



RTA

Ameriwood
Ridgewood

JUVENILE

Cosco
Maxi-Miliaan BV
Infantino
Dorel (U.K.)

HOME FURNISHINGS

Dorel Home Products
Cosco

EXCHANGES

CANADA:
Montreal & Toronto
Stock Exchange:

DII.A, DII.B

U.S.A.:
NASDAQ:

DIIBF

CONTACT:
Maison Brison
Rick Leckner
(514) 731-0000

Dorel Industries Inc.:
Jeffrey Schwartz
(514) 934-3034

Dorel Posts Strong Third Quarter Realignments in RTA and New Products Produce Sharp Increase In Earnings

Montreal, October 28, 1999---Dorel Industries Inc. (TSE, ME: DII.A, DII.B; NASDAQ: DIIBF) has posted yet another record performance with significant improvements in both sales and earnings for the third quarter ended September 30, 1999. The growth is in line with management's earlier commitment to deliver a strong second half.

Results for the third quarter and nine months were as follows:

Summary of Financial Highlights			
	Nine months ended Sept. 30,		
	1999	1998	Change
Sales	679,923,668	545,880,029	24.6%
Net Income	38,612,649	15,121,448	155%
Net Income Per Share			
Basic	1.38	0.56	146%
Fully diluted	1.33	0.55	142%

Third quarter ended Sept. 30,			
	1999	1998	Change
Sales	227,703,419	210,965,909	8%
Net Income	14,302,812	(901,553)	
Net Income Per Share			
Basic	0.51	(0.04)	
Fully diluted	0.49	(0.03)	

N.B. Numbers reflect last year's third quarter one time restructuring pretax charge of \$14.4 million related to the Ameriwood acquisition and closing of Leadra Design. Prior to the charge, income for the third quarter ended September 30, 1998 was \$9.6 million or \$0.35 per share fully diluted.

Juvenile Grows

The Juvenile segment was a solid contributor to both the top and bottom lines. During the third quarter, sales grew 37.5% to \$104.1 million year over year, while earnings from operations were up 21.5% to \$8.4 million. Cosco again posted record sales and earnings on the strength of new product introductions. Car seats in particular were up 60% due to the continued strength of the High Back Booster line and the popularity of the prestigious Eddie Bauer line of strollers and car seats.

As a result of the success with the Eddie Bauer project, Cosco is currently exploring other licensing arrangements for its products.

Maxi rebounded from a soft second quarter with sales up 18% and a 45% increase in earnings from operations. Year over year backlog is up 80%. "We were well aware that Maxi's boutique type clients were waiting for new car seat introductions. Their enthusiasm for these products has been clearly manifested during the third quarter and we are confident this sales trend will continue," said Dorel President and CEO, Martin Schwartz.

RTA More Profitable

The ready-to-assemble (RTA) segment sales decreased 11.1% to \$81 million, while earnings from operations grew 26.8% to \$13.2 million compared to the third quarter last year. The decrease in sales was attributed entirely to the Ameriwood RTA division.

"Basically we cleaned house," explained Mr. Schwartz. "This was part of the strategy developed when we purchased Ameriwood almost a year and a half ago. We knew that to make Ameriwood more profitable, certain changes had to be made. This included dropping non furniture RTA lines, eliminating unprofitable accounts or small runs as well as severing relationships with certain high risk clients. This done, we have greatly enhanced the quality of sales at Ameriwood. Margins have increased across the board. This provides a good foundation going forward."

As announced last month, an aggressive improvement program has been completed, including the doubling of the Ridgewood Cornwall, Ontario factory and a total realignment of Ameriwood's Tiffin facility. Business at Ridgewood has grown dramatically and the expanded facilities will allow for the required increase in capacities.

Home Furnishings Improves

In the third quarter, Home Furnishings sales dipped 3.6% to \$42.5 million. For the corresponding period last year, sales included an amount of \$5.3 million generated by Leadra Design. Leadra was closed in December 1998. Earnings from operations jumped 154% to \$3 million.

Dorel Home Product's line of Sealy futons did particularly well during the third quarter, with sales almost equaling those realized during the first half. Numerous new products were presented at the recent October Furniture Market in High Point, North Carolina. These included items for the home office and home entertainment markets.

Outlook

Mr. Schwartz stated the balance of the year is shaping up very well. "With the changes at RTA and resultant higher margins as well as the continued introduction of new products in all our segments, management is confident of a strong finish and another record year."

Dorel is a rapidly growing, consumer products manufacturer specializing in three product areas: ready-to-assemble (RTA) furniture, juvenile products and home furnishings. Dorel's product offerings include a wide variety of RTA furniture for home and office use; juvenile products such as infant car seats, strollers, high chairs, toddler beds and cribs; and home furnishings such as metal folding chairs, tables, bunk beds, futons and step stools.

Dorel employs more than 3,300 people in nine countries. Major North American facilities are located in Montreal, Quebec; Cornwall, Ontario; Columbus, Indiana; Wright City, Missouri; Tiffin, Ohio; Dowagiac, Michigan; Cartersville, Georgia; Fort Smith, Arkansas and San Diego, California. The Company's major divisions in the United States include Cosco, Ameriwood and Infantino. In Canada, Dorel operates Ridgewood and Dorel Home Products. European operations are carried out through Maxi-Miliaan B.V. in the Netherlands and Dorel (U.K.) Ltd. in the United Kingdom.

This communiqué contains forward-looking statements that involve risks and uncertainties. Actual results may be materially different from those contained in such forward-looking statements. Additional information concerning factors that could cause actual results to materially differ from those in the forward-looking statements is contained in the Company's filings with the U.S. Securities and Exchange Commission.

DOREL INDUSTRIES INC.
CONSOLIDATED BALANCE SHEET
AS AT SEPTEMBER 30, 1999 (unaudited)

	<u>1999</u>	<u>1998</u>
	\$	\$
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	6,801,359	15,435,845
Accounts receivable	134,141,874	135,610,046
Inventories	167,571,330	144,611,878
Prepaid expenses	16,546,971	8,889,537
Deferred income taxes	6,221,591	3,116,254
	<u>331,283,125</u>	<u>307,663,560</u>
CAPITAL ASSETS		
EQUIPMENT UNDER CAPITAL LEASE	138,259,444	122,201,369
DEFERRED CHARGES	-	14,245,865
INTANGIBLE ASSETS	4,516,410	5,430,464
	<u>21,456,549</u>	<u>24,594,145</u>
	<u>495,515,528</u>	<u>474,135,403</u>
LIABILITIES		
CURRENT LIABILITIES		
Bank indebtedness	1,579,812	14,440,108
Accounts payable and accrued liabilities	80,816,167	71,201,438
Salaries payable	10,998,895	10,429,295
Income taxes payable	9,057,345	3,883,956
Current portion of long-term debt and obligation under capital lease	2,274,007	5,787,363
	<u>104,726,226</u>	<u>105,742,160</u>
LONG-TERM DEBT		
OBLIGATION UNDER CAPITAL LEASE	126,026,555	146,869,236
DEFERRED INCOME TAXES	-	1,550,885
DEFERRED GAIN	10,673,644	9,587,137
	<u>-</u>	<u>151,919</u>
SHAREHOLDERS' EQUITY		
CAPITAL STOCK	90,363,202	86,060,819
RETAINED EARNINGS	155,398,463	106,157,616
CUMULATIVE TRANSLATION ADJUSTMENT	8,327,438	18,015,631
	<u>254,089,103</u>	<u>210,234,066</u>
	<u>495,515,528</u>	<u>474,135,403</u>

DOREL INDUSTRIES INC.
CONSOLIDATED STATEMENT OF INCOME
FOR THE THIRD QUARTERS AND NINE MONTHS ENDED SEPTEMBER 30, 1999 AND 1998 (unaudited)

	Third quarter ended		Nine months ended	
	Sept. 30, 1999	Sept. 30, 1998	Sept. 30, 1999	Sept. 30, 1998
	\$	\$	\$	\$
SALES	227,703,419	210,965,909	679,923,668	545,880,029
EXPENSES				
Cost of sales	170,299,953	163,197,902	511,768,704	416,466,019
Operating	28,361,390	23,716,431	85,061,385	67,997,707
Amortization	5,644,784	5,938,185	18,766,797	14,890,638
Research and development costs	593,313	719,049	1,895,870	1,652,845
Restructuring costs	-	14,394,784	-	14,394,784
Interest on long-term debt	2,245,826	2,483,057	6,958,320	5,783,555
Other interest	31,491	202,345	153,657	554,994
	207,176,757	210,651,753	624,604,733	521,740,542
INCOME BEFORE INCOME TAXES	20,526,662	314,156	55,318,935	24,139,487
Income taxes	6,223,850	1,215,709	16,706,286	9,018,039
NET INCOME	14,302,812	(901,553)	38,612,649	15,121,448
EARNINGS PER SHARE				
Basic	0.51	(0.04)	1.38	0.56
Fully Diluted	0.49	(0.03)	1.33	0.55

DOREL INDUSTRIES INC.
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THIRD QUARTERS AND NINE MONTHS ENDED SEPTEMBER 30, 1999 AND 1998 (unaudited)

	Third quarter ended		Nine months ended	
	Sept. 30, 1999	Sept. 30, 1998	Sept. 30, 1999	Sept. 30, 1998
	\$	\$	\$	\$
CASH PROVIDED BY (USED IN):				
OPERATING ACTIVITIES				
Net income	14,302,812	(901,553)	38,612,649	15,121,448
Adjustments for:				
Amortization	5,644,784	5,938,185	18,766,797	14,890,638
Deferred income taxes	25,199	662,424	60,846	(26,401)
Gain on disposal of capital assets	-	(71,808)	-	(82,869)
	<u>19,972,795</u>	<u>5,627,248</u>	<u>57,440,292</u>	<u>29,902,816</u>
Changes in non-cash working capital:				
Decrease (increase) in accounts receivable	2,940,624	(15,912,165)	(18,407,423)	(26,455,748)
Decrease (increase) in inventories	(4,811,583)	3,988,509	(30,637,393)	(16,264,331)
Decrease (increase) in prepaid expenses	(3,687,681)	698,005	(5,536,916)	1,481,151
Increase (decrease) in accounts payable and accrued liabilities	(8,286,240)	3,991,827	6,888,730	11,172,811
Increase (decrease) in income taxes payable	(425,060)	(1,698,688)	5,460,297	3,293,536
Increase (decrease) in salaries payable	1,615,281	1,124,187	(399,250)	574,004
	<u>(12,654,659)</u>	<u>(7,808,325)</u>	<u>(42,631,955)</u>	<u>(26,198,577)</u>
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>7,318,136</u>	<u>(2,181,077)</u>	<u>14,808,337</u>	<u>3,704,239</u>
FINANCING ACTIVITIES				
Increase in long-term debt and obligation under capital lease	420,351	12,253,634	12,999,617	17,820,014
Issuance of capital stock	-	11,702	2,337,544	20,381,112
Increase (decrease) in bank indebtedness	(538,671)	(4,940,573)	(11,322,041)	4,527,105
CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	<u>(118,320)</u>	<u>7,324,763</u>	<u>4,015,120</u>	<u>42,728,231</u>
INVESTING ACTIVITIES				
Acquisition of subsidiary company	-	(1,190,195)	-	(62,272,786)
Cash on hand	-	123,548	-	123,548
	<u>-</u>	<u>(1,066,647)</u>	<u>-</u>	<u>(62,149,238)</u>
Financed by long-term debt	-	-	-	45,240,517
	<u>-</u>	<u>(1,066,647)</u>	<u>-</u>	<u>(16,908,721)</u>
Additions to capital assets - net	(7,519,507)	(11,464,820)	(21,145,168)	(24,762,940)
Deferred charges	(551,952)	(412,606)	(987,604)	(2,721,641)
Intangible assets	(80,590)	84,442	(279,756)	405,167
CASH USED IN INVESTING ACTIVITIES	<u>(8,152,049)</u>	<u>(12,859,631)</u>	<u>(22,412,528)</u>	<u>(43,988,135)</u>
OTHER				
Effect of exchange rate changes on cash	951,460	(2,728,876)	539,142	(4,314,290)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(773)	(10,444,821)	(3,049,929)	(1,869,955)
Cash and cash equivalents, beginning of period	6,802,132	25,880,666	9,851,288	17,305,800
CASH AND CASH EQUIVALENTS, END OF PERIOD	<u>6,801,359</u>	<u>15,435,845</u>	<u>6,801,359</u>	<u>15,435,845</u>