



C O M M U N I Q U É

DOREL'S RECORD GROWTH CONTINUES

First Quarter Earnings Rise 66%, Sales Increase 53%

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

Montreal, April 27, 1999---First quarter results, made public today, set new revenue and earnings records for Dorel Industries (TSE/ME: DII.A, DII.B; NASDAQ: DIIBF), marking the 19th consecutive quarter of operational growth for the consumer products company. Dorel President and Chief Executive Officer, Martin Schwartz said all indications point to yet another record year.

Results for the first quarter ended March 31, 1999 were as follows:

	First quarter ended March 31,		
	1999	1998	Change
Sales	245,970,105	160,632,424	53.1%
Net Income	12,283,865	7,390,158	66.2%
Earnings Per Share			
Basic*	0.45	0.28	60.7%
Fully diluted*	0.42	0.27	55.6%
Average number of shares outstanding - diluted	29,377,592	27,269,592	

*Adjusted to give retroactive recognition to a two-for-one stock split which became effective September 1, 1998.

Both the Ready-to-Assemble and Juvenile segments experienced extremely strong growth. Home Furnishings held its top line, despite the closure of Leadra Design in December 1998. "We have been consistently addressing our capacities and efficiencies at all of our facilities. This focus has resolved some issues which we faced through part of fiscal 1998 and has provided an exciting start to fiscal 1999," said Mr. Schwartz.

Revenues/Sales By Segment

RTA sales soared 118% to \$96.1 million while earnings from operations rose by 76.5% to \$13.6 million. Construction is underway at Ridgewood's RTA facility in Cornwall. The \$10 million expansion project, announced last month, will be completed by the third quarter this year and will double the size of the existing factory. New equipment is also being added to Ameriwood's three factories, which will also expand capacities in the U.S.

Mr. Schwartz said Dorel has made its mark in RTA with products in the opening to mid-price point range. "This is the category most popular with a majority of consumers. As a result, demand from mass merchants continues to grow."

Sales in the Juvenile segment were up 42% to \$106.4 million, while earnings from operations increased 14.4% to \$7.8 million from the first quarter a year ago. A string of new product introductions from Cosco and continued sales gains at Maxi-Miliaan are credited with the gains.

Cosco's marketing partnership with Eddie Bauer has proven to be highly successful. Demand for the line of distinctive car seats and strollers has been even stronger than anticipated. Other new products such as a new high chair and high back booster seat have performed beyond plan. This program of Cosco product launches will continue through the year.

Maxi maintained its strong performance, with its top selling *Maxi Cosi Plus* and the *Maxi Cosi Priori* contributing to the segment's success. Product development at Maxi is also a priority. The division is working on an upgraded version of the Maxi Cosi Plus and a high back booster seat which it plans to unveil later in the year. As well, consideration is being given to a second set of tooling to meet the demand of the popular *Maxi Cosi Priori*.

Sales in Home Furnishings were up 4.4% to \$43.5 million, while earnings from operations jumped 146% to \$3.2 million. The new complex in Montreal, which replaced six separate facilities, has efficiently centralized operations. While Leadra ceased operation and, as such, does not contribute to the top line, its consistent losses over five years are no longer a drag on the segment's earnings.

"The excellent start to the year coupled with our commitment to making the necessary investments to increase capacities position us for yet another record year. While Ameriwood has boosted our top line, much of the overall growth has been generated internally. A look at Dorel's solid record over the past five years clearly indicates the progress we have consistently made. 1999 will be no different," concluded Mr. Schwartz.

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; and San Diego, California. The Company's major subsidiary in the United States is Cosco, Inc. 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.

**CONSOLIDATED BALANCE SHEET
AS AT MARCH 31, 1999 (unaudited)**

	1999	1998
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	8,266,802	11,779,141
Accounts receivable	174,502,048	102,113,357
Inventories	140,247,524	94,615,083
Prepaid expenses	8,814,500	9,066,879
Deferred income taxes	6,396,698	2,223,953
	338,227,572	219,798,413
CAPITAL ASSETS	124,194,561	68,206,069
EQUIPMENT UNDER CAPITAL LEASE	12,415,545	14,515,792
DEFERRED CHARGES	4,854,577	3,668,319
INTANGIBLE ASSETS	22,379,391	14,042,037
	502,071,646	320,230,630
LIABILITIES		
CURRENT LIABILITIES		
Bank indebtedness	10,356,522	12,968,296
Accounts payable and accrued liabilities	83,863,717	51,696,449
Salaries payable	10,932,505	6,623,165
Income taxes payable	7,188,762	4,991,699
Current portion of long-term debt and obligation under capital lease	2,345,253	6,489,958
	114,686,759	82,769,567
LONG-TERM DEBT	145,454,466	58,420,479
OBLIGATION UNDER CAPITAL LEASE	-	2,806,758
DEFERRED INCOME TAXES	10,962,461	6,980,073
DEFERRED GAIN	-	164,759
SHAREHOLDERS' EQUITY		
CAPITAL STOCK	88,210,689	65,837,527
RETAINED EARNINGS	129,070,733	98,426,326
CUMULATIVE TRANSLATION ADJUSTMENT	13,686,538	4,825,141
	230,967,960	169,088,994
	502,071,646	320,230,630

CONSOLIDATED STATEMENT OF INCOME
FOR THE THREE MONTHS ENDED MARCH 31, 1999 (unaudited)

	1999	1998
SALES	<u>245,970,105</u>	<u>160,632,424</u>
EXPENSES		
Cost of sales	186,934,876	122,004,480
Operating	31,215,151	21,616,736
Amortization	6,831,334	3,792,599
Research and development costs	666,660	352,004
Interest on long-term debt	2,578,065	1,385,482
Other interest	<u>37,429</u>	<u>169,699</u>
	<u>228,263,515</u>	<u>149,321,000</u>
INCOME BEFORE INCOME TAXES	17,706,590	11,311,424
Income taxes	<u>5,422,725</u>	<u>3,921,266</u>
NET INCOME	<u><u>12,283,865</u></u>	<u><u>7,390,158</u></u>
EARNINGS PER SHARE		
Basic *	<u>0.45</u>	<u>0.28</u>
Fully Diluted *	<u>0.42</u>	<u>0.27</u>

* Adjusted to give retroactive recognition to a two-for-one stock split which became effective September 1, 1998.

CONSOLIDATED CASH FLOW STATEMENT
FOR THE THREE MONTHS ENDED MARCH 31, 1999 (unaudited)

	1999	1998
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	12,283,865	7,390,158
Adjustments for:		
Amortization	6,831,334	3,792,599
Deferred income taxes	47,248	30,747
Gain on disposal of capital assets	-	(2,003)
	19,162,447	11,211,501
Changes in non-cash working capital:		
Increase in accounts receivable	(56,344,401)	(18,570,994)
Decrease in inventories	388,106	2,574,157
Decrease (increase) in prepaid expenses	2,570,477	(1,196,650)
Increase in accounts payable and accrued liabilities	10,214,321	8,818,305
Increase in income taxes payable	2,334,250	1,353,967
(Decrease) increase in salaries payable	(313,108)	236,850
	(41,150,355)	(6,784,366)
CASH FLOWS FROM OPERATING ACTIVITIES	(21,987,908)	4,427,135
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (decrease) in long-term debt and obligation under capital lease	30,292,050	(7,795,929)
Issuance of capital stock	185,031	187,289
(Decrease) increase in bank indebtedness	(2,549,524)	3,055,293
	27,927,557	(4,553,347)
CASH FLOWS FROM FINANCING ACTIVITIES	27,927,557	(4,553,347)
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to capital assets - net	(5,504,263)	(5,138,895)
Deferred charges	(499,832)	(311,713)
Intangible assets	194,953	144,675
	(5,809,142)	(5,305,933)
CASH FLOWS FROM INVESTING ACTIVITIES	(5,809,142)	(5,305,933)
OTHER		
Effect of exchange rate changes on cash	(1,714,993)	(94,514)
	(1,584,486)	(5,526,659)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,584,486)	(5,526,659)
Cash and cash equivalents, beginning of period	9,851,288	17,305,800
CASH AND CASH EQUIVALENTS, END OF PERIOD	8,266,802	11,779,141