

**DOREL INDUSTRIES INC.**  
**2002 RENEWAL ANNUAL INFORMATION FORM**

**May 16, 2003**

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## CORPORATE STRUCTURE

### ***Incorporation of Dorel Industries Inc.***

Dorel Industries Inc. (the “Company”) was incorporated on March 5, 1962 pursuant to Part I of the *Companies Act* (Quebec) under the name Dorel Co. Ltd. On May 19, 1987, the Company was continued under Part IA of the *Companies Act* (Quebec), at which time certain changes were effected to its share capital, the “private company” provisions were removed from its Articles and the company name was changed to Dorel Industries Inc./Les Industries Dorel Inc. On October 26, 1988, the Company amalgamated with its wholly-owned subsidiary, Ridgewood Industries Ltd. On September 20, 1991, the Company filed Articles of Amendment, effective October 1, 1991, converting each issued and outstanding common share into one-half of a Class A Multiple Voting Share carrying ten votes per share and one-half of a Class B Subordinate Voting Share carrying one vote per share.

### ***Subsidiaries***

Schedule A annexed hereto sets out the organizational structure of the Company and its subsidiaries, as of February 14, 2003, and the jurisdiction of incorporation of each subsidiary. Each of the subsidiaries is wholly owned, either directly or indirectly, by the Company.

For the purposes of this renewal annual information form, “Dorel” refers to the Company together with its subsidiaries.

## GENERAL DEVELOPMENT OF THE BUSINESS

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

Dorel employs approximately 4,500 people in fourteen countries. Dorel’s major North American facilities are located in Montreal, Quebec; Cornwall, Ontario; Columbus, Indiana; Wright City, Missouri; Tiffin, Ohio; Dowagiac, Michigan; and Canton, Massachusetts. Dorel’s major divisions in the United States include Ameriwood Industries and the Dorel Juvenile Group (DJG USA), which incorporates the Cosco and Safety 1<sup>st</sup> brand names. In Canada, Dorel operates Ridgewood Industries and Dorel Home Products. Dorel’s European operations are carried out through the Dorel Juvenile Group (DJG Europe) located in the Netherlands and the Ampa Group which has major facilities in France, Italy and Portugal. Brand names marketed in Europe include: Maxi-Cosi, B  b   Confort, Quinny, Safety 1<sup>st</sup>, Babid  al, MonB  b   and Baby Relax. Dorel’s imported furniture business is carried out through Dorel Asia.

### ***Major Events in the Development of the Business***

The Company was founded in Montreal, Quebec in 1962 by Mr. Leo Schwartz, who served as its President until 1992. Dorel began operations as a small manufacturer and distributor of juvenile products. By the early 1970s, Dorel had established a national sales network for its products.

In 1987, the Company completed an initial public offering in the province of Quebec of two million common shares at a price of \$5.00 CDN per share for gross proceeds of \$10 million CDN. At the same time, its common shares commenced trading on the Montreal Exchange.

In 1988, Dorel purchased Cosco, Inc. (“Cosco”) of Columbus, Indiana, a company involved in the production of children’s furniture and accessories, as well as the production of folding metal furniture. This acquisition significantly increased Dorel’s presence in the juvenile products and home furnishing industries in North America.

Dorel (U.K.) Ltd. (“Dorel (U.K.)”) was established in 1988 to penetrate the juvenile market in the United Kingdom and continental Europe. The Company originally owned 75% of Dorel (U.K.) and acquired the remaining 25% interest in 1990 for nominal consideration.

In 1990, Dorel acquired all of the shares of Charleswood Corporation (“Charleswood”), a manufacturer and distributor of RTA furniture located near St. Louis, Missouri.

The Company's common shares were listed on the Toronto Stock Exchange in 1990.

In September 1991, the Company's shareholders approved a share capital reorganization, pursuant to which each issued and outstanding common share was converted into one-half of a Class A Multiple Voting Share carrying ten votes per share and one-half of a Class B Subordinate Voting Share carrying one vote per share.

In December 1991, the Company completed a public offering in Canada of 2.6 million Class B Subordinate Voting Shares at a price of \$5.75 CDN per share for gross proceeds of \$14.95 million CDN.

Also in 1991, Cosco purchased the assets of Silgo International, a manufacturer and distributor of children's wall hangings and decorative accessories based in San Diego, California. The assets were used to establish Infantino, Inc. ("Infantino"), a Dorel subsidiary that manufactured and sold juvenile accessories.

During 1993, Dorel purchased the assets of Carol Ann Furniture of Montreal, Quebec. The assets were used in 1994 to establish Leadra Design Inc. ("Leadra"), a Dorel subsidiary that manufactured and distributed a line of mid-priced bedroom sets, wall units, tables and chairs.

In 1994, Dorel purchased Maxi-Miliaan B.V. ("Maxi-Miliaan"), an infant car seat manufacturer and distributor based in the Netherlands. The acquisition allowed Dorel to more effectively penetrate the fragmented European market. Maxi-Miliaan also has sales offices in France and Germany.

In November 1997, the Company issued one million Class B Subordinate Voting Shares at a price of \$34 CDN per share by way of public offering in Canada. In December 1997, the Company issued an additional 75,000 Class B Subordinate Voting Shares at a price of \$34 CDN per share upon the exercise of an over-allotment option by the underwriters of the public offering. The gross proceeds to the Company from the public offering and the over-allotment option were \$36.55 million CDN.

In May 1998, Dorel acquired Ameriwood Industries Inc. ("Ameriwood"), which has facilities in Tiffin, Ohio and Dowagiac, Michigan. A portion of the purchase price for Ameriwood was financed by the issuance of 460,000 Class B Subordinate Voting Shares at a price of \$47.65 CDN per share by way of public offering in the United States and Canada. The net proceeds to the Company from this offering were \$20.2 million CDN. Ameriwood operates in the RTA segment. Effective December 1998, Ameriwood was combined with Charleswood under the Ameriwood name.

In August 1998, the Company announced a two-for-one stock split, which became effective in September 1998. In the same month, Dorel acquired Okla Homer Smith ("Okla Homer"), a unit of Century Products. Okla Homer was a manufacturer of wooden juvenile furniture; its operations were consolidated with those of Cosco. In September 1998, Dorel announced the closing of the Leadra unit, which closing was completed in December. Dorel incurred a restructuring charge of \$10.1 million USD before tax in connection with the closing of Leadra and the reorganization of the newly acquired Ameriwood.

In June 2000, Dorel acquired Safety 1<sup>st</sup> Inc. ("Safety 1<sup>st</sup>") for a total cost of \$150.5 million USD. Safety 1<sup>st</sup> was a publicly-traded company in the United States with locations in Canada and Europe. Safety 1<sup>st</sup> is a recognized brand name in North America and a well-known company in the child safety segment of the juvenile industry.

Subsequent to the acquisition of Safety 1<sup>st</sup> and as part of the integration of the Juvenile businesses in North America and Europe, a major restructuring was undertaken. In addition to the costs attributed to merging Safety 1<sup>st</sup> into Dorel, three of Dorel's operations were discontinued. These discontinued operations: (i) resulted from the sale of the assets of the Infantino division and the closing of the Okla Homer Smith crib factory acquired in 1998; and (ii) included the imported strollers sales business in the United Kingdom carried out through Dorel U.K. The juvenile operating units were renamed Dorel Juvenile Group (DJG) in the United States, Canada and Europe.

In April 2001, Dorel acquired Quint B.V. of the Netherlands for \$9.2 million USD. Founded 50 years ago, Quint is an established designer and marketer of high-end baby strollers sold in European specialty shops under the "Quinny" brand. The acquisition was designed, in part, to increase Dorel's juvenile business in Europe.

In May 2002, the Company issued 2,929,200 Class B Subordinate Voting Shares at a price of \$38.50 CDN per share by way of public offering in Canada, for gross proceeds to the Company of \$112.8 million CDN. The net proceeds of the public offering were used by the Company to reduce bank indebtedness.

In July 2002, the Company sold, through one of its subsidiaries, \$50 million USD in principal amount of 6.80% Series A Senior Guaranteed Notes due July 26, 2012. The net proceeds from the sale of the notes were used to repay floating debt that was outstanding at the time. Under the terms of the note issuance agreement, Dorel may issue up to \$50 million USD of additional notes on or before July 26, 2005. The notes were purchased by a group of institutional investors led by The Prudential Insurance Company of America.

Pursuant to a normal course issuer bid announced on August 7, 2002, the Company may purchase up to 200,000 Class B Subordinate Voting Shares through the facilities of the Toronto Stock Exchange at the prevailing market price over a twelve-month period starting on August 9, 2002. During the fiscal year ended December 30, 2002, the Company purchased an aggregate of 10,000 Class B Subordinate Voting Shares for total consideration of \$217,000 USD by way of the normal course issuer bid. The shares were cancelled upon their purchase by the Company.

Subsequent to year end, in February 2003 the Company acquired all of the outstanding common shares of Ampa Development SAS (“Ampafrance”), a company headquartered in Cholet, France with major facilities in Portugal and Italy. Ampafrance is a developer, manufacturer, marketer and distributor of juvenile products including strollers, car seats and other juvenile products. At the time of the acquisition, the Company announced that it expected the acquisition of Ampafrance to add in the range of \$0.15 USD to \$0.20 USD per share to the Company’s earnings in fiscal year 2003. The total consideration was \$247.2 million USD, including all related acquisition costs. The majority of the acquisition cost was financed through long-term debt with the balance being paid with cash on hand. In addition, a balance of sale of \$27.8 million USD, secured by a letter of guarantee, will be paid in 2003.

In connection with the acquisition of Ampafrance, Dorel completed the sale in February 2003 of \$110 million USD principal amount of senior guaranteed notes. The senior guaranteed notes were purchased by a group of institutional investors including Prudential Capital Group, an institutional investment business of Prudential Financial, and Teachers Insurance and Annuity Association - College Retirement Equity Fund. Of the \$110 million USD, Dorel issued \$55 million USD of Series A Notes bearing interest at 5.09% due February 11, 2008, and \$55 million USD of Series B Notes bearing interest at 5.63% due February 10, 2010.

## NARRATIVE DESCRIPTION OF THE BUSINESS

**All amounts below are stated in U.S. dollars, which is the reporting currency of the Company. The following does not take into account the Ampafrance acquisition, which occurred after the Company’s fiscal year end.**

### *Operating Segments and Principal Products*

Historically, Dorel’s business has been carried out through three segments: RTA Furniture, Juvenile Products and Home Furnishings.

In 2002, Dorel changed the structure of its internal organization with respect to the manufacture and sale of metal and wood furniture, previously reported within the Home Furnishings Segment. These products are now considered part of the RTA Furniture Segment. Accordingly, results for the prior year as previously reported have been restated to reflect this change

In January 2003, the Company announced that it will modify the way in which it will report results from its operating segments in the future. The RTA Furniture and Home Furnishing Segments are to be combined into one segment that will be referred to as Home Furnishings. Over the past number of years, the operating units within these two segments have become increasingly integrated. This change is in accordance with Canadian generally accepted accounting principles (GAAP), which considers the similar nature of customers, products, production processes and distribution channels employed by the business units that make up these two segments.

### **RTA Furniture Segment**

RTA furniture is manufactured and packaged as component parts and is assembled by the consumer. Dorel believes that it is among the four largest producers of RTA furniture in North America. Dorel’s RTA Furniture Segment produces office furniture, home office furniture, computer tables, microwave stands, entertainment units and home theatre units that are marketed under the Charleswood, Ridgewood and Ameriwood names.

The RTA Furniture Segment accounted for 26% of Dorel’s sales in 2002. RTA Furniture Segment sales were \$257.5 million in 2002 compared to \$260.2 million in 2001, representing a decrease of 1.0%. Operating profit in 2002 was \$48.0 million

compared to \$45.6 million in 2001, representing an increase of 5.1%. The success of the RTA Furniture Segment's comes from Dorel's ability to capitalize on its low cost structure, high sell-through per square foot and commitment to customer service.

### **Home Furnishings Segment**

The Home Furnishings Segment produces metal folding furniture, futons, step stools and other imported furniture items. These products are manufactured and/or imported and distributed by the three divisions which comprise the Home Furnishings Segment: Cosco Home and Office, Dorel Home Products and Dorel Asia. In 2002, the Home Furnishings Segment accounted for 21% of Dorel's sales. Sales in 2002 were \$206.1 million compared to \$152.6 million in 2001, an increase of 35%. Operating profit in 2002 was \$16.5 million compared to \$2.2 million in 2001, representing an increase of 639%.

The Home Furnishings Segment operates in a highly competitive market where attractive pricing versus the competition is essential. This factor has resulted in a greater portion of the products and components being purchased in Southeast Asia as opposed to being manufactured in North America. A recent example of Dorel's success in sourcing from overseas was the strategic decision to stop manufacturing certain futon components in Montreal. They are now purchased in Southeast Asia and the final futon product is assembled in North America prior to shipping.

### **Juvenile Products Segment**

The Juvenile Products Segment manufactures and imports products such as infant car seats, strollers, high chairs, toddler beds, playpens, swings and infant health and safety aids. These products are marketed under the brand names Cosco and Safety 1<sup>st</sup> in North America, and Maxi-Cosi, Quinny and Safety 1<sup>st</sup> in Europe. In addition, Dorel has licensing agreements for names such as Eddie Bauer and Looney Tunes.

Although Dorel manufactures and sells juvenile products at all price levels, from entry level to high-end price points, Dorel's products are designed for consumers whose priorities are safety and quality at reasonable prices. Its products are sold principally through mass merchants, department stores and hardware/home centres. In recent years, licensing agreements with well-recognized brand names have accelerated the entry into higher-priced juvenile products. In Europe, Dorel also sells higher-end juvenile products to boutiques and smaller stores along with major European chains.

The Juvenile Products Segment accounted for 53% of Dorel's sales in 2002. Sales of the Juvenile Products Segment were \$528.4 million in 2002 compared to \$503.9 million in 2001, representing an increase of 4.9%. The Juvenile Products Segment operating profit, before restructuring and other one-time charges, was \$43.0 million in 2002 compared to \$38.3 million in 2001, representing an increase of 12.1%. The Juvenile Products Segment's success hinges on successful new product development and Dorel's commitment to customer service.

### ***Distribution***

Dorel sells its products primarily to major retail chains. In 2002, Dorel made sales to the following: (i) mass merchant discount chains; (ii) speciality stores; (iii) department stores; (iv) hardware/home centres; and (v) independent stores.

Dorel uses a variety of sales and distribution arrangements. These consist of salaried Dorel employees; individual agents who carry Dorel's products on either an exclusive or non-exclusive basis; individual specialized agents, who sell products, including Dorel's, exclusively to one customer such as a major discount chain; and sales agencies which themselves employ salesmen.

Retailers carry out the bulk of advertising of Dorel's products. In addition, the Juvenile Products Segment advertises and promotes its products through the use of advertisements in specific magazines and multi-product brochures.

### ***Major Customers***

In 2002, Dorel had three major customers (Wal-Mart, K-Mart Corporation ("K-Mart") and Toys "R" Us) each representing more than 10% of sales. These three major customers represented an aggregate of 68.5% of total sales in 2002 compared to 66.3% in 2001.

Dorel believes that its commitment to providing a high level of service has allowed it to develop particularly close relationships with such major retailers as Wal-Mart, K-Mart and Toys “R” Us. The success of this commitment to service has resulted in Dorel being awarded more than 40 vendor awards for excellence since 1992. To Dorel’s knowledge, it has won more of such awards than any other company in its product categories. Dorel has achieved this level of customer satisfaction by fostering particularly close contacts between its sales representatives and the customers. To this end, Dorel has engaged a permanent, full-service agency account team dedicated exclusively to Wal-Mart, located near Wal-Mart’s headquarters in Bentonville, Arkansas. Dorel has also engaged account teams dedicated exclusively to K-Mart and Toys “R” Us. These dedicated account teams give Dorel’s customers the assurance that inventory and supply requirements will be met and that any problems will be immediately addressed. The account teams also provide product and market analysis and can assist with product specification and design.

Dorel believes that the trend among its mass merchant customers is to buy from fewer but larger suppliers who are able to deliver a wide range of products, provide greater security of supply and render increased levels of service. Dorel believes that its ability to deliver a wide range of products on a reliable basis, combined with its demonstrated commitment to service, provides it with an important competitive advantage in this environment.

Dorel’s relationships with Wal-Mart, K-Mart and Toys “R” Us has the additional benefit of providing Dorel with important feedback which it uses to improve its product offerings and to respond rapidly to changing market trends.

On January 22, 2002, K-Mart and 37 of its subsidiaries filed voluntary petitions for reorganization under Chapter 11 of the United States Bankruptcy Code. As at December 30, 2002, Dorel has included in accounts receivable, gross pre-petition receivables from K-Mart totalling approximately \$23 million. In addition, Dorel has provided for its allowance for anticipated credits certain reserves for returns and allowances, advertising and other anticipated deductions related specifically to the gross pre-petition receivables. Dorel believes that it will be granted the right of offset for anticipated deductions through the bankruptcy claims administration process. Insurance claims have been filed representing a significant portion of its net pre-petition receivables from K-Mart. Dorel believes that its remaining allowances for anticipated credits and doubtful accounts recorded at December 30, 2002, are adequate to cover any potential losses associated with the receivables from K-Mart, net of insurance recoveries. Notwithstanding the filing of voluntary petitions for reorganization under Chapter 11 set out above, during 2002 Dorel continued to sell to K-Mart and its subsidiaries.

### ***Geographic Regions***

In 2002, 88% of Dorel’s sales took place in the United States, 3% in Canada and 9% in Europe and elsewhere. This percentage is consistent with the previous year. The origin of Dorel’s sales from its various facilities is as follows: United States – 71%, Canada – 16% and Europe and elsewhere – 13%.

### ***Raw Materials***

Dorel’s main commodities are plastic resin, particleboard and paperboard. The price of plastic resin was generally higher in 2002 than in 2001. The price of particleboard and paperboard were generally lower in 2002 than in 2001. In 2002, costs for these two commodities were at very low levels.

### ***Intellectual Property***

Dorel is the sole owner of all patents and manufacturing licenses for its products. The loss of any one of these patents would not adversely impact Dorel’s operations.

### ***Seasonality***

Generally, sales of Dorel products are consistent throughout the year and are not subject to major seasonal variations in the level of retail sales. However, sales in the RTA Furniture Segment tend to be weaker in the first half of the year and to increase in the second half.

### ***Competition***

In Dorel’s view, it ranks among the top four manufacturers for RTA furniture and among the top three for juvenile products in North America in terms of sales. Although the diversity of products and fragmented markets of the home furnishings

industry makes useful comparisons difficult, Dorel believes that the following table sets out the major competitors of each of its business segments:

<u>RTA Furniture Segment</u>	<u>Juvenile Products Segment</u>	<u>Home Furnishings Segment</u>
Sauder	Fisher Price	Meco
Bush	Evenflo	Verco
O'Sullivan	Graco	Amisco
Creative Interiors	The First Years	Pilliod
Mills Pride	Kolcraft	Powell
		Imports from Mexico and Asia

### ***Research and Development***

Research and development is an important part of Dorel's business success. Each year, each of Dorel's three segments generally introduces a large number of new products.

Quality control is an essential part of Dorel's competitive position. Most products are developed to exclusive specifications and rigid safety standards, particularly as regards the Juvenile Products Segment. In fiscal 2002, Dorel spent \$9.1 million on research and development activities.

Much of Dorel's research and development is done at DJG USA's 850,000 square foot plant in Columbus, Indiana. This facility includes a 25,000 square foot area dedicated to research and development with respect to new juvenile and home furnishings products.

### ***Environmental Regulations***

All Dorel segments currently operate within existing environmental regulations. Dorel made nominal capital expenditures with respect to environmental protection matters in 2002. Dorel assumed certain environmental liabilities and contingencies associated with the Michigan plant acquired with the purchase of Ameriwood in 1998. A provision at December 30, 2002 of \$516,000 has been set-up in connection with this liability. Any amounts incurred in excess of the provision are not expected to have a material adverse affect on the Company.

### ***Human Resources***

At the end of fiscal 2002, Dorel employed approximately 3,500 people in nine countries. Approximately 2,000 of Dorel's employees are unionized and are subject to a total of four collective agreements. Two of the collective agreements expired in early 2001 and have been renegotiated for three-year terms. None of the collective agreements expires before 2004. No labour problems were experienced in 2002 and Dorel considers its labour relations to be good.

## SELECTED CONSOLIDATED FINANCIAL INFORMATION

### Three Year Review

All figures in thousands except per share amounts

	Fiscal Years ended December 30,		
	2002	2001	2000
Sales.....	\$ 992,073	\$ 916,769	\$ 757,540
Income from continuing operations.....	61,595	26,562	29,974
Income per share from continuing operations			
Basic.....	2.05	0.94	1.07
Fully diluted.....	2.00	0.93	1.05
Net income.....	61,595	25,504	17,306
Net income per share			
Basic.....	2.05	0.91	0.62
Fully diluted.....	2.00	0.89	0.61
Total assets.....	610,123	568,574	576,044
Total debt.....	93,708	235,837	262,046
Dividends.....	—	—	—

### DIVIDENDS

The Company's current policy is to retain earnings for future growth. As a result, the Company does not anticipate the payment of any dividends in the near future. Under the Company's current financing arrangements, the payment of dividends and any amounts dedicated to the redemption or repurchase of capital stock cannot in the aggregate exceed 25% of net income in any fiscal year. These financing arrangements also include certain customary financial covenants that may indirectly restrict the Company's ability to pay dividends.

### MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

A discussion and analysis by management of the financial condition and results of operations for the fiscal years ended December 30, 2002 and 2001 is presented under the item *Management's Discussion and Analysis* on pages 14 to 24 of the Annual Report of the Company for the fiscal year ended December 30, 2002, which item is incorporated herein by reference. To complement such discussion and analysis, reference is made to the *Consolidated Financial Statements* for the fiscal years ended December 30, 2002 and 2001 and the *Notes to Consolidated Financial Statements* on pages 25 to 51 of the Annual Report of the Company for the fiscal year ended December 30, 2002, which Consolidated Financial Statements and Notes are incorporated herein by reference.

### MARKET FOR THE NEGOTIATION OF SECURITIES

The Company's Class A Multiple Voting Shares and Class B Subordinate Voting Shares are listed on the Toronto Stock Exchange under the symbols DII.A and DII.B, respectively.

The Company's Class B Subordinate Voting Shares are also listed on the NASDAQ National Market under the symbol DIIBF.

## DIRECTORS AND SENIOR OFFICERS

The names, municipalities of residence, period during which each has served as a director where applicable, offices held with the Company and principal occupations of the directors and senior officers of the Company are as follows:

<u>Name and municipality of residence</u>	<u>Director since</u>	<u>Office</u>	<u>Principal occupation</u>
Martin Schwartz..... Montreal, Quebec	1987	President, Chief Executive Officer and Director	President and Chief Executive Officer of the Company
Jeff Segel ..... Montreal, Quebec	1987	Executive Vice-President, Sales and Marketing and Director	Executive Vice-President, Sales and Marketing of the Company
Alan Schwartz..... Montreal, Quebec	1987	Executive Vice-President, Operations and Director	Executive Vice-President, Operations of the Company
Jeffrey Schwartz ..... Toronto, Ontario	1987	Chief Financial Officer, Secretary and Director	Chief Financial Officer of the Company
Pierre Dupuis ..... Longueuil, Quebec	—	Chief Operating Officer	Chief Operating Officer of the Company
Frank Rana..... Montreal, Quebec	—	Vice-President, Finance and Treasurer	Vice-President, Finance and Treasurer of the Company
Dr. Laurent Picard* ..... Montreal, Quebec	1988	Director	Corporate Director
Harold P. (Sonny) Gordon, Q.C.* ..... Montreal, Quebec	2003	Director	Chairman Dundee Bancorp Inc. (financial services, wealth management and investments company)
Maurice Tousson* ..... Toronto, Ontario	1995	Director	President and Chief Executive Officer CDREM Inc. (retailed)

\* Member of the Audit Committee and the Human Resources and Corporate Governance Committee.

During the last five years, each of the directors and senior officers have been engaged in their present principal occupations or in other executive capacities with the companies indicated opposite their names, with the exception of: (i) Mr. Pierre Dupuis, who prior to October 1999 was the President and Chief Operating Officer of Transcontinental Group Ltd.; (ii) Mr. Harold P. (Sonny) Gordon, Q.C., who prior to November 15, 2001 was the Vice-Chairman of Hasbro, Inc., a position he held until May 2002; and (iii) Mr. Maurice Tousson, who prior to February 1999 was the President of Medi-Trust Pharmacy Inc.

The term of each of the directors listed above will expire at the next annual general meeting of shareholders of the Company.

As at December 30, 2002, the directors and senior officers beneficially owned in the aggregate, directly or indirectly, or exercised control or direction over, 62.3% of the issued and outstanding Class A Multiple Voting Shares and 5.9% of the issued and outstanding Class B Subordinate Voting Shares of the Company.

## ADDITIONAL INFORMATION

Additional information, including directors' and officers' remuneration and indebtedness (if any), principal holders of the Company's securities, options to purchase securities and interests of insiders in material transactions, if applicable, is contained in the Company's Management Proxy Circular in respect of the annual general meeting of shareholders to be held on May 28, 2003.

Additional financial information is provided in the Company's comparative consolidated financial statements for the fiscal year ended December 30, 2002 included in the Company's 2002 Annual Report.

When the Company's securities are in the course of a distribution under a preliminary short form prospectus or a short form prospectus, the Company shall provide to any person, upon request to the Secretary of the Company at 1255 Greene Avenue, Suite 300, Montreal, Quebec H3Z 2A4:

- (a) one copy of this 2002 renewal annual information form together with one copy of any document, or the pertinent pages of any document, incorporated by reference in this 2002 renewal annual information form;
- (b) one copy of the Company's consolidated financial statements for the fiscal year ended December 30, 2002, together with the report of the auditors thereon contained in the 2002 Annual Report, and one copy of any of the Company's interim financial statements subsequent to such consolidated financial statements;
- (c) one copy of the Management Proxy Circular in respect of the annual general meeting of shareholders to be held on May 28, 2003; and
- (d) one copy of any other documents that are incorporated by reference into the preliminary short form prospectus or the short form prospectus and are not required to be provided under clauses (a), (b) or (c).

At any other time, the Company shall provide to any person, upon request to the Secretary of the Company and upon payment of a reasonable charge if the person making the request is not a shareholder of the Company, one copy of any of the documents referred to in clauses (a), (b) and (c) above.

**SCHEDULE A**  
**Corporate Structure**  
**North America**



