



C O M M U N I Q U É

JUVENILE

Cosco
Safety 1st
Maxi-Cosi
Bébé Confort
Quinny
Baby Relax
Babidéal
Hoppop
Bertini
Mother's Choice

RECREATIONAL / LEISURE

Cannondale
GT
SUGOI
Schwinn
Mongoose
Iron Horse
InSTEP

HOME FURNISHINGS

Ameriwood
Altra Furniture
Dorel Home Products
Cosco Home & Office
Dorel Asia

EXCHANGES

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DOREL ANNOUNCES THIRD QUARTER RESULTS

- Strong cash flow quarter
- Recreational/Leisure continues to perform well, Juvenile down
- Dorel to acquire majority interest in a South American juvenile products business (see separate release issued this morning)

Montreal, November 3, 2011—Dorel Industries Inc. (TSX: DII.B, DII.A) today announced results for the third quarter ended September 30, 2011. Revenue for the period increased by US\$6.3 million, or 1.1%, to US\$575.8 million from US\$569.5 million a year ago. Net income was US\$23.1 million or US\$0.71 per diluted share compared to US\$30.6 million or US\$0.92 per diluted share in 2010.

Total nine month revenue was up US\$29.2 million, or 1.6%, to US\$1.80 billion from US\$1.77 billion in prior year. Net income was US\$77.2 million or US\$2.36 per diluted share compared to US\$101.8 million or US\$3.06 per diluted share for the year-to-date period in 2010. Upon transition to IFRS, previously issued earnings per diluted share of US\$0.91 and US\$3.09 for the third quarter and nine months respectively have been restated to US\$0.92 and US\$3.06.

"We are disappointed with the results of our Juvenile segment, particularly in the U.S. Performance was at an unacceptable level due to the perfect storm of rapidly increasing input costs and decreased consumer demand for juvenile products. Consumers maintained a tight rein on spending and this meant we were unable to pass the majority of higher costs on to our customers. In Recreational/Leisure we maintained our momentum as the Cannondale brand becomes increasingly synonymous with product innovation. Sales to mass merchants were also up year-over-year. Home Furnishings sales were down almost 7% as POS levels were affected by the weak economy. Nonetheless the segment continues to be a good generator of cash. For the Company as a whole, year-to-date cash flow generation is up over US\$30 million from last year due to improved working capital management, principally inventory reductions," commented Dorel President and CEO Martin Schwartz.

Summary of Financial Highlights			
Third Quarters Ended September 30			
All figures in thousands of US \$, except per share amounts			
	2011	2010	Change %
Total revenue	575,828	569,455	1.1%
Net income	23,074	30,649	-24.7%
Per share – Basic	0.71	0.93	-23.7%
Per share - Diluted	0.71	0.92	-22.8%
Average number of shares outstanding –			
diluted weighted average	32,613,976	33,159,981	

Summary of Financial Highlights			
Nine Months Ended September 30			
All figures in thousands of US \$, except per share amounts			
	2011	2010	Change %
Total revenue	1,802,621	1,773,463	1.6%
Net income	77,231	101,780	-24.1%
Per share – Basic	2.37	3.09	-23.3%
Per share - Diluted	2.36	3.06	-22.9%
Average number of shares outstanding –			
diluted weighted average	32,779,635	33,260,965	

Juvenile Segment

Third Quarters Ended September 30					
	2011		2010		Change
	\$	% of rev.	\$	% of rev.	%
Total revenue	227,080		248,421		-8.6%
Gross profit	50,089	22.1%	65,622	26.4%	-23.7%
Operating profit	4,934	2.2%	22,443	9.0%	-78.0%

Nine Months Ended September 30					
	2011		2010		Change
	\$	% of rev.	\$	% of rev.	%
Total revenue	740,665		794,005		-6.7%
Gross profit	183,445	24.8%	218,210	27.5%	-15.9%
Operating profit	43,461	5.9%	81,544	10.3%	-46.7%

Third quarter revenue and operating profits declined in the majority of the Juvenile segment's divisions. The organic revenue decrease was approximately 13%, with the most significant decline at Dorel Juvenile Group (DJG) in the U.S.

where cautious consumers have created a difficult retail environment. In Europe, sales in local currency were down just over 10%, however upon conversion to the U.S. dollar, decreased by less than 3%. Sales declines were most pronounced in Southern Europe. Despite car seat sales being slightly down, feedback from European retailers is that Dorel Europe is still out-pacing the market.

Margins have eroded, particularly in the U.S. where higher input costs, mainly resin, significantly reduced earnings and the ability to pass on these higher costs to customers has been limited. This was compounded by a less favourable product mix. Also, the stronger U.S. dollar at the end of the quarter reduced operating profit at several divisions. However, resin costs have begun to decline which will provide some relief as the Company moves into the fourth quarter and next year. A further bright spot at DJG is the progress being made with its international brands, Quinny and Maxi-Cosi. With an added focus and new leadership in this area, the brands are being increasingly accepted in the U.S. market with more placements in more stores.

Recreational/Leisure Segment

Third Quarters Ended September 30					
	2011		2010		Change
	\$	% of rev.	\$	% of rev.	%
Total revenue	209,823		172,530		21.6%
Gross profit	47,055	22.4%	39,420	22.8%	19.4%
Operating profit	10,008	4.8%	9,111	5.3%	9.8%

Nine Months Ended September 30					
	2011		2010		Change
	\$	% of rev.	\$	% of rev.	%
Total revenue	659,344		569,095		15.9%
Gross profit	158,642	24.1%	137,062	24.1%	15.7%
Operating profit	49,053	7.4%	41,191	7.2%	19.1%

Revenue in the third quarter increased 21.6%, as strong sales to the independent bicycle dealer (IBD) channel continued, driven by new product innovation and brand support. This was evidenced at September's two major bike shows in Europe and the U.S. where new products were enthusiastically received. In the mass merchant channel, sales for the quarter improved over last year. The segment's organic revenue increase was approximately 18% for the quarter and is 13% year-to-date. As in Juvenile, the stronger U.S. dollar at the end of September also affected operating profit, reducing the gross margin percentage by approximately 1% in the quarter.

The segment's earnings in the quarter were hampered by a loss at its apparel division, with earnings declining by approximately US\$2.5 million from last year. The decrease was due mainly to a write-down of excess inventory from prior model years and one-time costs of \$US0.8 million related to a strategic decision to outsource the "custom manufacturing" part of this business. Principally for employee severance, it is anticipated that in the fourth quarter additional one-time costs of US\$1.5 million will be incurred as part of this initiative. Though less than 5% of the segment's total revenues, improving profits at the apparel division remain a focus as management believes the SUGOI brand and its product offerings offer substantial opportunity. Preliminary orders for spring 2012 are higher than they were a year ago at this time.

Excluding the decline in earnings at this division, the operating profit in the segment would have increased by over 35% for the quarter as opposed to the 9.8% recorded.

Home Furnishings Segment

Third Quarters Ended September 30					
	2011		2010		
	\$	% of rev.	\$	% of rev.	Change %
Total revenue	138,925		148,504		-6.5%
Gross profit	15,709	11.3%	17,345	11.7%	-9.4%
Operating profit	6,748	4.9%	7,052	4.7%	-4.3%

Nine Months Ended September 30					
	2011		2010		
	\$	% of rev.	\$	% of rev.	Change %
Total revenue	402,612		410,363		-1.9%
Gross profit	48,498	12.0%	57,238	13.9%	-15.3%
Operating profit	20,765	5.2%	29,024	7.1%	-28.5%

Home Furnishings' year-over-year third quarter revenue decreased 6.5% and is down 1.9% year-to-date. While the difficult U.S. economy continued to affect POS levels at retail, the segment's various divisions have maintained their market share. In the quarter and year-to-date, a principal driver of the sales decline was the decision to exit unprofitable product SKUs sold by the Cosco Home & Office division as it became strategically advantageous to no longer sell these items. Sales of ready-to-assemble furniture are also down from prior year, but increases in other furniture lines, mainly upholstered furniture and futons, offset some of these decreases.

Cost increases in commodities, labour and rising costs in Asia also affected margins. In addition, the continued strength of the Canadian dollar increased costs for two of the segment's plants that are based in Canada but ship primarily to the U.S. Notably, the earnings decline in the quarter versus the prior year was the lowest decline thus far in 2011 and this improved earnings trend is expected to continue into the fourth quarter.

Cash Flow

During the first nine months of the year, cash flow provided by operating activities was US\$105.8 million compared to US\$72.5 million recorded in 2010, an increase of US\$33.3 million. This was despite lower year-over-year after-tax earnings of US\$24.5 million and was due to improved working capital management, principally inventory reductions. As has been stated in the past, the Company estimates the appropriate level of inventory to support the business to be from US\$450 million to US\$470 million. As a result of management's focus on right sizing inventory levels, the balance as at September 30, 2011 was US\$446.4 million. This reduction has generated year-to-date cash flow of US\$63 million.

Other

A third quarter income tax recovery of US\$8.7 million was recorded. This was mainly due to a US\$6.2 million tax benefit in the Netherlands where the Juvenile segment's new product R&D program qualified for the Dutch government's "Innovation Box" program. This lower rate of tax in the Netherlands is anticipated to remain in effect going forward. For mainly this reason, the Company's 2011 year-to-date tax rate is 6.4%, as compared to 16.2% in 2010. Excluding the US\$6.2 million recovery in the Netherlands, the current year-to-date tax rate would be 13.9%, more in line with the prior year. However due principally to the impact of the "Innovation Box" tax recovery, the rate for the year is now expected to be in the range of 8% to 12%.

Increase to Normal Course Issuer Bid

The Company announces that it has amended its normal course issuer bid in order to increase the maximum number of Class B Subordinate Voting Shares that may be repurchased for cancellation during the twelve month period ending April 3, 2012 from 700,000 Class B Subordinate Voting Shares to 1,420,660, representing 5% of Dorel's issued and outstanding Class B Subordinate Voting Shares as at March 29, 2011 (see press release dated March 31, 2011). No other terms of the normal course issuer bid have changed.

The purchases by Dorel will be effected through the facilities of the Toronto Stock Exchange and will be made at the market price of the Class B Subordinate Voting Shares at the time of the purchase. To date, Dorel has purchased a total of 575,400 Class B Subordinate Voting Shares at a weighted average price of \$23.52 under the current normal course issuer bid. As at November 2, 2011, there were 27,847,677 Dorel Class B Subordinate Voting Shares issued and outstanding.

In addition, Dorel has amended the automatic share purchase agreement with CIBC World Markets Inc. in connection with the normal course issuer bid in order to take into account the revised terms of the bid. Under the agreement, CIBC may acquire, at its discretion, Class B Subordinate Voting Shares at any time on Dorel's behalf, subject to certain parameters as to price and number of shares.

The amended normal course issuer bid has been approved by the Toronto Stock Exchange.

Quarterly dividend

The Board of Directors of Dorel declared its regular quarterly dividend of US\$0.15 per share on the outstanding number of the Company's Class A Multiple Voting Shares, Class B Subordinate Voting Shares and Deferred Share Units. The dividend is payable on December 1, 2011 to shareholders of record as at the close of business on November 17, 2011.

Outlook

"The third quarter was very challenging for Dorel with the Juvenile segment having one of its poorest quarters ever. As we move into the last quarter of 2011, we expect that the Juvenile segment will reverse its downward earnings trend in the fourth quarter, while posting similar revenues to last year's fourth quarter. Aided mainly by lower costs, earnings will move towards fourth quarter 2010 figures, though gross margins will be lower than last year. Dorel's senior management is focused on addressing issues within the segment and we are expecting to see improvement through 2012." commented Mr. Schwartz.

"I am delighted with the juvenile acquisition announced this morning. The transaction is intended to extend our reach in a market we believe has great growth potential and provides Dorel with another important brand in Chile, Bolivia, Peru and Argentina, further solidifying our position as a global leader in the juvenile products industry. It will be immediately accretive to earnings and responds to our corporate objective of growing Juvenile through geographic expansion.

"Our Recreational/Leisure segment continues to perform well and we see no change in this positive trend through year-end. Driven by exciting new innovative products consumers have embraced our various brands. Cannondale has had an excellent year and we see this growth continuing. Pre-holiday sales to mass merchants have been good, helped by a major retailer's decision to reinstate its lay-away plan. In Home Furnishings, we expect the fourth quarter to be improved over last year's comparable period. Overall, we believe that the worst is over for Dorel and going forward we expect to return to a better level of performance," concluded Mr. Schwartz.

Conference Call

Dorel Industries Inc. will hold a conference call to discuss these results today, November 3, 2011 at 1:00 P.M. Eastern Time. Interested parties can join the call by dialling 1-800-731-5319. The conference call can also be accessed via live webcast at www.dorel.com or www.newswire.ca. If you are unable to call in at this time, you may access a tape recording of the meeting by calling 1-877-289-8525 and entering the passcode 4479973# on your phone. This tape recording will be available on Thursday, November 3, 2011 as of 4:00 P.M. until 11:59 P.M. on Thursday, November 10, 2011.

Complete financial statements will be available on the Company's website, www.dorel.com, and will be available through the SEDAR websites.

Profile

Dorel Industries Inc. (TSX: DII.B, DII.A) is a world class juvenile products and bicycle company. Established in 1962, Dorel creates style and excitement in equal measure to safety, quality and value. The Company's lifestyle leadership position is pronounced in both its Juvenile and Bicycle categories with an array of trend-setting products. Dorel's powerfully branded products include Safety 1st, Quinny, Cosco, Maxi-Cosi and Bébé Confort in Juvenile, as well as Cannondale, Schwinn, GT, Mongoose, IronHorse and SUGOI in Recreational/Leisure. Dorel's Home Furnishings segment markets a wide assortment of both domestically produced and imported furniture products, principally within North America. Dorel is a US\$2.3 billion company with 4700 employees, facilities in nineteen countries, and sales worldwide.

Caution Regarding Forward Looking Statements

Certain statements included in this press release may constitute "forward-looking statements" within the meaning of applicable Canadian securities legislation. Except as may be required by Canadian securities laws, Dorel does not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Forward-looking statements, by their very nature, are subject to numerous risks and uncertainties and are based on several assumptions which give rise to the possibility that actual results could differ materially from Dorel's expectations expressed in or implied by such forward-looking statements and that the objectives, plans, strategic priorities and business outlook may not be achieved. As a result, Dorel cannot guarantee that any forward-looking statement will materialize. Forward-looking statements are provided in this press release for the purpose of giving information about Management's current expectations and plans and allowing investors and others to get a better understanding of Dorel's operating environment. However, readers are cautioned that it may not be appropriate to use such forward-looking statements for any other purpose.

Forward-looking statements made in this press release are based on a number of assumptions that Dorel believed were reasonable on the day it made the forward-looking statements. Factors that could cause actual results to differ materially from the Company's expectations expressed in or implied by the forward-looking statements include: general economic conditions; changes in product costs and supply channel; foreign currency fluctuations; customer and credit risk including the concentration of revenues with few customers; costs associated with product liability; changes in income tax legislation or the interpretation or application of those rules; the continued ability to develop products and support brand names; changes in the regulatory environment; continued access to capital resources and the related costs of borrowing; changes in assumptions in the valuation of goodwill and other intangible assets and subject to dividends being declared by the Board of Directors, there can be no certainty that Dorel's Dividend Policy will be maintained. These and other risk factors that could cause actual results to differ materially from expectations expressed in or implied by the forward-looking statements are discussed in Dorel's annual MD&A and Annual Information Form filed with the applicable Canadian securities regulatory authorities. The risk factors outlined in the previously mentioned documents are specifically incorporated herein by reference.

Dorel cautions readers that the risks described above are not the only ones that could impact it. Additional risks and uncertainties not currently known to Dorel or that Dorel currently deems to be immaterial may also have a material adverse effect on our business, financial condition or results of operations. Given these risks and uncertainties, investors should not place undue reliance on forward-looking statements as a prediction of actual results.

Except as otherwise indicated, forward-looking statements do not reflect the potential impact of any non-recurring or other unusual items or of any dispositions, mergers, acquisitions, other business combinations or other transactions that may be announced or that may occur after the date hereof. The financial impact of these transactions and non-recurring and other unusual items can be complex and depends on the facts particular to each of them. Dorel therefore cannot describe the expected impact in a meaningful way or in the same way Dorel presents known risks affecting the business.

DOREL INDUSTRIES INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
ALL FIGURES IN THOUSANDS OF US \$

	as at	as at
	September 30,	December 30,
	2011	2010
	(unaudited)	(unaudited)
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 25,778	\$ 15,748
Trade and other receivables	382,801	356,507
Inventories	446,364	510,068
Other financial assets	8,144	2,554
Income taxes receivable	19,312	14,096
Prepaid expenses	21,341	17,823
	<u>903,740</u>	<u>916,796</u>
NON-CURRENT ASSETS		
Property, plant and equipment	158,120	158,752
Intangible assets	392,502	396,354
Goodwill	554,660	554,528
Deferred tax assets	64,779	65,690
Other assets	1,834	2,215
	<u>1,171,895</u>	<u>1,177,539</u>
	<u>\$ 2,075,635</u>	<u>\$ 2,094,335</u>
LIABILITIES		
CURRENT LIABILITIES		
Bank indebtedness	\$ 22,338	\$ 30,515
Trade and other payables	294,502	323,588
Other financial liabilities	2,295	4,203
Income taxes payable	4,547	13,154
Long-term debt	17,142	10,667
Provisions	40,546	43,232
	<u>381,370</u>	<u>425,359</u>
NON-CURRENT LIABILITIES		
Long-term debt	291,968	319,281
Pension and post-retirement benefit obligations	32,027	32,056
Deferred tax liabilities	107,177	109,789
Provisions	1,847	1,780
Other financial liabilities	28,394	31,253
Other long-term liabilities	3,995	2,966
	<u>465,408</u>	<u>497,125</u>
EQUITY		
SHARE CAPITAL	176,094	178,816
CONTRIBUTED SURPLUS	25,900	23,776
ACCUMULATED OTHER COMPREHENSIVE INCOME	69,135	64,626
RETAINED EARNINGS	957,728	904,633
	<u>1,228,857</u>	<u>1,171,851</u>
	<u>\$ 2,075,635</u>	<u>\$ 2,094,335</u>

DOREL INDUSTRIES INC.
CONSOLIDATED INCOME STATEMENTS
ALL FIGURES IN THOUSANDS OF US \$, EXCEPT PER SHARE AMOUNTS

	<u>Third Quarters Ended</u>		<u>Nine Months Ended</u>	
	<u>September 30, 2011</u>	<u>September 30, 2010</u>	<u>September 30, 2011</u>	<u>September 30, 2010</u>
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Sales	\$ 574,092	\$ 567,329	\$ 1,794,219	\$ 1,765,199
Licensing and commission income	1,736	2,126	8,402	8,264
TOTAL REVENUE	575,828	569,455	1,802,621	1,773,463
Cost of sales	462,975	447,068	1,412,036	1,360,953
GROSS PROFIT	112,853	122,387	390,585	412,510
Selling expenses	48,241	42,899	140,703	128,822
General and administrative expenses	38,521	38,874	128,781	127,821
Research and development expenses	7,048	6,931	22,378	21,423
OPERATING PROFIT	19,043	33,683	98,723	134,444
Finance expenses	4,659	5,201	16,246	13,046
INCOME BEFORE INCOME TAXES	14,384	28,482	82,477	121,398
Income taxes expense	(8,690)	(2,167)	5,246	19,618
NET INCOME	<u>\$ 23,074</u>	<u>\$ 30,649</u>	<u>\$ 77,231</u>	<u>\$ 101,780</u>
EARNINGS PER SHARE				
Basic	<u>\$0.71</u>	<u>\$0.93</u>	<u>\$2.37</u>	<u>\$3.09</u>
Diluted	<u>\$0.71</u>	<u>\$0.92</u>	<u>\$2.36</u>	<u>\$3.06</u>
SHARES OUTSTANDING				
Basic - weighted average	32,506,383	32,833,643	32,596,280	32,906,296
Diluted - weighted average	32,613,976	33,159,981	32,779,635	33,260,965

DOREL INDUSTRIES INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
ALL FIGURES IN THOUSANDS OF US \$

	Third Quarters Ended		Nine Months Ended	
	September 30,	September 30,	September 30,	September 30,
	2011	2010	2011	2010
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
NET INCOME	\$ 23,074	\$ 30,649	\$ 77,231	\$ 101,780
OTHER COMPREHENSIVE INCOME (LOSS):				
<u>Cumulative translation account:</u>				
Net change in unrealized foreign currency gains (losses) on translation of net investments in foreign operations, net of tax of nil	(39,256)	43,595	(557)	(23,678)
<u>Net changes in cash flow hedges:</u>				
Net change in unrealized gains (losses) on derivatives designated as cash flow hedges	15,734	(6,628)	11,846	(7,973)
Reclassification to income	(3,857)	(400)	(6,265)	(467)
Reclassification to the related non financial asset	(2,045)	215	1,310	(399)
Deferred income taxes	(2,646)	2,102	(1,735)	3,429
	7,186	(4,711)	5,156	(5,410)
<u>Defined benefit plans:</u>				
Actuarial gains (losses) on defined benefit plans	116	(979)	(6)	(2,726)
Deferred income taxes	(30)	346	(84)	981
	86	(633)	(90)	(1,745)
TOTAL OTHER COMPREHENSIVE INCOME (LOSS)	(31,984)	38,251	4,509	(30,833)
TOTAL COMPREHENSIVE INCOME (LOSS)	\$ (8,910)	\$ 68,900	\$ 81,740	\$ 70,947

DOREL INDUSTRIES INC.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
ALL FIGURES IN THOUSANDS OF US \$

	Attributable to equity holders of the Company						
	Share Capital	Contributed Surplus	Cumulative Translation Account*	Cash Flow Hedges*	Defined Benefit Plans*	Retained Earnings	Total Equity
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Balance as at December 31, 2009	\$ 174,816	\$ 20,311	\$ 96,840	\$ 895	\$ -	\$ 809,976	\$ 1,102,838
Total comprehensive income (loss)	-	-	(23,678)	(5,410)	(1,745)	101,780	70,947
Issued under stock option plan	4,707	-	-	-	-	-	4,707
Reclassification from contributed surplus due to exercise of stock options	1,147	(1,147)	-	-	-	-	-
Repurchase and cancellation of shares	(2,406)	-	-	-	-	-	(2,406)
Premium paid on share repurchase	-	-	-	-	-	(10,829)	(10,829)
Share-based payments	-	3,709	-	-	-	-	3,709
Dividends on common shares	-	-	-	-	-	(13,977)	(13,977)
Dividends on deferred share units	-	39	-	-	-	(39)	-
Balance as at September 30, 2010	\$ 178,264	\$ 22,912	\$ 73,162	\$ (4,515)	\$ (1,745)	\$ 886,911	\$ 1,154,989
Balance as at December 31, 2010	\$ 178,816	\$ 23,776	\$ 67,970	\$ (1,032)	\$ (2,312)	\$ 904,633	\$ 1,171,851
Total comprehensive income (loss)	-	-	(557)	5,156	(90)	77,231	81,740
Issued under stock option plan	429	-	-	-	-	-	429
Reclassification from contributed surplus due to exercise of stock options	89	(89)	-	-	-	-	-
Repurchase and cancellation of shares	(3,240)	-	-	-	-	-	(3,240)
Premium paid on share repurchase	-	-	-	-	-	(9,406)	(9,406)
Share-based payments	-	2,160	-	-	-	-	2,160
Dividends on common shares	-	-	-	-	-	(14,677)	(14,677)
Dividends on deferred share units	-	53	-	-	-	(53)	-
Balance as at September 30, 2011	\$ 176,094	\$ 25,900	\$ 67,413	\$ 4,124	\$ (2,402)	\$ 957,728	\$ 1,228,857

*Accumulated other comprehensive income

DOREL INDUSTRIES INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
ALL FIGURES IN THOUSANDS OF US \$

	<u>Third Quarters Ended</u>		<u>Nine Months Ended</u>	
	<u>September 30,</u>	<u>September 30,</u>	<u>September 30,</u>	<u>September 30,</u>
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
	<u>(unaudited)</u>	<u>(unaudited)</u>	<u>(unaudited)</u>	<u>(unaudited)</u>
CASH PROVIDED BY (USED IN):				
OPERATING ACTIVITIES				
Net income	\$ 23,074	\$ 30,649	\$ 77,231	\$ 101,780
Items not involving cash:				
Depreciation and amortization	14,093	13,050	41,705	38,233
Amortization of deferred financing costs	(270)	112	376	191
Accretion expense on contingent consideration and put option liabilities	523	784	1,610	1,725
Change of assumptions on contingent consideration and put option liabilities	(113)	-	(1,086)	-
Unrealized (gains) losses due to foreign exchange exposure on contingent consideration and put option liabilities	(546)	(162)	(1,067)	319
Other finance expenses	4,136	4,417	14,636	11,321
Income taxes expense	(8,690)	(2,167)	5,246	19,618
Share-based payments	546	1,224	1,941	3,372
Pension and post-retirement defined benefit plans	824	721	2,516	2,353
Loss (gain) on disposal of property, plant and equipment	33	891	(26)	893
	<u>33,610</u>	<u>49,519</u>	<u>143,082</u>	<u>179,805</u>
Net changes in non-cash balances related to operations:				
Trade and other receivables	36,061	48,890	(27,027)	(11,497)
Inventories	45,692	(71,500)	63,014	(129,256)
Prepaid expenses	(2,610)	(133)	(4,146)	(2,564)
Trade and other payables	(39,764)	(27,700)	(30,950)	70,810
Pension and post-retirement benefit obligations	(411)	(866)	(2,510)	(2,289)
Provisions, other financial liabilities and other long-term liabilities	(74)	(1,117)	(691)	(823)
	<u>38,894</u>	<u>(52,426)</u>	<u>(2,310)</u>	<u>(75,619)</u>
Income taxes paid	(4,489)	(3,983)	(23,692)	(27,620)
Income taxes received	579	146	1,069	3,838
Interest paid	(2,191)	(2,411)	(12,301)	(7,924)
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>66,403</u>	<u>(9,155)</u>	<u>105,848</u>	<u>72,480</u>
FINANCING ACTIVITIES				
Bank indebtedness	(6,500)	7,581	(8,282)	8,236
Increase of long-term debt	-	28,679	-	228,679
Repayments of long-term debt	(29,244)	(10,000)	(21,123)	(230,122)
Repayments on contingent consideration and put option liabilities	(2,431)	-	(2,431)	-
Share repurchase	(10,089)	(6,541)	(12,646)	(13,235)
Issuance of share capital	27	1,053	429	4,707
Dividends on common shares	(4,897)	(4,912)	(14,677)	(13,977)
CASH (USED IN) PROVIDED BY FINANCING ACTIVITIES	<u>(53,134)</u>	<u>15,860</u>	<u>(58,730)</u>	<u>(15,712)</u>
INVESTING ACTIVITIES				
Acquisition of businesses	-	(220)	-	(220)
Additions to property, plant and equipment	(8,061)	(6,811)	(23,012)	(22,906)
Additions to intangible assets	(4,996)	(5,002)	(14,821)	(14,299)
CASH USED IN INVESTING ACTIVITIES	<u>(13,057)</u>	<u>(12,033)</u>	<u>(37,833)</u>	<u>(37,425)</u>
Effect of exchange rate changes on cash and cash equivalents	988	6,131	745	(4,400)
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,200	803	10,030	14,943
Cash and cash equivalents, beginning of period	24,578	33,987	15,748	19,847
CASH AND CASH EQUIVALENTS, END OF PERIOD	<u>\$ 25,778</u>	<u>\$ 34,790</u>	<u>\$ 25,778</u>	<u>\$ 34,790</u>

DOREL INDUSTRIES INC.
INDUSTRY SEGMENTED INFORMATION
THIRD QUARTERS ENDED SEPTEMBER 30
ALL FIGURES IN THOUSANDS OF US \$

	Total		Juvenile		Recreational / Leisure		Home Furnishings	
	2011 (unaudited)	2010 (unaudited)	2011 (unaudited)	2010 (unaudited)	2011 (unaudited)	2010 (unaudited)	2011 (unaudited)	2010 (unaudited)
Total revenue	\$ 575,828	\$ 569,455	\$ 227,080	\$ 248,421	\$ 209,823	\$ 172,530	\$ 138,925	\$ 148,504
Cost of sales	462,975	447,068	176,991	182,799	162,768	133,110	123,216	131,159
Gross profit	112,853	122,387	50,089	65,622	47,055	39,420	15,709	17,345
Selling expenses	47,742	41,762	19,394	19,292	23,967	18,186	4,381	4,284
General and administrative expenses	36,373	35,088	20,188	18,353	12,203	11,435	3,982	5,300
Research and development expenses	7,048	6,931	5,573	5,534	877	688	598	709
Operating profit	21,690	38,606	\$ 4,934	\$ 22,443	\$ 10,008	\$ 9,111	\$ 6,748	\$ 7,052
Finance expenses	4,659	5,201						
Corporate expenses	2,647	4,923						
Income taxes	(8,690)	(2,167)						
Net income	\$ 23,074	\$ 30,649						
<u>Earnings per Share</u>								
Basic	\$0.71	\$0.93						
Diluted	\$0.71	\$0.92						
Depreciation and amortization included in operating profit	\$ 14,049	\$ 13,004	\$ 10,300	\$ 8,903	\$ 2,318	\$ 2,749	\$ 1,431	\$ 1,352

DOREL INDUSTRIES INC.
INDUSTRY SEGMENTED INFORMATION
NINE MONTHS ENDED SEPTEMBER 30
ALL FIGURES IN THOUSANDS OF US \$

	Total		Juvenile		Recreational/Leisure		Home Furnishings	
	2011 (unaudited)	2010 (unaudited)	2011 (unaudited)	2010 (unaudited)	2011 (unaudited)	2010 (unaudited)	2011 (unaudited)	2010 (unaudited)
Total revenue	\$ 1,802,621	\$ 1,773,463	\$ 740,665	\$ 794,005	\$ 659,344	\$ 569,095	\$ 402,612	\$ 410,363
Cost of sales	1,412,036	1,360,953	557,220	575,795	500,702	432,033	354,114	353,125
Gross profit	390,585	412,510	183,445	218,210	158,642	137,062	48,498	57,238
Selling expenses	139,133	126,651	60,649	58,806	65,643	55,633	12,841	12,212
General and administrative expenses	115,795	112,677	61,460	60,734	41,369	38,113	12,966	13,830
Research and development expenses	22,378	21,423	17,875	17,126	2,577	2,125	1,926	2,172
Operating profit	113,279	151,759	\$ 43,461	\$ 81,544	\$ 49,053	\$ 41,191	\$ 20,765	\$ 29,024
Finance expenses	16,246	13,046						
Corporate expenses	14,556	17,315						
Income taxes	5,246	19,618						
Net income	\$ 77,231	\$ 101,780						
<u>Earnings per Share</u>								
Basic	\$2.37	\$3.09						
Diluted	\$2.36	\$3.06						
Depreciation and amortization included in operating profit	\$ 41,571	\$ 38,115	\$ 30,455	\$ 26,898	\$ 6,874	\$ 7,143	\$ 4,242	\$ 4,074