



## C O M M U N I Q U É

### JUVENILE

Cosco  
Safety 1<sup>st</sup>  
Maxi-Cosi  
Quinny  
Baby Relax  
Babidéal  
MonBébé  
Bébé Confort

### HOME FURNISHINGS

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

### RECREATIONAL / LEISURE

Pacific Cycle  
Schwinn  
GT  
Mongoose  
InSTEP

### EXCHANGES

#### CANADA

TSX:  
DII.A, DII.B

#### U.S.A.

NASDAQ:  
DIIB

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## DOREL POSITIONED FOR SOLID 2004

- **Solid progress as global consumer products company**
- **Two new Board members named creating majority independent Board**
- **Acquisitions generate strong cash flow**
- **EPS guidance maintained at US\$3.12 to US\$3.22**

**Montreal, May 28, 2004**—While it took Dorel Industries (TSX: DII.A, DII.B; NASDAQ: DIIB), 41 years to reach the US\$1billion mark in revenues, the global consumer products company already has the second billion in sight. The Company expects 2004 sales will be between US\$1.6 and US\$1.8 billion as the result of three significant acquisitions and strong organic growth in its U.S. juvenile products operations. Company President and CEO, Martin Schwartz, today told shareholders that Dorel is a world leader in juvenile products, among the top two North American ready-to-assemble furniture producers and the largest seller of bicycles in the U.S.

“Increasingly our products are becoming part of consumers’ everyday lives. We’ve assembled a powerful portfolio of products and brands—from car seats to strollers to ready-to-assemble furniture to folding furniture to bikes—and we are continuing to gain market share in many of these categories,” said Mr. Schwartz.

#### **New investments in manufacturing technology**

The Company has recently invested heavily in leading-edge manufacturing technology. Earlier this month Dorel opened its new US\$25 million “factory of the future” in Columbus, Indiana. The 1.1 million square foot plant and warehouse has been completely re-organized and serves as the centre of the Company’s car seat production. The “factory of the future” is an example of Dorel’s combination of domestic manufacturing and offshore out-sourcing.

Also in May, Dorel Home Products in Montreal launched a revolutionary new manufacturing process which produces an environmentally-friendly futon mattress with fewer raw materials and which is less labour intensive. The US\$4 million dollar investment can double capacity from the current 700,000 mattresses per year to 1.4 million and opens the door to the production of other items. The system is a first in Canada and was designed in-house. Dorel is North America’s largest futon manufacturer.

#### **The Dorel Advantage**

Mr. Schwartz told shareholders that a catalyst to Dorel’s evolution as a successful global consumer products company has been The Dorel Advantage—its ability to develop and continuously improve key strengths that are consistently applied across all Company businesses. “These include the in-house design of exciting, quality, branded consumer products; low cost production through a balance of domestic production and off-shore sourcing; the development of strong customer relationships particularly with large mass merchants; as well as experienced top and middle management throughout our organization. It is this model which has not only served Dorel’s traditional divisions but is the formula the Company seeks when acquiring new, growth operations.”

Admitting that Dorel is not exactly a household name, Mr. Schwartz said efforts are being made to address this. "While we have strong consumer brands, we believe that there is value in creating an overall corporate brand. We have modified, but certainly not completely changed, our corporate logo and it is being applied throughout the organization. This is a gradual process. One excellent opportunity to create visibility is to add the Dorel name on the millions of boxes sold each year to consumers."

### **Dorel to have majority independent Board**

Shareholders elected two new board members at today's annual meeting. As of July 1<sup>st</sup>, the Company will have a majority independent Board. Dian Cohen is an economist and recognized author and commentator who sits on other Boards and has vast experience in the field of corporate governance. Alain Benedetti is an FCA, Vice-Chairman and Managing Partner at Ernst & Young, who brings general business and financial reporting expertise to the Board. Mr. Benedetti can only assume his responsibilities with Dorel July 1<sup>st</sup> as he retires from E&Y June 30<sup>th</sup>. As such, lawyer Neil Weiner was elected to the Board on an interim basis.

The Board has also created the position of lead director and has appointed Maurice Tousson, a long-standing independent board member, to the post.

### **Strong cash flow supports strategic acquisitions**

In detailing the Company's financial strengths, Dorel CFO, Jeffrey Schwartz, said that a combination of internal growth and prudent acquisitions, such as those in 2003, has provided for compound annual growth rates of 21% for sales 31% in earnings over the past ten years.

"Another first for us is the fact that total assets on our balance sheet now exceed over one billion dollars and our net book value is approaching a half billion dollars. This represents approximately ten times what our size was ten years ago. Dorel has made several major acquisitions since 1998. With these purchases have come improved sales and earnings. Cash flow has also increased. Our ability to generate cash has allowed us to take advantage of opportunities such Pacific Cycle within a year of acquiring Ampfrance and Carina," stated Jeffrey Schwartz.

### **Guidance**

Dorel is maintaining its current guidance for 2004 of earnings per share of between US\$3.12 to US\$3.22. This was amended from the original US\$3.25 to US\$3.35 per share issued in January due to a charge related to a dispute with one of the Company's insurance carriers. The Company anticipates a favourable decision and any recovery will be included in net income in future periods.

Total revenues for the first quarter ended March 31, 2004 were up 41.5% to US\$391.8 million, compared to US\$276.9 million posted a year ago. After accounting for the insurance expense, earnings were US\$19.6 million or US\$0.60 per share, compared to US\$19.2 million or US\$0.60 per share for the first quarter of 2003. Excluding this charge, earnings for the first quarter would have been US\$23.9 million or US\$0.73 per share.

### **Live Audio Webcast**

Interested parties may listen to the live audio webcast at [www.dorel.com](http://www.dorel.com) or at [www.newswire.ca](http://www.newswire.ca)

### **Profile**

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

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### **Forward-Looking Statements**

Except for historical information provided herein, this press release may contain information and statements of a forward-looking nature concerning the future performance of the Company. These statements are based on suppositions and uncertainties as well as on management's best possible evaluation of future events. Such factors may include, without excluding other considerations, fluctuations in quarterly results, evolution in customer demand for the Company's products and services, the impact of price pressures exerted by competitors, and general market trends or economic changes. As a result, readers are advised that actual results may differ from expected results.

