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RESULTS CONFERENCE CALL
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DATE: MARCH 11, 2008

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OPERATOR: Good afternoon ladies and gentlemen, and thank you for standing by. Welcome to the Dorel Industries fourth-quarter results conference call. At this time, all participants are in the listen-only mode. Following the presentation, we will conduct a question-and-answer session. Instructions will be provided at that time for you to queue up for questions. If anyone has any difficulties during the conference, please press the '*' key followed by '0' for operator assistance at any time.

Before turning the meeting over to management, please be advised that this conference call will contain statements that are forward looking and subject to a number of risks and uncertainties that could cause actual results to differ materially from those anticipated. I would like to remind everyone that this conference call is being recorded today, Tuesday, March 11, 2008. I will now turn over the conference to Mr. Martin Schwartz, President and CEO. Mr. Schwartz, please go ahead.

MARTIN SCHWARTZ (President and Chief Executive Officer, Dorel Industries, Inc.): Thank you. Good afternoon, and welcome to Dorel's fourth quarter and year-end conference call. Joining me today are Jeffrey Schwartz, CFO, Frank Rana, Vice-President of Finance. Cam Lisio, who's normally with us at these meetings, is home, a little bit under the weather,

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so he will not be here today. Following our comments, we'll be pleased to take your questions. A reminder that all figures quoted are in U.S. dollars.

Further to our pre-release on March 4th, early today, we announced full results for 2007. As we indicated last week, the pre-release was strictly to ensure best practice, full disclosure as we are undertaking some routine marketing meetings.

We are quite satisfied with the year's performance, which included a number of firsts, such as record adjusted-net income, free cash flow levels, and solid juvenile segment numbers. Certainly, there are areas that can be improved upon, and we are working to do so. The solid 2007 results underline the growing contribution of Dorel's core juvenile and recreation/leisure segments. We are encouraged by the strong showing, as we continue to further unlock value with these two business segments. We are already a world leader in juvenile in our categories, and this performance, combined with the recent Cannondale/Sugoi acquisitions, solidifies our position as a world-class bicycle company as well. Jeffrey will detail the numbers, but first, some specifics per segment.

Our focus on the juvenile segment continues to pay off as the segment posted its most successful year ever. Revenues reached almost \$1 billion, up over 8 percent from '06. Also, for the first time, full-year

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earnings from operations exceeded \$106 million. In fact, adjusted earnings from operations rose 19 percent to just over \$114 million. For the fourth quarter, revenues increased 10 percent, and adjusted earnings from operations rose 21 percent.

Dorel Europe maintained a growth pace due to continued gains in its two main categories, car seats and strollers, as investments made in new product development proved successful. Car seat sales for the year were up 18 percent, thanks to the ongoing success of the Maxi Cosi Tobi and the strong introduction of Béb  Confort Axiss, which received best baby product-innovation awards in many European countries. Stroller sales are up 9 percent, with the solid performance of Quinny's Buzz and Zapp as well as Béb  Confort bestseller Lula and a major launch of Maxi Cosi Mura, an important step in the return of Maxi Cosi in the stroller category. The majority of the increases were in the U.K., Germany, as well as several Eastern-European countries.

This region is a relatively new market area for us. It holds considerable potential, and reaction there has been favourable to Dorel Europe's product line. Dorel Europe's prospects for the year are promising, with a full-year's impact of major new products introduced in '07. Continued emphasis on the strong Maxi Cosi, Béb  Confort, and Quinny brands, as

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well as a strong focus on France.

These gains compensated for a decline in North American revenues. While lowered sale volumes in the US dampened results at DJG USA, the division's investments in product development and channel expansion helped pave the way for future growth. New products in the small furniture category, such as tubs and potties, did very well in re-establishing our market dominance. In car seats, DJG revolutionized the industry with new, innovative sustainability-oriented packaging for the Scenera Convertible car seat. That has increased sales by nearly 30 percent. Wal-Mart has named the Scenera as one of its top sustainability products, as well as one of its VPIs: very profitable items.

The concurrent launch of the Maxi Cosi and Quinny brands in the USA has led to new products in car seats, strollers, and accessories catering specifically to the higher-end channels. The re-launch of the Safety First brand has not only resulted in new products, new packaging, and in new interactive website, but has also increased shelf space and market share at several major customers. New technology, audio and video monitors have led to the launch of the High-Def (ph) series, while introductions throughout the safety line continue to bring innovation to that category. Finally, the new on-board infant car seat is the first adjustable

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preemie-fitting carrier that is being launched in both the Safety First and Eddie Bauer brands.

Dorel Distribution Canada maintains its performance through the quarter as a result of strong product placements, this notwithstanding ongoing pressure from cross-border shopping. Recreation/leisure revenue for the year grew by 10 percent to \$375 million, and earnings from operations jumped 7 percent to \$33 million. Fourth-quarter revenue increased 12 percent to \$86 million, while earnings from operations were basically flat at \$5.8 million.

Overall, the improvement was due to success in both the mass-merchant and independent bicycle dealers. The majority of the increase came from several key mass-customers as sales in this category rebounded after declines in 2006. Sales were also strong with certain warehouse-club customers, a relatively new distribution channel for this segment. These increases were with existing and new customers and were driven primarily by bicycle sales, although other recreational product lines continue to be explored and added in an attempt to diversify sales of the segment.

As you know, we announced the acquisition of Cannondale and Sugoi in early February and have created two distinct divisions to deal

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exclusively with the independent-bicycle dealers and the mass-merchant channel. These divisions are totally separate and will stay separate. After the first five weeks, we are seeing even more potential with these businesses now that we have a much better understanding of them. We are most optimistic that this strategy will further position Dorel as a leader in the bicycle industry, and we will keep our eyes open for additional opportunities as we strive to become a world leader in the industry.

2007 home furnishing revenue is off 12 percent to \$475 million. Adjusted earnings from operations from the year were down 12 percent to \$28 million. Fourth-quarter revenue decreased 14 percent to a \$125 million, but adjusted earnings from operations rose 20 percent to \$11 million. The slow down in the U.S. housing industry that began in the second quarter of '07 continued to impact home-furnishing sales, with the decline primarily at Ameriwood and Dorel Asia. Costco Home & Office and Dorel Home Products combined were essentially flat in comparison to last year.

Despite lower sales, Ameriwood made steady progress through the second half of the year, as evidenced by the improvement in its earnings from operations. Following the Dowagiac shutdown in July '07, the Tiffin and Cornwall plants achieved higher labour efficiency than any period in

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the previous four years. Maintaining a consistent production schedule through the second half of the year also had a substantial positive impact on employee morale. Equipment from Dowagiac was relocated to Tiffin and Cornwall and is expected to benefit efficiency and increase capacity through '08. The smaller production footprints will create reduction in administrative and production-support costs this year. Customer relationships were strengthened during the past year, and non-performing prior product placements were corrected. Going forward, strategic design changes made in the fourth quarter should give Ameriwood greater margin opportunities in the mid-to-higher-end retail price points.

I'll now ask Jeffrey to provide some more of the financial highlights.
Jeffrey?

JEFFREY SCHWARTZ (Executive Vice-President, Chief Financial Officer, and Secretary, Dorel Industries, Inc.): Okay, thanks, Martin. I'll be covering the fourth quarter as well as the year-end. I just want to remind people that our results that we published include restructuring costs that occurred both in '07 and '06. However, we believe the results are more meaningful if we provide you with business performance between the periods where we discussed results that do not include the restructuring costs. In my conversations going forward, they will be all the adjusted

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numbers.

Fourth-quarter results: revenues for the fourth quarter, \$459 million compared to \$448 million, an increase of 2.4 percent. As for the full year, as in the full year, increases in revenues in the juvenile and recreational segments more than offset the declines in home furnishing. Net income for the fourth quarter was \$22.3 million or \$0.67 a share, an increase of, an increase from \$21.7 million or \$0.66 per share. The fourth, sorry, the restructuring charge in the fourth quarter was \$2.5 million versus \$4 million in the previous year. Excluding these costs, adjusted net income was \$24 million or \$0.72 a share versus \$24.4 or \$0.74 a share in '06.

Moving over to the juvenile segment, revenues for the fourth quarter were up by 9.9 percent over 2006. The increase was in Europe, where organic sales were just over 10 percent. With the currency, the actual growth was 24.3 percent for Europe. These strong gains compensated for the decline in some North American revenues. Adjusted earnings from operations increased by 20.6 percent over 2006, from \$23.2 million to \$28 million. Lower sales volumes and slightly less favourable product mix in North America caused gross margins to decrease slightly from 30.6 percent in '06 to 29.5 percent in '07.

SG&A cost decreased slightly in the quarter to \$35 million from

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\$36.8 million. The decline was primarily due to lower product liability costs in the quarter, which offset other increases, principally in Europe, due to higher sales activity and due as well to the stronger Euro.

Recreational segment revenues in the fourth quarter increased by 11.6 percent. This increase was consistent with the increases experienced throughout the year in this segment, recovering from a disappointing 2006. The increase was both in the mass market and IBD channel, and the majority of it coming from several key mass customers. The segment posted earnings consistent with '06 at \$5.8 million in '07 versus \$5.9 million in '06. Earnings were flat as the increased volume included the sale of certain lower-margin products in '07, which had the impact of reducing margins in the quarter by 160 basis points.

In home furnishings for the quarter, revenues continued their decline and were down by 13.9 percent from '06 levels. The decline was experienced at the Ameriwood and Costco Home & Office. The segment's adjusted earnings increased by 14.4 percent in '07 from \$8.9 million to \$10.7 million. Despite the lower sales volumes, gross margins for the segment increased by 200 basis points to 17.5 percent to from 15.5 percent.

Some other items: the company's tax expense was \$6.2 million in

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the fourth quarter compared to only \$600,000 in '06. The '07 tax rate was 21.8 percent, which was consistent with the annual rate that we had throughout the year.

Moving over to full-year results, as we mentioned, record revenues of \$1.8 million, an increase of 2.4 percent. Gross margins for the year were up from 23 percent 120 basis points up to 24.2 percent. Note that the gross margins were maintained despite an environment of rising raw material costs in North America, Europe, and Asia.

Adjusted income before taxes in the restructuring was \$125.8 million in '07 versus \$105 million, an increase of \$20.8 million or 19.8 percent. As a percent of revenue, this adjusted pre-tax income is 6.9 percent in '07 versus 5.9 percent in '06. Excluding restructuring costs, adjusted net income for '07 was \$100.1 million, or \$3.01 per diluted share, and for 2006 it was \$92 million, or \$2.80 per diluted share.

Juvenile segment: we had their most successful year, almost hitting \$1 billion in sales, finishing at \$963 million, an increase of 8.4 percent over last year. The increase in revenue was driven by the success in Europe where organic sales growth was 10 percent. Upon converting this we ended up with an increase of almost 20 percent. Excluding restructuring costs, adjusted earnings in 2007 reached \$114.4 million, or 11.9 percent of

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revenues, an increase of 19.2 percent over 2006. Selling and administrative expenses increased from \$132 million to \$143 million. The increase was due to higher costs in Europe due to greater sales and a higher exchange rate, as well as the addition of the Australian business that we picked up early in the year.

Recreational and leisure revenues increased 10 percent to \$374 million from \$340.7 million a year earlier. Earnings from operation increased from \$26 million to \$33 million, an increase of \$7 million or 26.8 percent. However, as a reminder, 2006 did include a one-time \$3.5 million dollar inventory write-down. The revenue increase was driven by bicycle sales primarily, and was due to both the success of the mass-merchant and IBD channel of the segment, which recovered from a disappointing 2006.

Home furnishing revenues decreased in the year by 12.3 percent from \$541 million to \$475.3 million. Of the year-over-year sales decline, the majority was in the traditional furniture sold by Ameriwood and Dorel Asia. Adjusted earnings from the operation decreased 11.8 percent to \$28.1 million from \$31.9 million. On a positive note, adjusted gross margins were slightly higher in '07 at 15.6 percent versus 14.9 percent. This was despite higher raw material costs and the stronger Canadian

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dollar, which lowers the earnings of the segment's two Canadian factories, which service a mostly U.S.-based customer.

Total interest costs for the corporation were \$23.5 million versus \$29.9 million. The company's average interest rate on its borrowings in '07 was \$6.4 million, similar to the average of \$6.7 in 2006.

In 2007, the company's effective tax rate was 17.9 percent, as compared to 11.4 percent in '07. The reason for the increase in the effective tax rate in '07 was two-fold. First, a greater proportion of the earnings occurred in a higher-tax-rate jurisdiction in '07 versus '06, and second, unlike '06, the company was unable to recognize certain tax losses.

On the balance sheet, net debt defined as bank indebtedness, current and long-term debt, less cash, decreased by \$122 million in the year as cash flow generated by the company was used to pay down that debt. At the end of the year, our net debt figure was \$239 million. Currently, after the acquisition, it's up in the area of \$440 million. Our net debt equity ratio at the year-end was—our net-debt-to-equity ratio was 0.28 to 1, and even after the acquisition that still sits at below 0.5 to 1. Free cash flow, which is a non-GAAP financial measure, was \$116.2 million versus \$83.4 million in '06.

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With that, I'll pass it now over to Martin.

MARTIN SCHWARTZ: Thanks Jeffrey. Now I'd like to ask to ask the conference operator to open up the lines for questions. I just want to remind everybody, as usual, please limit your first round to two questions, and we'll try to give everybody an opportunity to participate.

OPERATOR: Ladies and gentlemen, we will now conduct our question-and-answer session. If you have a question, please press the '*' key followed by the '1' on your touchtone phone. You will hear a tone acknowledging your request. Your questions will be polled in the order they are received. Please you ensure you lift the handset if you are using a speakerphone before pressing any keys. One moment please for your first question. Your first question comes from Sara O'Brien from RBC Capital Markets. Please proceed.

SARA O'BRIEN: Hi guys. First question, Jeffrey, just corporate costs in the quarter were quite high versus last year, and just wondered if there were some one-offs related to the acquisition, or what caused them to come in so much higher?

JEFFREY SCHWARTZ: Well, for the year they were up significantly, but about 80 percent of that is based in two categories. One is a higher stock-based compensation due to options that were granted during the

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year, as well as all of our, let's say all of our costs at corporate office are in Canadian dollars, so as the Canadian dollar strengthened, that had a big impact on that.

SARA O'BRIEN: Okay, so going forward, is \$8 million a realistic number to be using for Q4?

JEFFREY SCHWARTZ: Yes, I would think that as long as our dollar is where it is, that number is not going to go down.

SARA O'BRIEN: Okay, great. I noticed licensing and commission income was down \$1.2 million, and I think that's 100 percent flow-through to EBITDA if I'm not mistaken. I just wondered what division does that impact; is that home furnishings?

JEFFREY SCHWARTZ: That, I believe—is that the home furnishing one? Yes, mostly in home furnishings, yes.

SARA O'BRIEN: Okay, so home furnishing's margins could have been far more significant. I guess there would have been quite a negative impact on margin just from that falloff. Is that fair to say?

JEFFREY SCHWARTZ: I mean yes, if we would have had more commission sales, we would have had higher gross margins, yes.

SARA O'BRIEN: Much higher gross margins.

JEFFREY SCHWARTZ: Yes.

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SARA O'BRIEN: Okay, fair enough. I will circle back. Thanks.

MARTIN SCHWARTZ: Okay, just before we take any other questions, I just want to add one more thing that I missed before. I just want to say that the current economic situation, particularly in the U.S., does not allow for the accurate prediction of consumer trends, and hence the outlook for the year cannot be seen with clarity. Nonetheless, we have not witnessed any slowdown of consumer spending in Dorel's products during the first two months of '08. Now, let's continue with the questions.

OPERATOR: Again, ladies and gentlemen, if there are any additional questions at this time, please press the '*' key followed by the '1'. As a reminder, if you are using a speakerphone, please lift the handset before pressing any keys. Your next question comes from Anthony Sika (ph) of Scotia Capital. Please proceed.

ANTHONY SIKA: Hi. Good afternoon, Martin and Jeff. With reference to the juvenile segment, how much of the 10 percent growth in Europe do you believe is attributed to the strength of the Euro? If we do see the Euro weakening, what kind of impact could that give us?

JEFFREY SCHWARTZ: Actually, none of the growth was—that's the organic growth.

ANTHONY SIKA: Okay, so that's stripped out of the strength of the

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Euro.

JEFFREY SCHWARTZ: Yes, 10 percent is organic growth.

ANTHONY SIKA: My next question, continuing on that same train of thought, Jeffrey, is it because we have been gaining market share at the expense of the competition? Is there something we're doing better, or is it basically the consumers are much healthier than the North Americans.

JEFFREY SCHWARTZ: I think—I mean, again, European markets are growing slowly. We're definitely gaining market share both in traditional markets like the U.K., Germany, and in some of the newer markets like the Eastern European countries.

ANTHONY SIKA: Okay. My other question would be, if we're looking at steel prices, commodity prices are way up, and we use, obviously, a lot of steel in our products. Some competitors are saying that seeing some price increases between 16 percent to 30 percent. Is that accurate? Are you looking at increasing prices because of raw commodity, overall, not only in the recreational/leisure, but in the rest of the business?

JEFFREY SCHWARTZ: Yes, I think the statement that Martin just read about the economic conditions are not necessarily focused just on the demand issues. So far, so good. Actually we're pleasantly surprised that demand is holding, but there is the uncertainty of rising raw material prices

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and rising costs in China. Those are a certainty; those costs are rising. I'm not going to comment on the 16 percent to 30 percent. I think that would—I mean, that depends on a lot of different things, but they are significant increases.

However, we are able to pass through significant price increases, because I think that would be your next questions. Yes, that's just the nature of the market, so the question is what we call the squeeze period, how long is the squeeze period going to be? Are we going to be able to pass, get our increases and pass them on within, you know, a very short period of time, or will be there a 30-, 60-, 90-day delay, at which point that could hurt? We don't know yet. We're in the process of getting our cost increases quoted to us and passing them on to our customers.

ANTHONY SIKA: Okay. I'll come back in queue. Thanks.

OPERATOR: You're next question is a follow-up question from Sarah O'Brien of RBC Capital Markets. Please proceed.

SARAH O'BRIEN: Hi guys, just on the bike margins that were lower year over year, are you selling more promo-pricing bikes, or is it because of these Chinese costs have run through already in your pricing, in, sorry, your costing in bikes to the mass channel?

JEFFREY SCHWARTZ: Yes, we had—it's a little bit of everything. I

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think it's more, we've had couple of what I'll say promotional items at low cost. We have clear-out bikes. We've had some non-bike items that are on lower margin, but I would think our standard bikes are being done at healthy standard margins at this point.

SARAH O'BRIEN: Okay, so out of your sales increase in the quarter, was there a significant portion due to clear-out, or is that insignificant?

JEFFREY SCHWARTZ: Yes, I don't have the number. I wouldn't say it's—I mean it's a material number, but it's not a huge number.

SARAH O'BRIEN: Okay, just because your growth was 12 percent in the quarter year over year.

JEFFREY SCHWARTZ: Yes, I mean some of that would be picking up some promotions that we didn't have the year before.

SARAH O'BRIEN: Okay. Just in terms of juvenile, can you comment just on the state the North American declines? I mean, how significant is it? I guess we can back into it, but is it down 10 percent year over year in terms of just your North American juvenile business?

JEFFREY SCHWARTZ: We'll check. The North American, do you have that? Just checking on the number, but we are expecting a bounce-back this year. We're already seeing—you know, we have more listings, and a lot of that was early in the year of '06. I know that by the third quarter

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we started to get more listings, and so far this year we're still anticipating, you know, a bounce-back. I won't say a total bounce-back, but we're expecting to get back some of the stuff we've lost.

SARAH O'BRIEN: Okay, and I know, Jeff, just off-line we've talked about the programs you're working on at Juvenile and sort of taking a closer look at North America. Maybe you can just share a little bit of how you can sort of turn around the situation in North America because it's been kind of on a decline trend for, I guess, a couple years now, and just what the plan is to kick start it.

JEFFREY SCHWARTZ: Yes, I mean, we don't—you know, we're analysing that now. We're looking at this as one of the areas that has perhaps the most upside potential, which is usually the case when you have an area that's not performing as it should. We're looking at it through greater focus on developing the right products for the right channels. We've certainly had a lot of success in products, but not all products at all channels have been successful, so we're focussed on some of that. We're focussed on our supply chain now. As well, even in this segment, the idea of, we do have cost increases coming and we do have price increases coming, so that's going to be a big thing.

SARAH O'BRIEN: Okay, great, and, sorry, were you able to peel out

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that number just for North American. Or if you just want to shout it out when you get it.

JEFFREY SCHWARTZ: Yes, okay. We'll do that.

SARAH O'BRIEN: Thanks.

OPERATOR: Your next question comes from Claude Proulx of BMO Capital Markets. Please proceed.

CLAUDE PROULX: Thank you. Good afternoon. First question is, I know you don't want to comment or give any guidance as far as the profitability is concerned, but when you look at the free cash flow, you know, it's about EPS . Do you think it's sustainable in 2008, or do you think it's going to be more in line with the earnings per share?

JEFFREY SCHWARTZ: Probably a little bit more in line. I mean, there's no question; we attacked the working capital, the inventory. We reduced our excess inventories. Are we finished that? No. There's more opportunity to do some more of that, but certainly, after a while, you can't keep doing that.

CLAUDE PROULX: And CAPEX will soon be in line with depreciation, or roughly?

UNIDENTIFIED SPEAKER: Yes.

CLAUDE PROULX: Okay, and second question is your civil liability

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costs: what were they in Q4 relative to last year, and do you see the reduction that we saw in 2007 as sustainable?

UNIDENTIFIED SPEAKER: Yes, I think, I would say product liability in '07, we believe, is probably more of the norm going forward than it was in the previous years. There's no question our, if you want to call it, our pipeline of cases has been reduced significantly, and therefore, our exposure is reduced.

CLAUDE PROUX: And how about Q4? Because you're giving it for the year, you gave it for a number of quarters, but we don't have it for Q4.

MARTIN SCHWARTZ: Eight versus two.

JEFFREY SCHWARTZ: \$8 million the year before, only \$2 million last year.

CLAUDE PROUX: Okay. Thank you very much.

OPERATOR: Your next question comes from Hugues Bourgeois of National Bank Financial. Please proceed.

HUGUES BOURGEOIS: Yes, good afternoon. In terms of CAPEX, you mentioned that CAPEX should be in line with depreciation, but should we still be working with \$35 million?

JEFFREY SCHWARTZ: It will probably go above that this year just—you know where we're going to get it, there's a lot of CAPEX in

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Europe, and again, the Euro is causing that to go up as well as the depreciation in Europe, so just from a currency, you'll probably see a higher number for both.

HUGUES BOURGEOIS: Okay, but let's say of the \$35 million this year, what percentage would be coming from what would be done in Europe, so we can kind of adjust our numbers?

JEFFREY SCHWARTZ: I would—almost half.

HUGUES BOURGEOIS: Almost half?

UNIDENTIFIED SPEAKER: Yes.

HUGUES BOURGEOIS: Okay, and in terms of tax rates, what should we be using going forward for '08?

JEFFREY SCHWARTZ: I think we're going to use a number of about 20 percent to 22 percent, somewhere around there, creeping up a little bit.

HUGUES BOURGEOIS: Okay, perfect. Last year I think you mentioned your market share in the U.S. for car seats was about 44 percent. What would be this number this year?

JEFFREY SCHWARTZ: I don't recall giving out a number last year because we don't have the number. Yes.

MARTIN SWARTZ: There's no pure stats. That might have been a particular category. I'm not sure, but I would think 44 percent is a very high

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number. I don't believe we'd have that much market share.

HUGUES BOURGEOIS: Okay, but in any case, is that number decreasing or increasing right now with the new product introduction?

JEFFREY SCHWARTZ: Probably, stable (inaudible). Yes, we'll see. It's early in the year. I don't see any material change from that number.

HUGUES BOURGEOIS: Okay, perfect. Thank you.

OPERATOR: Your next question is a follow-up question from Anthony Sika of Scotia Capital. Please proceed.

ANTHONY SIKA: Can you comment on the recent acquisition, on the Cannondale acquisition, what specific initiatives you're doing to enter the independent bicycle dealer channel. Are you feeling any pressure at the large U.S. retailer levels?

MARTIN SCHWARTZ: Anthony, Cannondale is exclusively in the IBD market today, so there's no entering it. We're in it. As far as any pressure from the mass merchants, there's been no discussion with them at all about Cannondale. Cannondale, in our minds, will be strictly an IBD product, today and in the future.

ANTHONY SIKA: Martin, but what are some of the initiatives that you're doing to, I guess, to expand in the IBD channel?

MARTIN SCHWARTZ: Well, in general, I mean—over time we'll be

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offering them more products, a very well designed line of bikes, expand the line of garments that they're in, possibly parts and accessories, and maybe, look at, going forward, some kind of tuck-in acquisition that would fit for the IBD.

ANTHONY SIKA: Okay, great; so you're actually still looking at other acquisitions in the bicycle.

MARTIN SCHWARTZ: We're not looking at it today. I said possibly in the future.

ANTHONY SIKA: In the future to leverage off, I guess, in the channel.

MARTIN SCHWARTZ: But you know what, that's not—you know, an acquisition is not necessary to grow the Cannondale/Sugoi acquisition that we just did. There's great products in both those companies, and we have a lot of growth potential with what we have today.

ANTHONY SIKA: Okay, excellent. Thank you, Martin.

OPERATOR: You're next question is a follow-up question from Sarah O'Brien of RBC Capital Markets. Please proceed.

SARAH O'BRIEN: Hi, just a follow up on the juvenile margins. I guess on the back of that information of product liability, it looks like, Jeff, there might have been some margin contraction if we take out the product

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liability aspect. Is there something in North America? Have the margins come down significantly? I guess I would have thought that they would have gone up with the Euro impact versus the U.S. dollar.

JEFFREY SCHWARTZ: Well, they would have dropped a little bit in the U.S. There's no question, as our sales have dropped.

SARAH O'BRIEN: Okay. Was it significant though, or is there anything going on in Europe as well in local currency, margin wise?

MARTIN SCHWARTZ: The number you were looking before on American, on the North American drop is about 5 percent.

SARAH O'BRIEN: Okay, and that's in Q4?

MARTIN SCHWARTZ: Oh sorry, that's the year-to-date number.

SARAH O'BRIEN: Okay, full-year. Okay. Yes, just on the margin, it looks like, that it was down. I can understand North America if your volumes are down, I just wondered if in Europe?

MARTIN SCHWARTZ: No, you know, I'll have to get back—we have nothing material. I know, for instance, some of the numbers we've got in there are Canadian. I'll have to go through that.

SARAH O'BRIEN: Okay. I'll take it offline. Thanks.

OPERATOR: Mr. Schwartz, there are no further questions at this time. Please continue.

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MARTIN SCHWARTZ: Okay. Well, our success in 2007 stems from the combined strength of our Juvenile and Recreation Leisure businesses. The acquisition of Cannondale and Sugoi fortifies our position and stature in the bicycle industry and underlines our commitment to further unlock shareholder value by concentrating on Dorel's core segments, which provide the greatest potential. The new Cannondale Sports Group will build on Cannondale's strengths to grow significantly and exclusively within the IBD channel. We'll continue to strive to optimize the results of each of our segments. Home furnishings remains an important asset of Dorel, and resources will be devoted to ensuring its development.

I just want to thank everybody for being here with us this afternoon and just let everybody know we expect to release our Q1 results around April 30th. Please mark the date of May 27th on your calendar as the date of our annual general meeting. Thank you all, and have a good afternoon.

OPERATOR: Ladies and gentlemen, this concludes the conference call for today. Thank you for participating. You may now disconnect your lines.

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