B Subordinate Voting Shares that can be issued thereunder from 1,500,000 to 3,000,000. The amendment was ratified by the shareholders at the annual general meeting held on May 31, 2001.

In April 2004, the Board of Directors of the Company established the 2004 Stock Option Plan (the “2004 Plan”). The 2004 Plan was ratified by the shareholders at the annual general meeting held on May 28, 2004. A maximum of 3,000,000 Class B Subordinate Voting Shares may be issued under the 2004 Plan.

Among the objectives of the 1998 Plan and 2004 Plan (collectively, the “Plans”) is to provide directors, officers and employees of the Company and its subsidiaries with a proprietary interest through the granting of options to purchase Class B Subordinate Voting Shares of the Company. The Plans are also intended to increase the interest in the Company’s welfare of those directors, officers and employees who share primary responsibility for the management, growth and protection of the business of the Company, to furnish an incentive to such directors, officers and employees to continue their services for the Company and to provide a means through which the Company may attract able persons to enter its employment.

Of the 6,000,000 Class B Subordinate Voting Shares initially reserved for issuance under the Plans, 2,888,250 were available for issuance as at December 30, 2004. Any options granted by the Company in future will be granted under the 2004 Plan.

Under the 2004 Plan, the Board of Directors of the Company may by resolution grant options to directors, officers and employees of the Company, provided that the total number of Class B Subordinate Voting Shares issued under the 2004 Plan does not exceed 3,000,000. In addition, no option may be granted if such grant could result, at any time, when taken together with all of the Company’s other share compensation arrangements, in the number of Class B Subordinate Voting Shares reserved for issuance pursuant to stock options exceeding 10% of the aggregate number of issued and outstanding Class A Multiple Voting Shares and Class B Subordinate Voting Shares of the Company.

The 2004 Plan also contains restrictions on the number of Class B Subordinate Voting Shares which may be issued to the Company's "insiders", that is, its directors and officers and those of its subsidiaries. Under the 2004 Plan, no option may be granted if such grant could result, at any time, when taken together with all of the Company's other share compensation arrangements, including the 1998 Plan, in:

(a) the number of Class B Subordinate Voting Shares reserved for issuance pursuant to stock options granted to "insiders" exceeding 10% of the aggregate number of issued and outstanding Class A Multiple Voting Shares and Class B Subordinate Voting Shares;

(b) the issuance to "insiders" within a one-year period of a number of Class B Subordinate Voting Shares exceeding 10% of the aggregate number of issued and outstanding Class A Multiple Voting Shares and Class B Subordinate Voting Shares; or

(c) the issuance to any one "insider" and such insider's associates, within a one-year period, of a number of Class B Subordinate Voting Shares exceeding 5% of the aggregate number of issued and outstanding Class A Multiple Voting Shares and Class B Subordinate Voting Shares.

Under the 2004 Plan, the option price per share is set by the Board of Directors at the time of the granting of each option, but cannot be less than the closing sale price of the Class B Subordinate Voting Shares on the Toronto Stock Exchange on the trading day immediately preceding the date of the grant. The maximum period during which an option may be exercised is ten years from the date of the grant. No option may be exercised during the first year following the grant thereof. An option may be exercised in whole or in part in respect of 25% of the Class B Subordinate Voting Shares subject to the option during each of the second, third, fourth and fifth years following the grant thereof.

Under the 2004 Plan, upon an optionee's employment with the Company being terminated for cause, any option not exercised terminates immediately. If an optionee dies, any option may be exercised for that number of shares which the optionee was entitled to acquire at the time of death. Such option may be exercised for a period of 30 days after the date of death. Upon an optionee's employment, office or directorship ending other than by reason of death or termination for cause, any option may be exercised for that number of shares which the optionee was entitled to acquire at the time of such termination. Such option may be exercised for a period of 30 days after such termination.

The following table sets out the details of all grants of options to the Named Executive Officers during the fiscal year ended December 30, 2004.

Name	Options Granted	% of Total Options Granted to Employees in Financial Year	Exercise Price	Market Value on Date of Grant	Expiration Date
Martin Schwartz	75,000	10.0%	$45.00	$45.00	Feb. 26, 2009
Jeff Segel	75,000	10.0%	$45.00	$45.00	Feb. 26, 2009
Alan Schwartz	75,000	10.0%	$45.00	$45.00	Feb. 26, 2009
Jeffrey Schwartz	75,000	10.0%	$45.00	$45.00	Feb. 26, 2009
Pierre Dupuis	40,000	5.3%	$45.00	$45.00	Feb. 26, 2009

Options Exercised in Last Fiscal Year and Fiscal Year End Option Value

The following table sets out information concerning the exercise of stock options during the 2004 fiscal year by each of the Named Executive Officers and the number and value of options held by the Named Executive Officers at fiscal year end.

Name	Shares acquired on exercise	Value realized ($)	Number of unexercised options at fiscal year end Exercisable / Unexercisable	Value of unexercised in the money options at fiscal year end ($) [(1)] Exercisable / Unexercisable
Martin Schwartz	—	—	50,000 / 125,000	479,000 / 479,000
Jeff Segel	—	—	50,000 / 125,000	479,000 / 479,000
Alan Schwartz	—	—	50,000 / 125,000	479,000 / 479,000
Jeffrey Schwartz	—	—	50,000 / 125,000	479,000 / 479,000
Pierre Dupuis	50,000	764,500	— / 65,000	— / 239,500

(1) The value of unexercised “in the money” options is calculated using the closing price of the Class B Subordinate Voting Shares on the Toronto Stock Exchange on December 30, 2004 ($41.35) less the respective exercise prices of the options.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets out certain details as at December 30, 2004, the end of the Company’s last fiscal year, with respect to compensation plans pursuant to which equity securities of the Company are authorized for issuance.

Plan Category	Number of shares to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (US$) (b)	Number of shares remaining available for future issuance under the Equity Compensation Plans (excluding securities reflected in column (a)) (c)
Equity compensation plans previously approved by shareholders	1,615,750	$26.95	2,888,250
Equity compensation plans not previously approved by shareholders	nil	nil	nil

The options referred to in the table above were granted under the 1998 Plan and the 2004 Plan. See “Executive Compensation - Option Grants During the Most Recently Completed Fiscal Year” for a description of the material features of the 1998 Plan and 2004 Plan.

INDEBTEDNESS OF DIRECTORS AND OFFICERS

The *Sarbanes-Oxley Act* prohibits public companies, such as the Company, whose securities are listed on a U.S. securities exchange or NASDAQ, from making loans or otherwise extending loans or arranging credit to directors and executive officers except in very limited circumstances. Loans or other arrangements that existed on July 30, 2002 may be maintained, but they may not be extended or materially modified. As of December 30, 2004, the Company had no loans outstanding to any of its directors or executive officers.

DIRECTORS' AND OFFICERS' INSURANCE

The Company has purchased directors' and officers' liability insurance, which has an aggregate claim limit of approximately US$15 million each policy year for all directors and officers of the Company and its subsidiaries. In 2004, the cost of this coverage was approximately US$276,000 and was paid by the Company.

CORPORATE GOVERNANCE

Recent Developments

The Board of Directors of the Company is committed to maintaining high standards of corporate governance. In 2003, significant changes were initiated by the Company to improve its corporate governance practices. These changes continued through 2004 and resulted in significant governance improvements, including the following:

- the number of independent directors increased from three to five, resulting in a Board of Directors with a majority of independent directors;
- the number of meetings of committees of the Board of Directors increased from five in 2003 to nine in 2004; and
- the Board of Directors approved a Deferred Share Unit Plan, the purpose of which is to promote a greater alignment of interests between the directors and the shareholders of the Company.

In addition, the Board of Directors has instituted and maintains the following policies:

- holding regular meetings of the independent directors without the presence of management or non-independent directors;
- ensuring that the Company's lead director is independent of management;
- all members of the two committees of the Board of Directors are independent;
- a formal disclosure policy exists for all insiders with access to confidential information with respect to the Company, ensuring timely and accurate disclosure;
- a policy of financial reporting adhered to by applicable personnel;
- policies of whistleblowing and "incident reporting" are to be followed throughout the Company;
- a policy on consulting services administered by the Audit Committee, including the exclusion of specific non-audit services that cannot be provided by the Company's external auditors;
- compliance with trading restrictions and blackout periods with respect to trading in the Company's shares is required for all employees and directors;
- a formal code of business conduct that establishes a high standard for ethical behaviour among management, employees and directors is to be signed each year;
- ensuring that the Company's stock option plan restricts the number of options outstanding at any one time to less than 10% of the issued and outstanding shares of the Company; and
- restricting options held by any one insider to less then 5% of the issued and outstanding shares of the Company.

Toronto Stock Exchange Guidelines

The Toronto Stock Exchange has adopted a set of guidelines for effective corporate governance that requires a listed company to disclose annually its approach to corporate governance, with a specific reference to each guideline.

A complete description of the Company's approach to corporate governance, with a specific reference to each guideline is set out in the "Statement of Corporate Governance Practices" annexed as Schedule C to this Management Proxy Circular. This disclosure statement has been approved by the HRCG Committee and by the Board of Directors. The Charters of each of the Audit Committee and HRCG Committee are annexed at Schedule D to this Management Proxy Circular.

ADDITIONAL INFORMATION

Additional information regarding the business of the Company is contained in the Company's renewal annual information form for 2004, and documents incorporated by reference therein. Additional financial information regarding the Company is provided in the Company's comparative consolidated financial statements for the fiscal year ended December 30, 2004. Copies of these documents, the Company's renewal annual information form for the fiscal year ended December 30, 2004 and documents incorporated by reference therein, any interim financial statements for periods subsequent to December 30, 2004 and additional copies of this Management Proxy Circular may be obtained upon request from the Company at 1255 Greene Ave, Suite 300, Westmount, Quebec H3Z 2A4; telephone (514) 934-3034; fax (514) 934-9379; e-mail: info@Dorel.com.

Corporate information is also available on the Company's Web site: www.Dorel.com.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

No "informed person" of the Company, that is: (a) the directors and executive officers of the Company; (b) any person who beneficially owns, directly or indirectly, or exercises control or direction over more than 10% of the Company's outstanding voting shares; (c) any director or executive officer of a person referred to in (b) above; or (d) any associate or affiliate of any "informed person" of the Company, has any material interest, direct or indirect, in any transaction since December 31, 2003 or in any proposed transaction which has materially affected or would materially affect the Company.

OTHER MATTERS

Management of the Company knows of no other matter to come before the Meeting other than those referred to in the Notice of Meeting. However, if any other matters that are not known to management should properly come before the Meeting, the accompanying form of proxy confers discretionary authority upon the persons named therein to vote on such matters in accordance with their best judgment.

DIRECTORS' APPROVAL

The Board of Directors of the Company has approved the contents and the mailing of this Management Proxy Circular.

Jeffrey Schwartz
Executive Vice-President, Chief Financial Officer and Secretary

DATED at Montreal, Quebec
April 12, 2005

SCHEDULE A

REPORTING PACKAGE RE CHANGE OF AUDITORS

NOTICE OF CHANGE OF AUDITORS

TO: AUTORITÉ DES MARCHÉS FINANCIERS
BRITISH COLUMBIA SECURITIES COMMISSION
ALBERTA SECURITIES COMMISSION
SASKATCHEWAN FINANCIAL SERVICES COMMISSION, SECURITIES DIVISION
THE MANITOBA SECURITIES COMMISSION
ONTARIO SECURITIES COMMISSION
NOVA SCOTIA SECURITIES COMMISSION
NEW BRUNSWICK SECURITIES COMMISSION
SECURITIES COMMISSION OF NEWFOUNDLAND AND LABRADOR
REGISTRAR OF SECURITIES, PRINCE EDWARD ISLAND

AND: TORONTO STOCK EXCHANGE

AND: GOLDSMITH HERSH, CHARTERED ACCOUNTANTS

AND: KPMG LLP, CHARTERED ACCOUNTANTS

Pursuant to National Instrument 51-102 *Continuous Disclosure Obligations* (the “**Instrument**”), Dorel Industries Inc. (the “**Company**”) hereby advises that:

(i) Goldsmith Hersh, Chartered Accountants, have at the request of the Company resigned as auditors of the Company effective March 22, 2005;

(ii) on March 23, 2005, the Board of Directors of the Company accepted the resignation of Goldsmith Hersh, Chartered Accountants, and appointed KPMG LLP, Chartered Accountants, as the auditors of the Company; and

(iii) the Company will ask that the shareholders of the Company reappoint KPMG LLP, Chartered Accountants, as the auditors of the Company at the next annual general meeting of the shareholders of the Company, to be held on May 18, 2005.

The Company further reports that:

(i) there were no reservations in the reports by Goldsmith Hersh, Chartered Accountants, on any of the Company’s financial statements for the period commencing at the beginning of the Company’s two most recently completed financial years and ending on March 22, 2005; and

(ii) there are no reportable events, including disagreements, consultations or unresolved issues as defined in section 4.11(1) of the Instrument between Goldsmith Hersh, Chartered Accountants, and the Company.

SIGNED at Montreal, Quebec this 31st day of March, 2005.

DOREL INDUSTRIES INC.

Per: Jeffrey Schwartz

Jeffrey Schwartz
Executive Vice-President and Chief Financial Officer

Comptables agréés
Chartered Accountants

Goldsmith Hersh S.E.N.C.R.L.

April 7, 2005

TO: AUTORITÉ DES MARCHÉS FINANCIERS
BRITISH COLUMBIA SECURITIES COMMISSION
ALBERTA SECURITIES COMMISSION
SASKATCHEWAN FINANCIAL SERVICES COMMISSION, SECURITIES DIVISION
THE MANITOBA SECURITIES COMMISSION
ONTARIO SECURITIES COMMISSION
NOVA SCOTIA SECURITIES COMMISSION
NEW BRUNSWICK SECURITIES COMMISSION
SECURITIES COMMISSION OF NEWFOUNDLAND AND LABRADOR
REGISTRAR OF SECURITIES, PRINCE EDWARD ISLAND

AND: TORONTO STOCK EXCHANGE

AND: DOREL INDUSTRIES INC.

AND: KPMG LLP, CHARTERED ACCOUNTANTS

RE: Dorel Industries Inc.
National Instrument 51-102 - Change of Auditor

Sirs:

We acknowledge receipt of a Notice of Change of Auditors (the "**Notice**") dated March 31, 2005 from Dorel Industries Inc. (The "**Company**"), advising that Goldsmith Hersh, Chartered Accountants, at the request of the Company, have resigned as auditors of the Company effective March 22, 2005 and that the Board of Directors of the Company appointed KPMG LLP, Chartered Accountants, as successor auditors on March 23, 2005.

Pursuant to National Instrument 51 - 102 *Continuous Disclosure Obligations,* this is to confirm that:

(i) we have reviewed the Notice; and

(ii) based on our knowledge as at the time of receipt of the Notice, we agree with the information and each of the statements contained therein.

GOLDSMITH HERSH

CHARTERED ACCOUNTANTS

1411, rue du Fort, bureau 200
Montréal (Québec) H3H 2N6

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Suite 1900
Montréal (Québec) H3A 3H8

Téléphone (514) 840-2100
Telefax (514) 840-2187
http://www.kpmg.ca

Montreal, April 8, 2005

TO: AUTORITÉ DES MARCHÉS FINANCIERS
BRITISH COLUMBIA SECURITIES COMMISSION
ALBERTA SECURITIES COMMISSION
SASKATCHEWAN FINANCIAL SERVICES COMMISSION, SECURITIES DIVISION
THE MANITOBA SECURITIES COMMISSION
ONTARIO SECURITIES COMMISSION
NOVA SCOTIA SECURITIES COMMISSION
NEW BRUNSWICK SECURITIES COMMISSION
SECURITIES COMMISSION OF NEWFOUNDLAND AND LABRADOR
REGISTRAR OF SECURITIES, PRINCE EDWARD ISLAND

AND: TORONTO STOCK EXCHANGE

AND: DOREL INDUSTRIES INC.

AND: GOLDSMITH HERSH, CHARTERED ACCOUNTANTS

RE: Dorel Industries Inc
National Instrument 51-102 – Change of Auditor

Sirs:

We acknowledge receipt of:

(i) a Notice of Change of Auditors (the "Notice") dated March 31, 2005 from Dorel Industries Inc. (the "Company"), advising that Goldsmith Hersh, Chartered Accountants, at the request of the Company, resigned as auditors of the Company effective March 22, 2005 and that the Board of Directors of the Company appointed KPMG LLP, Chartered Accountants, as successor auditors of the Company on March 23, 2005; and

(ii) a letter (the "Former Auditor's Letter") dated April 6, 2005 from Goldsmith Hersh, Chartered Accountants, to the securities commission or similar regulatory authority of each of the provinces of Canada, the Toronto Stock Exchange, the Company and KPMG LLP, Chartered Accountants.

Pursuant to National Instruments 51-102 *Continuous Disclosure Obligations*, this is to confirm that:

(i) we have reviewed the Notice and the Former Auditor's Letter; and

(ii) based on our knowledge as at the time of receipt of the Notice and the Former Auditor's Letter, we agree with the information and each of the statements contained therein.

KPMG LLP

KPMG LLP, Chartered Accountants

CONFIRMATION OF AUDIT COMMITTEE REVIEW

TO: AUTORITÉ DES MARCHÉS FINANCIERS
BRITISH COLUMBIA SECURITIES COMMISSION
ALBERTA SECURITIES COMMISSION
SASKATCHEWAN FINANCIAL SERVICES COMMISSION, SECURITIES DIVISION
THE MANITOBA SECURITIES COMMISSION
ONTARIO SECURITIES COMMISSION
NOVA SCOTIA SECURITIES COMMISSION
NEW BRUNSWICK SECURITIES COMMISSION
SECURITIES COMMISSION OF NEWFOUNDLAND AND LABRADOR
REGISTRAR OF SECURITIES, PRINCE EDWARD ISLAND
(collectively, the "**Securities Commissions**")

AND: TORONTO STOCK EXCHANGE (the "**TSX**")

AND: GOLDSMITH HERSH, CHARTERED ACCOUNTANTS

AND: KPMG LLP, CHARTERED ACCOUNTANTS

This is to confirm that the Audit Committee of Dorel Industries Inc. has reviewed the following documents in respect of the change of auditors of the Company:

1. a Notice of Change of Auditors (the "**Notice**") dated March 31, 2005 to the Securities Commissions, the TSX, Goldsmith Hersh, Chartered Accountants, and KPMG LLP, Chartered Accountants;

2. a letter dated April 7, 2005 from Goldsmith Hersh, Chartered Accountants (the "**Former Auditor's Letter**") in response to the Notice; and

3. a letter dated April 8, 2005 from KPMG LLP, Chartered Accountants, in response to the Notice and the Former Auditor's Letter.

The Audit Committee hereby confirms that it has approved the Notice.

SIGNED at Montreal, Quebec, this 11th day of April, 2005.

Maurice Tousson
Chairman of the Audit Committee
Dorel Industries Inc.

SCHEDULE B

SHAREHOLDERS' RESOLUTION – DEFERRED SHARE UNIT PLAN

BE AND IT IS HEREBY RESOLVED:

THAT the Deferred Share Unit Plan of the Company, as approved by the Board of Directors on April 28, 2004 and as described in the Management Proxy Circular of the Company dated April 12, 2005, is hereby approved.

SCHEDULE C

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

Guideline 1a	**Board of Directors should specifically assume responsibility for the adoption of a strategic planning process**
Does the Company comply?	Yes
Comments:	The Board of Directors believes that management is primarily responsible for development of corporate strategy. Strategic planning is a continuous process, and it is the role of the Board of Directors to review, question, validate and approve material changes in the strategy of the Company. The Board of Directors believes that strategy development is an interactive process between management and the Board of Directors.
Guideline 1b	**Board of Directors should specifically assume responsibility for the identification of principal business risks, and implementation of risk management systems**
Does the Company comply?	Yes
Comments:	The Board of Directors is responsible for understanding the principal risks associated with the Company's business on an ongoing basis and it is the responsibility of management to assure that the Board of Directors and its committees are kept well informed of these changing risks on a timely basis. The Audit Committee reviews and reports to the Board of Directors on financial risks inherent in the business and related risk management programs.
Guideline 1c	**Board of Directors should specifically assume responsibility for succession planning, including appointing, training and monitoring senior management**
Does the Company comply?	Yes
Comments:	The Board of Directors reviews and discusses organizational structure and succession planning matters as required. The Company monitors the performance of senior management based on objectives and budgets approved. The Human Resources and Corporate Governance ("HRCG") Committee conducts an annual review and assessment of the performance of the Chief Executive Officer and the senior executive officers of the Company.
Guideline 1d	**Board of Directors should specifically assume responsibility for a communications policy**
Does the Company comply?	Yes
Comments:	The Board of Directors has approved the Company's Disclosure Policy covering timely dissemination of all material information. The Company communicates with its shareholders and other stakeholders through a variety of means, including its annual report, quarterly reports, annual information form, news releases, Web site, briefing sessions and group meetings.

Guideline 1e	**Board of Directors should specifically assume responsibility for the integrity of internal control and management information systems**
Does the Company comply?	Yes
Comments:	The Audit Committee requires management to implement and maintain appropriate systems of internal control and meets with the internal and external auditors and management to assess the adequacy and effectiveness of these systems of internal control.
Guideline 2	**Majority of directors should be "unrelated" (independent from management and free from conflicts of interest)**
Does the Company comply?	Yes
Comments:	The HRCG Committee annually reviews the existence of any relationships between each director and the Company in order to determine whether the majority of directors are independent and unrelated to the Company and, where any relationships exist, whether the director is acting appropriately.
Guideline 3a	**Disclose for each director whether he or she is unrelated, and how that conclusion was reached**
Does the Company comply?	Yes
Comments:	The Board of Directors considers that Martin Schwartz, Jeff Segel, Alan Schwartz and Jeffrey Schwartz are related to management in that each is a senior officer of the Company. In the case of all of the other directors proposed for election to the Board of Directors, based on information provided by the directors as to their individual circumstances, the Board of Directors has determined that each is unrelated to management in that none has any interest, business or other relationship that could or could reasonably be perceived to materially interfere with his or her ability to act in the best interest of the Company, other than interests and relationships arising from shareholding, and none has received remuneration from the Company other than directors' fees.
Guideline 3b	**The board of directors should include a number of directors who do not have interests in or relationships with either the corporation or the significant shareholder and which fairly reflects the investment in the corporation by shareholders other than the significant shareholder.**
Does the Company comply?	Yes
Comments:	A "significant shareholder" is defined in the December 1994 report of the Toronto Stock Exchange Committee on Corporate Governance in Canada as a shareholder with the ability to exercise a majority of the votes for the election of the board of directors. The Board of Directors considers that no one person is a significant shareholder of the Company. However, Martin Schwartz, Jeff Segel, Alan Schwartz, Jeffrey Schwartz and Laura Schwartz in the aggregate have the ability to exercise a majority of the votes for the election of directors attached to the outstanding shares of the Company. Martin Schwartz, Alan Schwartz and Jeffrey Schwartz are the sons of Laura Schwartz; Jeff Segel is related through marriage to Martin Schwartz.

Guideline 4	**Appoint a committee of outside directors responsible for appointment of new nominees and ongoing assessment of directors**
Does the Company comply?	Yes
Comments:	The HRCG Committee annually reviews the criteria applicable to candidates to be considered for nomination to the Board of Directors. The objective of this review is to ensure that the composition of the Board of Directors provides the best mix of skills and experience to guide the long-term strategy and ongoing business operations of the Company. The HRCG Committee makes recommendations to the Board of Directors and the Board of Directors is responsible for identifying suitable candidates to be recommended for election to the Board of Directors by the shareholders. The HRCG Committee, together with the President and Chief Executive Officer, annually assesses the performance of individual directors.
Guideline 5	**Implement a committee process for assessing the effectiveness of the Board of Directors, its committees and the contribution of individual directors**
Does the Company comply?	Yes
Comments:	The Board of Directors has created a process for assessing the effectiveness of the Board of Directors, its committees or individual directors, and the Company has implemented a formal policy.
Guideline 6	**Provide orientation and education programs for new recruits to the Board of Directors**
Does the Company comply?	Yes
Comments:	The Company provides an orientation program for new directors in the form of informal meetings with members of senior management, complemented by presentations on the main areas of the Company's business. On an ongoing basis, directors receive updates on developments in the industry, economic developments in the geographical areas in which the Company is active and communications from the Chief Executive Officer to employees.
Guideline 7	**Examine size and undertake a program to establish a board size which facilitates effective decision making**
Does the Company comply?	Yes
Comments:	The Board of Directors currently consists of nine directors and shareholders will be asked to elect ten directors at the Meeting. The Board of Directors is of the view that a Board of Directors consisting of nine to eleven directors, of which a majority is independent, is large enough to present a diversity of views and experience, but also small enough to carry out its duties efficiently.
Guideline 8	**Review adequacy and form of compensation of directors to ensure compensation reflects risks and responsibilities**
Does the Company comply?	Yes
Comments:	The HRCG Committee reviews the compensation of the directors annually and is mandated to review and recommend to the Board of Directors for approval the

	remuneration of directors. The Committee considers time commitment, comparative fees and responsibilities in determining remuneration.
Guideline 9	**Committees should generally be composed of outside directors, the majority of whom are unrelated**
Does the Company comply?	Yes
Comments**:**	The HRCG Committee and the Audit Committee are both composed entirely of outside, unrelated directors.
Guideline 10	**Appoint a committee responsible for developing an approach to corporate governance issues**
Does the Company comply?	Yes
Comments**:**	The mandate of the HRCG Committee includes the responsibility to develop and recommend to the Board of Directors a set of corporate governance principles applicable to the Company.
Guideline 11a	**Define limits to management's responsibilities by developing position description for:**
	(i) the Board of Directors
Does the Company comply?	Yes
Comments:	The Board of Directors has plenary power. Any responsibility not delegated to senior management or a committee of the Board of Directors remains with the Board. However, the Board of Directors has adopted its own guidelines that were prepared to assist the Board of Directors and management in clarifying responsibilities and ensuring effective communication between the Board of Directors and management.
	(ii) the CEO
Does the Company comply?	Yes
Comments:	The Board of Directors has approved a position description for the CEO. The Board of Directors annually approves the corporate objectives that the CEO is responsible for meeting and assesses the CEO against those objectives.
Guideline 11b	**Board of Directors should approve or develop corporate objectives that the CEO is responsible for meeting**
Does the Company comply?	Yes
Comments:	The HRCG Committee conducts an annual review of the performance of the CEO against objectives agreed upon by the Committee and the CEO. The Chair of the HRCG Committee communicates this performance evaluation to the CEO. The evaluation is used by the HRCG Committee in its deliberations concerning the CEO's annual compensation. The evaluation of performance against corporate objectives forms part of the determination of the entire compensation of all employees.

Guideline 12	**Establish procedures to enable the Board of Directors to function independently of management**
Does the Company comply?	Yes
Comments:	Meetings of the Board of Directors are chaired by the President and Chief Executive Officer of the Company, Martin Schwartz, who is not considered by the Board of Directors to be independent of the Company's management. The Board of Directors believes that setting the agenda and ensuring that the relevant information is made available to the Board of Directors, a key element for an efficient corporate governance practice, is best served by a person who has intimate knowledge of the Company and its business. The Board of Directors has also appointed Maurice Tousson, an independent director, as "lead director". As lead director, Mr. Tousson provides the leadership in ensuring board effectiveness and is responsible for consulting with the President and Chief Executive Officer in setting the agenda for board meetings, ensuring board committees function appropriately, chairing meetings of the independent members of the Board of Directors and chairing Board of Directors meetings when the President and Chief Executive Officer is absent. Since meetings of the Board of Directors are chaired by the President and Chief Executive Officer of the Company, the Board of Directors has given the HRCG Committee (chaired by Harold P. Gordon, an unrelated director of the Company) the responsibility of ensuring that the Board of Directors functions independently of management. Moreover, the outside directors meet independently of management at each meeting of the Board of Directors.
Guideline 13	**Establish an audit committee composed only of outside directors with specifically defined roles and responsibilities**
Does the Company comply?	Yes
Comments:	All of the members of the Audit Committee are independent and unrelated to the Company. The charter of the Audit Committee annexed at Schedule D specifically defines its roles and responsibilities.
Guideline 14	**Implement a system to enable individual directors to engage outside advisors at the corporation's expense**
Does the Company comply?	Yes
Comments**:**	The Board of Directors has determined that any director who wishes to engage an outside advisor on matters relating to his or her responsibilities as a director may do so, at the expense of the Company, after obtaining the authorization of the HRCG Committee.

SCHEDULE D

CHARTERS OF THE COMMITTEES OF THE BOARD OF DIRECTORS

The mandates, duties and responsibilities of the committees, as set out in their Charters, are as follows:

1. AUDIT COMMITTEE

The Audit Committee of the Board of Directors assists the Board in fulfilling its oversight responsibilities relating to the quality and integrity of the accounting, auditing and reporting practices of the Company and such other duties as directed by the Board of Directors or imposed by legislative authorities or stock exchanges.

Structure and Organization

1. The Committee will be composed solely of directors who are independent of the management of the Company and are free of any relationship that, in the opinion of the Board of Directors, may interfere with their exercise of independent judgment as a committee member, all in accordance with applicable securities law and stock exchange requirements.

2. The membership of the Committee will consist of at least three independent members of the Board of Directors. Committee members and the Committee Chairman shall be designated by and serve at the pleasure of the Board of Directors. All members must be financially literate and at least one member must have accounting or related financial management expertise, in each case in the judgment of the Board of Directors.

3. The Committee shall meet at least four times per year or more frequently as circumstances require. The Committee may ask members of management or others to attend meetings and provide pertinent information as necessary. The required quorum is two out of three members, or three out of four members, depending on the number of members on the Committee at the time of the meeting.

4. The Committee is expected to maintain free and open communication with management and the external auditors.

5. The Committee has the authority to investigate any matter brought to its attention and to retain outside counsel for this purpose if, in its judgment, that is appropriate.

6. Members of the Audit Committee are prohibited from receiving any payment, either directly or indirectly, from the Company other than for Board or Audit Committee service.

General Responsibilities

1. Meet periodically with representatives of the external auditors, the Director of Internal Audit, and management in separate sessions to discuss any matters that the Committee or these groups believe should be discussed privately with the Committee. Provide sufficient opportunity for the external auditors to meet with the internal auditors as appropriate without members of management being present.

2. Submit the minutes of all Committee meetings to the Board of Directors.

3. Review and reassess the adequacy of this Charter annually.

Responsibilities for Engaging External Auditors

1. Recommend for approval by the Board of Directors and ratification by the shareholders the selection and retention of an independent firm of chartered accountants as external auditors, approve compensation of the external auditors, and review and approve in advance the discharge of the external auditors.

2. Review the independence of the external auditors. In considering the independence of the external auditors, the Committee will review the nature of the services provided by the external auditors and the fees charged, and such other matters as the Committee deems appropriate.

3. Arrange for the external auditors to be available to the Board of Directors at least annually to help provide a basis for the Board's approval of the external auditors' appointment.

4. Approve all allowable non-audit related services to be provided by the Company's external auditors on a case-by-case basis.

Responsibilities for Oversight of the Quality and Integrity of Accounting, Auditing and Reporting Practices of the Company

1. Review the annual financial statements with management and the external auditors prior to release. The Committee, or at least its Chairman, should discuss each quarterly earnings announcement with management (and the external auditors if desired) prior to their release. These discussions should cover the quality of the financial reporting, and such others matters as the Committee deems appropriate.

2. Review with the external auditors and management the audit plan of the external auditors for the current year and the following year.

3. Review with the external auditors and financial and accounting personnel, the adequacy and effectiveness of the accounting, financial, and computerized information systems controls of the Company.

4. Establish procedures for the receipt, retention and treatment of complaints received regarding accounting, internal accounting controls or auditing matters. Such complaints are to be treated confidentially and anonymously.

5. Review and approve all related party transactions undertaken by the Company.

Periodic Responsibilities

1. Review periodically with management any legal and regulatory matters that may have a material impact on the Company's financial statements, compliance policies and compliance programs.

2. Review with management and approve transactions involving management and/or members of the Board of Directors, which would require disclosure under SEC or TSX rules.

3. Oversee the Company's Corporate Compliance Program and periodically review and suggest to management any necessary improvements for the Corporate Compliance Program.

4. Perform such other functions assigned by law, the Company's Articles or bylaws, or by the Board of Directors.

5. Review services and related fees for work done by the external auditors in the period and newly pre-approved services since the previous meeting as well as an updated projection of the total costs for the fiscal year.

2. HUMAN RESOURCES AND CORPORATE GOVERNANCE COMMITTEE

The mandate of the Human Resources and Corporate Governance Committee is to assume the responsibility for developing the Company's approach to matters of corporate governance and to review and make recommendations to the Board of Directors as to all such matters. In addition, the Committee assumes responsibility for making recommendations to the Board of Directors on all matters relating to the compensation of directors, members of the various committees of the Board of Directors, officers and employees of the Company, as more specifically delineated in the responsibilities of the Committee set forth below.

Structure and Organization

1. The Committee will be composed solely of directors who are independent of the management of the Company and are free of any relationship that, in the opinion of the Board of Directors, may interfere with their exercise of independent judgment as a committee member, all in accordance with applicable securities law and stock exchange requirements.

2. The membership of the Committee will consist of at least three independent members of the Board of Directors. Committee members and the Committee Chairman shall be designated by the Board of Directors.

3. The Committee shall meet at least once per year or more frequently as circumstances require. The Committee may ask members of management or others to attend the meetings and provide pertinent information as necessary. The required quorum is two out of three members, or three out of four members, depending on the number of members on the Committee at the time of the meeting.

4. The Committee has the authority to investigate any matter brought to its attention and to retain outside counsel for this purpose if, in its judgment, that is appropriate.

General Responsibilities

The responsibilities of the Human Resources and Corporate Governance Committee generally include, but are not limited to, the following.

1. Annually reviewing the charters of the Board of Directors and its committees and after consulting with the members of each respective committee, recommending to the Board of Directors such amendments to those charters as the Human Resources and Corporate Governance Committee believes are necessary or desirable.

2. Reviewing, from time to time, the size, composition and profile of the Board of Directors taking into account age, geographical representation, disciplines and other issues it considers appropriate.

3. Reviewing and proposing to the Board of Directors criteria for selecting new directors.

4. Recommending to the Board of Directors suitable candidates for election to the Board by the shareholders.

5. Assisting the Lead Director in carrying out his responsibilities, including without limitation:

- Ensuring that the responsibilities of the Board of Directors are well understood by both the Board of Directors and management, and that the boundaries between the Board of Directors and management responsibilities are clearly understood and respected;

- Ensuring that the Board of Directors works as a cohesive team and providing the leadership essential to achieve this;

- Ensuring that the resources available to the Board of Directors (in particular timely and relevant information) are adequate to support its work; and

- Adopting procedures to ensure that the Board of Directors can conduct its work effectively and efficiently, including committee structure and composition, scheduling, and management of meetings.

6. Supervising and evaluating the Company's securities compliance procedures and reporting to the Board of Directors on the necessary changes to such procedures and on the adoption of any additional procedures.

7. Considering and, if thought fit, approving requests from directors or committees of directors for the engagement of special advisors from time to time.

8. Monitoring and evaluating the performance of the Chief Executive Officer and other members of senior management.

9. Annually reviewing and making recommendations to the Board of Directors with respect to the Company's compensation and benefit programs for the President and Chief Executive Officer and other senior officers of the Company, including base salaries, bonuses or other performance incentives, stock options and/or restricted share rights.

10. Reviewing and making recommendations to the Board of Directors with respect to the implementation or variation of stock option plans, restricted share rights plans, share purchase plans, compensation and incentive plans and retirement plans. Further, the Human Resources and Corporate Governance Committee will ensure proper administration of the Company's existing share incentive plans, including making recommendations with respect to the granting of options or restricted share rights.

11. The Human Resources and Corporate Governance Committee will provide an annual report on executive compensation to the shareholders of the Company in the Management Proxy Circular prepared for the annual general meeting of the shareholders.