DOREL INDUSTRIES INC.

ANNUAL INFORMATION FORM

For the fiscal year ended December 30, 2014

March 30, 2015

TABLE OF CONTENTS

Unless otherwise indicated, all references to "dollars" and the symbol "$" in this annual information form are to US dollars.

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

Certain statements included in this annual information form may constitute "forward-looking statements" within the meaning of applicable Canadian securities legislation. Except as may be required by Canadian securities laws, the Company 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 the Company'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, the Company cannot guarantee that any forward-looking statement will materialize, or if any of them do, what benefits the Company will derive from them. Forward-looking statements are provided in this annual information form for the purpose of giving information about Management's current expectations and plans and allowing investors and others to get a better understanding of the Company'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 annual information form are based on a number of assumptions that the Company 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 there being no certainty that the Company's current 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 throughout this annual information form and, in particular, under "Risk Factors".

The Company cautions readers that the risks described above are not the only ones that could impact it. Additional risks and uncertainties not currently known to the Company or that the Company currently deems to be immaterial may also have a material adverse effect on the Company's 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.

CORPORATE STRUCTURE

Incorporation of Dorel Industries Inc.

Dorel Industries Inc. (the "Company") was constituted on March 5, 1962 pursuant to Part I of the *Companies Act* (Québec) under the name Dorel Co. Ltd. On May 19, 1987, the Company was continued under Part IA of the *Companies Act* (Québec), at which time certain changes were effected to its share capital, the "private company" provisions were removed from its Articles and the Company's 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. The Company was automatically continued under the Québec Business Corporations Act on February 14, 2011, date at which that statute came into force. The Company's head and registered office is located at 1255 Greene Avenue, Suite 300, Montreal, Québec, H3Z 2A4.

Subsidiaries

Schedule A annexed hereto sets out the major companies within the organizational structure of the Company as of December 30, 2014 and the jurisdiction of incorporation of each subsidiary and the percentage of votes attaching to all voting securities of each of them beneficially owned, or controlled or directed, directly or indirectly, by the Company.

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

GENERAL DEVELOPMENT OF THE BUSINESS

Dorel is a world class juvenile products and bicycle company as well as a North American furniture distributor. It operates in three distinct reporting segments: Dorel Juvenile, Dorel Sports and Dorel Home Furnishings. Dorel's extensive product offering includes juvenile products such as infant car seats, strollers, high chairs, toddler beds, playpens, swings, developmental toys, furniture items and infant health and safety aids; in Dorel Sports items such as bicycles, bicycling and running apparel, children's electric ride-ons, jogging strollers and bicycle trailers and related parts and accessories; and home furnishing items such as a wide variety of Ready-to-Assemble ("RTA") furniture for home and office use, as well as metal folding furniture, futons, mattresses, bunk beds, step stools, hand trucks, specialty ladders and other imported furniture items.

Dorel's safety and lifestyle leadership is pronounced in both its Juvenile and Bicycle categories with an array of trend-setting, innovative products. Dorel Juvenile's powerfully branded products include global juvenile brands Safety 1st, Quinny, Maxi-Cosi, Bébé Confort and Tiny Love, complemented by regional brands such as Cosco and Infanti. In Dorel Sports, brands include Cannondale, Schwinn, GT, Mongoose, Caloi, Iron Horse and SUGOI. Dorel Home Furnishings markets a wide assortment of both domestically produced and imported furniture, principally within North America.

As at the date of this annual information form, Dorel employs approximately 11,500 people in 25 countries. Operations in the United States include Dorel Juvenile USA, which markets the Cosco, Maxi-Cosi, Quinny, Safety 1st and Tiny Love brands, as well as Eddie Bauer and Disney under licensing agreements; Pacific Cycle, which markets several brands, including Schwinn, Mongoose, IronHorse, InStep, KitTrax and Roadmaster; Cycling Sport Group ("CSG") which markets GT along with Cannondale; Ameriwood Industries Inc. ("Ameriwood"), which markets RTA furniture products under the Ameriwood, SystemBuild, Altra Furniture and Ridgewood brands; Cosco Home & Office ("Cosco"), which markets home/office products under the Cosco brand. In Canada, Dorel operates Dorel Juvenile Canada, Ridgewood Industries, Dorel Home Products, CSG Canada, and SUGOI Performance Apparel. Note that CSG also has operations based in Switzerland, the Netherlands, Japan, China and the United Kingdom. Dorel Juvenile Europe principally markets juvenile products throughout Europe principally under the Maxi-Cosi, Quinny, Safety 1st, Bébé Confort, Tiny Love and BABY ART brands. Dorel Asia Inc. sources, and imports juvenile and home furnishings products. Dorel Juvenile Australia manufactures and distributes juvenile products in Australia and New Zealand under local brand Mother's Choice as well as Dorel's North American and European brands. Dorel Juvenile Brazil manufactures car seats locally and imports other juvenile products such as strollers under local brands Infanti, Voyage and Stillo as well as international brands such as Bébé Confort and Quinny. Dorel Juvenile Chile has operations in Chile and Peru, sells to customers based in Bolivia and Argentina and owns the Infanti brand in these countries. Dorel Juvenile Chile operates close to 100 retail locations in Chile and Peru of which the majority are under the Baby Infanti banner. In addition, Dorel also operates two retail locations in Poland. Dorel Juvenile Colombia operates in Colombia and Panama and sells goods into several countries in Central America and the Caribbean. In addition, Dorel owns a 70% interest in Caloi, a major Brazilian manufacturer of bicycles and bicycle equipment which markets the Caloi brand and assembles bikes for Dorel's brands such as Cannondale, Schwinn, Mongoose and GT to serve the Brazilian and export markets. Prior to the Lerado Juvenile business acquired in the current year, Dorel had six offices in China, headquartered in Shanghai, as well as an office in Taiwan. These locations oversee the sourcing, engineering and logistics of Dorel's Asian supply chain. With the Lerado acquisition, the Company added four new locations, of which three are based in China and one in Taiwan.

Events in the Development of the Business

The Company was founded in Montreal, Québec 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 Québec of two million common shares at a price of CAD$5.00 per share for gross proceeds of CAD$10 million. At the same time, its common shares commenced trading on the Montreal Exchange.

The Company's common shares were initially 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 CAD$5.75 per share for gross proceeds of CAD$14.95 million.

In November 1997, the Company issued one million Class "B" Subordinate Voting Shares at a price of CAD$34.00 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 CAD$34.00 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 exercise of the over-allotment option were CAD$36.55 million.

In May 1998, Dorel acquired Ameriwood, 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 CAD$47.65 per share by way of a public offering in the United States and Canada. The net proceeds to the Company from this offering were CAD$20.2 million.

In August 1998, the Company announced a two-for-one stock split, which became effective in September 1998.

In May 2002, the Company issued 2,929,200 Class "B" Subordinate Voting Shares at a price of CAD$38.50 per share by way of a public offering in Canada, for gross proceeds to the Company of CAD$112.8 million. 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 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. The notes were purchased by a group of institutional investors led by The Prudential Insurance Company of America.

In connection with the acquisition of Ampa France, now known as "Dorel Juvenile France", Dorel completed the sale in February 2003 of $110 million 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, Dorel issued $55 million of Series A Notes bearing interest at 5.09% and repaid on February 11, 2008, and $55 million of Series B Notes bearing interest at 5.63% and repaid on February 10, 2010.

On March 7, 2007, the Company announced its intention to voluntarily delist its Class "B" Subordinate Voting Shares from the NASDAQ Global Market ("NASDAQ"). On March 19, 2007, the Company filed a notification of removal from listing on NASDAQ on Form 25 with the US Securities and Exchange Commission (the "SEC"). As a result, the Class "B" Subordinate Voting Shares were delisted from NASDAQ as of March 29, 2007. The delisting of the shares from NASDAQ has not affected the listing of the Class "B" Subordinate Voting Shares on the Toronto Stock Exchange and the Class "B" Subordinate Voting Shares continued to trade on the Toronto Stock Exchange after the NASDAQ delisting became effective.

For the first time in the Company's history, on March 12, 2007, the Board of Directors declared a quarterly dividend of twelve and one-half cents ($0.125) per share on the Class "A" Multiple Voting Shares, Class "B" Subordinate Voting Shares and Deferred Share Units of the Company. Since the original dividend declaration, the Company has paid annualized dividends in the amount of $0.50 per share. On May 6, 2010 the annualized dividend was increased to $0.60 per share as a result of an increase of its quarterly dividend to fifteen cents ($0.15) per share and on August 9, 2012, the annualized dividend was increased to $1.20 per share as a result of an increase of its quarterly dividend to thirty cents ($0.30) per share.

On February 4, 2008, the Company acquired all the outstanding shares of Cannondale Bicycle Corporation ("Cannondale"), a leading designer, developer and manufacturer of high-end bicycles. Cannondale is widely regarded as one of the bike industry's leading innovators. Cannondale's bicycles have won numerous design awards and are sold worldwide. Additionally, forming part of Cannondale, was SUGOI Performance Apparel ("SUGOI") a division located in Vancouver, British Columbia. SUGOI products are used worldwide by runners, cyclists, tri-athletes and fitness enthusiasts.

In connection with the acquisition of Cannondale, an amendment to the revolving bank loans was signed on January 18, 2008. Under the revolving bank loans, the total availability was increased to $475 million with an "accordion" feature allowing the Company to have access to an additional amount of $50 million on a revolving basis. In line with the Company's strategy to aggressively grow its bicycle and juvenile products businesses, on June 26, 2008 Dorel's Pacific Cycle division acquired the assets of PTI Sports ("PTI"), a leading US designer and distributor of bicycle parts, helmets and other accessories for a purchase price of $29.4 million. Established in 1991, PTI has widespread distribution at the key mass and sporting goods retailers throughout North America. With a dedication to product innovation, PTI sells product with powerful, recognizable brands under license.

On August 19, 2008 the Company announced the re-opening of its Dowagiac, Michigan RTA facility where operations had been suspended as part of a restructuring plan in 2007. A production line was opened to accommodate the demand for RTA furniture product.

On January 6, 2009, the Company announced the establishment of Dorel Juvenile Brazil, an operating division of the Dorel Juvenile Segment. Dorel Juvenile Brazil has established the local manufacture of car seats as well as importing existing Dorel products that meet local safety standards. In December 2014, the Company acquired the remaining interest in Dorel Juvenile Brazil for $1.6 million. The initial local partner will continue in his role as President of Dorel Juvenile Brazil.

On January 27, 2009, Dorel announced a further strengthening of its successful high-end European juvenile lines with the purchase of all of the outstanding shares of Belgium-based *BABY ART bvba*. Created in 2006, the Company markets its products under the BABY ART and HOPPOP brands. The BABY ART and HOPPOP lines were integrated into Dorel Europe's existing marketing plans and distribution networks. The purchase price was 4.1 million Euros or $5.4 million and was financed through debt.

On March 17, 2009, the Company announced its intention to make a normal course issuer bid ("2009 NCIB"). Under the 2009 NCIB, Dorel was entitled to repurchase for cancellation up to 1,458,624 Class "B" Subordinate Voting Shares over a twelve-month period commencing March 20, 2009 and ending March 19, 2010, representing 5% of Dorel's issued and outstanding Class "B" Subordinate Voting Shares at the time the 2009 NCIB was announced. The purchases by Dorel were effected through the facilities of the Toronto Stock Exchange and were made at the market price of the Class "B" Subordinate Voting Shares at the time of the purchase. During the 2009 NCIB period, the Company acquired a total of 477,980 Class "B" Subordinate Voting Shares at a total cost of $11.9 million.

During 2009, the Company announced three asset acquisitions in the Dorel Sports Segment. On July 15, 2009, the Company acquired certain assets of IronHorse Bicycles, including inventory, various trademarks and trade names, including the IronHorse brand, in a transaction valued at $5.6 million. Founded in 1987 in New York, IronHorse is marketed throughout North America and internationally and is best known for its downhill and extreme trail bicycles.

On August 4, 2009, the Company acquired the assets of Sydney, Australia-based Gemini Bicycles for $2.0 million and the acquired assets were integrated with the Company's existing Australian bicycle operations under the CSG Australia division. On May 1, 2014, as part of its initiative to simplify and optimize its business model, the Dorel Sports segment transitioned the operations of its CSG Australia division to Monza Imports who became the official distributor of the brands in Australia. The distributor combines the Company's major Dorel Sports brands; Schwinn, Mongoose, Cannondale, GT and SUGOI.

On October 1, 2009, Dorel acquired certain assets of UK-based Hot Wheels and Circle Bikes ("Hot Wheels and Circle Bikes"), the UK's preeminent distributors of the Mongoose and GT brands. Hot Wheels has a portfolio of top selling, innovative bicycle products and components which are marketed to retail and leisure outlets throughout the UK. Circle Bikes also owns the popular Charge brand. The acquisition price was £9.8 million or $15.6 million, including possible additional consideration contingent upon a formulaic variable price based mainly on the future earnings of the acquired business. In parallel, a new subsidiary, CSG UK, based in Poole, Dorset, was created to drive the growth of the Mongoose, GT and Cannondale brands. CSG UK is dedicated to the IBD channel and coordinates all sales, marketing, distribution and customer service to better support its growing network of dealers in the UK.

During the course of 2008 and 2009, the businesses within the Dorel Sports Segment were re-organized into three groups referred to as the CSG Group, the Pacific Cycle Group ("PCG") and the Apparel and Footwear Group ("AFG"). CSG services the IBD retail bicycle channel and focuses exclusively on this category principally with the premium-oriented Cannondale and GT brands. PCG has an exclusive focus on mass merchant and sporting goods chain customers. The mass merchant product line is sold mainly under the Schwinn and Mongoose brands which are used on bicycles, parts and accessories. The main brand sold to the sporting goods chains is the IronHorse brand. In Europe and elsewhere around the world, certain brands are sold across these distribution channels. As an example, in Russia, GT is a successful brand in the sporting goods channel, whereas in the Czech Republic this same brand is sold in the IBD channel. Sales of sports apparel and related products, principally the SUGOI brand, are made by AFG through the IBDs, various sporting goods chains and specialty running stores.

On March 30, 2010, the Company announced its intention to make a normal course issuer bid ("2010 NCIB"). Under the 2010 NCIB, Dorel was entitled to repurchase for cancellation up to 700,000 Class "B" Subordinate Voting Shares over a twelve-month period commencing April 1, 2010 and ending March 31, 2011, representing 2.4% of Dorel's issued and outstanding Class "B" Subordinate Voting Shares at the time the 2010 NCIB was announced. The purchases by Dorel were effected through the facilities of the Toronto Stock Exchange and were made at the market price of the Class "B" Subordinate Voting Shares at the time of the purchase. The Company acquired a total of 505,250 Class "B" Subordinate Voting Shares at a total cost of $16.8 million pursuant to the 2010 NCIB.

On April 6, 2010, the Company announced that it secured new long-term financing by issuing $50 million of Series "A" Senior Guaranteed Notes and $150 million of Series "B" Senior Guaranteed Notes, bearing interest at 4.24% and 5.14%, respectively. The notes were purchased by a group of institutional investors including Prudential Capital Group, an institutional investment business of Prudential Financial, Inc. In addition, on June 16, 2010 it was announced that the Company had completed the extension of its revolving credit facility. This three-year agreement which was effective July 1, 2010 and had an expiry date of July 1, 2013 was co-led by the Royal Bank of Canada and the Bank of Montreal. The facility allowed for borrowing up to $300 million and contained provisions to borrow up to an additional $200 million.

On May 6, 2010, the Company increased its quarterly dividend to fifteen cents ($0.15) a share.

On March 31, 2011, the Company announced its intention to make a normal course issuer bid ("2011 NCIB"). Under the 2011 NCIB, Dorel was entitled since November 3, 2011 to repurchase for cancellation up to 1,420,660 Class "B" Subordinate Voting Shares (previously up to 700,000) over a twelve-month period commencing April 4, 2011 and ending April 3, 2012, representing 5% of Dorel's issued and outstanding Class "B" Subordinate Voting Shares at the time the 2011 NCIB was announced. The purchases by Dorel were effected through the facilities of the Toronto Stock Exchange and were made at the market price of the Class "B" Subordinate Voting Shares at the time of the purchase. The Company acquired a total of 746,000 Class "B" Subordinate Voting Shares at a total cost of $17.6 million pursuant to the 2011 NCIB.

Effective July 15, 2011, the Company amended its revolving bank loans in order to extend the maturity from July 1, 2013 to July 1, 2014.

On November 3, 2011 the Company announced it had significantly increased the presence of its Dorel Juvenile Segment in Latin America by signing share purchase agreements to acquire a 70% interest in an existing group of companies, the Silfa Group (now known as Dorel Juvenile Chile), who owns and operates the popular Infanti brand in Chile, Bolivia, Peru and Argentina. The transaction was completed on November 30, 2011. With this investment, Dorel entered the juvenile retail business as the transaction included the Baby Infanti chain of 52 specialty shops at the time of the acquisition (40 located in Chile and 12 located in Peru). Though initially acquiring 70%, as part of the acquisition, the Company has entered into a forward purchase agreement with the minority interest holder for the purchase of its 30% stake. The forward purchase agreement is considered to have been fully executed at the time of acquisition, resulting in the assumption that the Company will purchase the remaining 30% interest in the Silfa Group. As a result, the Company has consolidated 100% of the Silfa Group at the time of acquisition and had recognized a financial liability of $26.1 million as at the acquisition date. As part of this accounting treatment, the Company has recognized a financial liability measured as the present value of the estimated future acquisition price of the remaining 30% stake.

Developments in the Past Three Years

Developments in Fiscal 2012

On January 5, 2012 the Company announced that it had purchased the assets of juvenile products distributor and retailer Poltrade, based in Katowice, Poland for approximately $2.9 million (2.3 million Euro). The fair value of the assets acquired, the liabilities assumed and the consideration transferred included an amount of approximately $1.7 million (1.3 million Euro) allocated to customer relationships. Poltrade was the Company's distributor of juvenile products in Poland prior to the acquisition. The Company created a new division, Dorel Polska, to facilitate both brand and product category penetration in the Eastern European market as it continues to expand its global footprint in the juvenile products industry.

On April 2, 2012, the Company announced that it decided to implement a normal course issuer bid ("2012 NCIB"). Under the 2012 NCIB, Dorel was entitled to repurchase for cancellation up to 850,000 Class "B" Subordinate Voting Shares over a twelve-month period commencing April 4, 2012 and ending April 3, 2013, representing 3.1% of Dorel's issued and outstanding Class "B" Subordinate Voting Shares at the time the 2012 NCIB was announced. The purchases by Dorel were effected through the facilities of the Toronto Stock Exchange and were made at the market price of the Class "B" Subordinate Voting Shares at the time of the purchase. The Company acquired a total of 676,100 Class "B" Subordinate Voting Shares at a total cost of $17.8 million pursuant to the 2012 NCIB.

Effective April 10, 2012, the Company amended its revolving bank loans in order to extend the maturity from July 1, 2014 to July 1, 2015 and the total availability was reduced from $300 million to $260 million.

On August 9, 2012, the Board of Directors of Dorel declared an increase in the Company's quarterly dividend to thirty cents ($0.30) from fifteen cents ($0.15) on the Class "A" Multiple Voting Shares, Class "B" Subordinate Voting Shares and Deferred Share Units of the Company. The dividend policy was originally instituted in March 2007. At the current level, this equates to a total dividend of $1.20 per share per annum.

As part of the acquisition of Dorel Australia Pty Ltd *("*Dorel Juvenile Australia*")* in 2007, the Company had entered into a put and call agreement with the minority interest holder for the purchase of its 45% stake in Dorel Juvenile Australia. In 2012, the Company exercised its option and an amount of $6.8 million was paid as the put option liability was resolved.

On September 25, 2012, the Company signed purchase agreements acquiring a 70% interest in two juvenile product businesses that sell to customers in Colombia and Central America (now known as Dorel Colombia). The Company now operates Best Brands Group SA ("Best Brands") in Panama and Baby Universe SAS ("Baby Universe") in Colombia. This acquisition expands the Company's ownership of the Infanti brand to which the Company owns the rights in Chile, Bolivia, Peru and Argentina. The amount disbursed in 2012 related to this acquisition was $10.4 million. Though initially acquiring a 70% interest, as part of the acquisition the Company entered into a forward purchase agreement with the minority interest holders for the purchase of their 30% stake. The forward purchase agreement is considered to have been fully executed at the time of acquisition, which results in the assumption that the Company will purchase the remaining 30% interest in the companies. As a result, the Company has consolidated 100% of the acquired companies at the time of acquisition and has recognized a financial liability measured as the present value of the estimated future acquisition price of the remaining 30% stake. The estimate of this financial liability as at the acquisition date was established at $7.4 million.

Developments in Fiscal 2013

As part of the acquisition of Hot Wheels and Circle Bikes, the additional consideration to be paid was contingent upon a formulaic variable price based mainly on future earnings results of the acquired business up to the year ended December 30, 2012. During 2013, the contingent consideration was resolved and an amount of $2.0 million was paid.

On April 30, 2013, the Company announced that it had decided to implement a new normal course issuer bid ("2013 NCIB"). Under the 2013 NCIB, Dorel was entitled to repurchase for cancellation up to 850,000 Class "B" Subordinate Voting Shares over a twelve-month period commencing May 2, 2013 and ending May 1, 2014, representing 3.07% of the Company's issued and outstanding Class "B" Subordinate Voting Shares at the time the 2013 NCIB was announced. The purchases by Dorel were being realized through the facilities of the Toronto Stock Exchange and were made at the market price of the Class "B" Subordinate Voting Shares at the time of the purchase. The Company acquired a total of 10,000 Class "B" Subordinate Voting Shares at a total cost of $0.3 million pursuant to the 2013 NCIB.

Effective May 31, 2013, the Company amended its revolving bank loans in order to extend the maturity from July 1, 2015 to July 1, 2016. In addition, effective August 21, 2013, the total availability of its revolving bank loans was increased from $260 million to $360 million and the accordion feature allowing the Company to have access to an additional amount was reduced from $200 million to $100 million.

On August 22, 2013, the Company announced that it had acquired a 70% interest in Caloi, a major Brazilian manufacturer of bicycles and bicycle equipment. This acquisition expanded the Company's market share in Latin America as Caloi is the largest bicycle brand in that region and is the leader in the Brazilian market. The purchase price paid in the year related to this acquisition was $73.0 million. Though initially acquiring a 70% interest as part of the acquisition, the Company has entered into a forward purchase agreement with the non-controlling interest holder for the future purchase of its 30% stake. The forward purchase agreement is considered to have been fully executed at the time of acquisition, which results in the assumption that the Company will purchase the remaining 30% interest in Caloi. As a result, for accounting purposes, the Company consolidated 100% of the acquired company at the time of acquisition. As part of this accounting treatment, the Company has recognized a financial liability, measured as the present value of the estimated future acquisition price of the remaining 30% stake. The estimate of this financial liability as at the acquisition date was established at $35.8 million.

Developments in Fiscal 2014

On January 16, 2014, the Company announced that it had purchased 100% of the shares of juvenile business Tiny Love Ltd., a global, baby products and developmental toy company headquartered in Tel Aviv, Israel, with offices located in the U.S. and China. Tiny Love is recognized as an innovator in the developmental toy category, which comprises products like activity gyms, mobiles, light gear and toys designed specifically for babies and toddlers. The purchase price was $55.8 million.

Also, on January 16, 2014, within Dorel Sports, the Company acquired certain assets of Sombrio Freewear Company Ltd., a designer and manufacturer of high performance apparel, outerwear and streetwear, headquartered in Vancouver, Canada. The purchase price was $0.7 million.

On January 23, 2014, the Company announced that the Dorel Sports segment began restructuring its operations during the second and fourth quarters of 2013 to enhance its competitiveness. Among the global initiatives, the segment will close its assembly and testing facility in Bedford, Pennsylvania, and leverage the strengths and capabilities of its global resources, third party partners, and existing facilities to simplify and optimize its business model. As part of its initiative to simplify and optimize its business model, the Dorel Sports segment announced a new partnership in Australia with Monza Imports ("Monza") who became the official distributor of the brands in Australia. The operations in Australia transitioned to Monza on May 1, 2014. Operations currently performed at Bedford, including manufacturing, testing, quality control and customer and technical services are expected to be redeployed by early 2015.

In addition, the Dorel Sports segment is in the process of relocating its research and development facility in Bethel, Connecticut to the segment's new headquarters in Wilton, Connecticut, and converted its former retail lab in Bethel to accommodate GURU Academy activities. The value of the former Bethel headquarters was written down in the fourth quarter of 2013 to the fair value less costs to sell off the property. In April 2014, the Company made available for sale the building facility in Bethel, Connecticut. Accordingly, the land and building related to this facility are presented as current assets held for sale on the Company's consolidated statements of financial position.

These restructuring initiatives were completed by the end of 2014 and resulted in cumulative restructuring charges of $20.3 million, including $11.0 million of non-cash charges related to the write-down on long-lived assets, accelerated depreciation due to the revision of the estimated useful lives of long-lived assets and inventory markdowns, $8.2 million of employee severance and termination benefits and $1.1 million of other associated costs. There are no expected remaining costs associated with these restructuring activities.

On April 3, 2014, Dorel Juvenile Brazil acquired the rights to sell Infanti branded products in the Brazilian market place for a purchase price of approximately $7.0 million. This acquisition expanded the Company's ownership of the Infanti brand, to which the Company already owns the rights in Chile, Bolivia, Peru, Argentina, Colombia, and most Central American and Caribbean countries.

On April 22, 2014, Caloi issued approximately $37.6 million (BRL 100.0 million) of non-convertible unsecured debentures in Brazil. The proceeds from the issuance of the debentures were used to replace current existing debts such as bank indebtedness and revolving bank loans. The terms and the principal repayments of these debentures are disclosed in Note 18 of the December 30, 2014 Consolidated Financial Statements.

On May 12, 2014 the Company announced that it had decided to implement a normal course issuer bid ("2014 NCIB"). As approved by the Toronto Stock Exchange ("TSX"), under the 2014 NCIB, the Company is entitled to repurchase for cancellation up to 500,000 Class "B" Subordinate Voting Shares over a twelve-month period commencing May 14, 2014 and ending May 13, 2015, representing approximately 1.8% of the Company's issued and outstanding Class "B" Subordinate Voting Shares at the time the 2014 NCIB was announced. The purchases by the Company will be realized through the facilities of the TSX and will be made at the market price of the Class "B" Subordinate Voting Shares at the time of the purchase. The Company did not repurchase any Class "B" Subordinate Voting Shares pursuant to the 2014 NCIB.

During the second quarter ended June 30, 2014, the Company implemented a long-term incentive plan which includes a share appreciation rights plan and a performance share unit plan for senior executives and certain key employees that entitle them to a cash payment. Further information on these plans can be found in Note 24 of the December 30, 2014 Consolidated Financial Statements.

On October 9, 2014, the Company closed a public offering (the "Offering") of 5.50% extendible convertible unsecured subordinated debentures due November 30, 2019 (the "Convertible Debentures") in an aggregate principal amount of $120 million. The Company used the aggregate net proceeds of the Offering to fund its acquisition of the juvenile business of Hong Kong-based Lerado Group.

On November 3, 2014, the Company completed the acquisition of all of the outstanding shares of the juvenile business of Hong Kong-based Lerado Group, a juvenile product manufacturer in China specializing in the design and manufacture of a wide range of infant and juvenile products. The Lerado Group is composed of subsidiaries of Lerado Group (Holding) Company Limited, a publicly traded company listed on the Hong Kong Stock Exchange. The purchase price was established at HK$930 million in cash ($119.9 million), subject to post-closing adjustments. The Company is presently in the process of establishing the fair value of the identifiable assets acquired, liabilities assumed and consideration transferred of the acquired business. The acquisition is not expected to be accretive in the first year of operations as work will be required to integrate these new facilities into existing operations.

On December 17, 2014, Dorel Sports Chile acquired the assets of Intercycles, a Santiago-based bicycle retailer for approximately $2.5 million. A long-time distribution partner of Dorel Sports, Intercycles will be an integral part of Dorel Sports Chile. Dorel Sports Chile will lead all sales, marketing, distribution and customer service of all Dorel Sport's brands, including Cannondale, GT, Schwinn, Mongoose, SUGOI and Caloi in Chile and Peru. Dorel Sports Chile will continue to build on Dorel's strategy for geographic expansion and market leadership in its two core businesses in South America.

NARRATIVE DESCRIPTION OF THE BUSINESS

Operating Segments and Principal Products

Within each of Dorel's three segments, there are several operating divisions or subsidiaries. Each segment has its own President and is operated independently by a separate group of managers. Senior management of the Company coordinates the businesses of all segments and maximizes cross-selling, cross-marketing, procurement and other complementary business opportunities.

Dorel's channels of distribution vary by segment, but overall, its largest customers are major retail chains. These chains include mass merchant discount chains, department stores, club format outlets and hardware/home centres. Within Dorel Juvenile, sales are also made to independent boutiques and juvenile specialty stores. In Dorel Sports, the Independent Bike Dealer (IBD) network is a significant channel, along with sporting goods chains in North America.

In 2011, with its acquisition of Dorel Juvenile Chile (formerly the Silfa Group), Dorel now owns and operates close to 100 retail stores in Chile and Peru. In addition, in early 2012, Dorel acquired the assets of Poltrade, a Polish distributor and retailer of juvenile products with two retail locations in Poland. Another growing channel of distribution for all Dorel divisions is the Internet retailer. These customers consist of both mass merchant sites such as Walmart.com and pure Internet retailers like Amazon, and require the same level of service as traditional customers.

Dorel conducts its business through a variety of sales and distribution arrangements. These consist of salaried employees; individual agents who carry the Company'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 their own sales force. All of the segments market, advertise and promote their products through the use of advertisements on-line and social media and on Company-owned websites, in specific magazines, multi-product brochures, and other media outlets. The Company's major retail customers also advertise Dorel's products principally through circulars and brochures.

In the case of Dorel Sports, event and team sponsorships are also an important marketing tool. One of the principal promotional vehicles is the sponsorship of the Cannondale Pro Cycling team with the team name appearing prominently on riders' jerseys. This allows for significant marketing integration between Cannondale and the team in order to showcase team riders and wins as well as capitalize on consumers' interests in pro-cycling. Additionally, other various sponsorships are provided to teams and individual athletes to promote the Caloi, GT and Mongoose brands.

Dorel believes that its commitment to providing a high quality, industry-leading level of service has allowed it to develop successful and mutually beneficial relationships with major retailers. A high level of customer satisfaction has been achieved by fostering particularly close contacts between Dorel's sales representatives and clients. Permanent, full-service agency account teams have been established in close proximity to certain major accounts. These dedicated account teams provide these customers with the assurance that inventory and supply requirements will be met and that issues will be immediately addressed.

Dorel is a designer and manufacturer of a wide range of products, as well as an importer of finished goods, the majority of the latter from overseas suppliers. As such, the Company relies on its suppliers for both finished goods and raw materials and has always prided itself on establishing successful long-term relationships both domestically and overseas. The Company has established a workforce of over 250 people in mainland China and Taiwan whose role is to ensure the highest standard of quality of its products and to ensure that the flow of product is not interrupted. The on-going economic downturn has illustrated the quality of these supplier relationships in that Dorel has not been adversely affected by issues with its supplier base and their continuing ability to service Dorel.

In addition to its solid supply chain, quality products and dedicated customer service, strong recognized consumer brands are an important element of Dorel's strategy. As examples, in North America, Dorel's Schwinn and Cannondale product lines are among the most recognized brand names in the sporting goods industry. Safety 1st is a highly regarded Dorel brand in the North American juvenile products market. Throughout Europe, the Maxi-Cosi brand has become synonymous with quality car seats. In most of Dorel's Latin American markets, Infanti is a leading brand in Dorel Juvenile for lower to medium priced products and the addition of the Caloi brand brings one of the largest bicycle brands in the market to the Dorel family of brands.

These brands, and the fact that Dorel has a wide range of other brand names, allow for product and price differentiation within the same product categories. Product development is a significant element of Dorel's past and future growth. Dorel has invested heavily in this area, focusing on innovation, quality, safety and speed to market with several design and product development centres. Over the past five years, Dorel has spent on average over $31 million per year on new product development.

Operating Segments

Dorel Juvenile

Dorel Juvenile manufactures and distributes products such as infant car seats, strollers, high chairs, toddler beds, playpens, swings, developmental toys, furniture items and infant health and safety aids. Globally, within its principal categories, Dorel's combined juvenile operations make it the largest juvenile products company in the world. Innovative products and a strong brand portfolio form an integral part of Dorel Juvenile's business strategy. The Safety 1st, Quinny, Maxi-Cosi and Tiny Love brands are sold globally in practically all of Dorel Juvenile's markets. Other brands such as Cosco, Bebe Confort, Infanti, Voyage and Mother's Choice are strong regional brands and Dorel is able to address all price points with its range of brands and products. In addition, sales are made under licensed brands such as Walt Disney and Eddie Bauer, principally in North America. Sales are also made to customers under those customers' own unique house brand names. The segment has divisions in North America, Europe, Latin America, China, Israel, Australia and New Zealand. In total, the segment sells product to almost 100 countries around the world.

Over the past several years the juvenile products industry has undergone a significant consolidation exemplified by Asian based suppliers acquiring established brand names outside of China and retailers around the world sourcing product directly from factories in Asia. Dorel Juvenile responded to these trends and undertook a major initiative to improve its long-term profitability, secure its supply chain and broaden its global footprint by acquiring the juvenile business of the Lerado Group, an Asian based manufacturer of juvenile and other consumer products. This acquisition will allow Dorel Juvenile to better service its existing customers and provide a base from which to expand its business in China and other parts of Asia.

Dorel Juvenile USA's operations are headquartered in Foxboro, Massachusetts. With the exception of car seats, the majority of products are conceived, designed and developed at the Foxboro location. Manufacturing and warehousing operations are based in Columbus, Indiana where car seat development is centralized at the Company's state-of-the-art Dorel Technical Center for Child Safety. Additional West Coast warehousing is based in Ontario, California. Dorel Juvenile Canada is situated in Montreal, Québec with a sales force and showroom in Toronto, Ontario and sells to customers throughout Canada. The principal brand names in North America are Cosco, Safety 1st, Maxi-Cosi and Quinny. Dorel Asia sells juvenile furniture to various major retailers, predominantly in the United States.

In North America, the majority of juvenile sales are made to larger retailers such as mass merchants, internet retailers and department stores, where consumers' priorities are design oriented, with a focus on safety and quality at reasonable prices. Dorel's Juvenile premium brands and innovative product designs are a focus for sales of medium to higher price points available at smaller boutiques and specialty stores. This North American collection, under principally the Quinny and Maxi-Cosi brand names, competes with smaller premium product juvenile companies. Dorel is one of several large juvenile products companies servicing the North American market along with Graco (a part of the Newell Rubbermaid Group of companies), Evenflo (a subsidiary of Goodbaby International Holdings Limited) and Britax.

Dorel Juvenile Europe is headquartered in Paris, France with major product design facilities located in Cholet, France and Helmond, Holland. Sales operations along with manufacturing and assembly facilities are located in France, Holland and Portugal. In addition, sales and/or distribution subsidiaries are located in Italy, Spain, the United Kingdom, Germany, Belgium, Switzerland and Poland. In Europe, products are principally marketed under the brand names Maxi-Cosi, Quinny, Safety 1st, Bébé Confort, and BABY ART.

In Europe, Dorel sells juvenile products primarily across the mid-level to high-end price points. With its well-recognized brand names and superior designs and product quality, the majority of European sales are made to large European juvenile product retail chains, internet retailers and independent boutiques and specialty stores. Dorel is one of the largest juvenile products companies in Europe, competing with others such as Britax, Peg Perego, Chicco, Maclaren and Graco, as well as several smaller companies.

Dorel Juvenile Brazil manufactures car seats locally and imports other juvenile products, such as strollers. Brands sold in Brazil include local brands Infanti, Voyage and Stillo as well as Dorel's international brands such as Bébé Confort and Quinny. Dorel Juvenile Chile has operations in Chile and Peru and sells to customers based in Bolivia and Argentina. The principal brand sold by Dorel Juvenile Chile is Infanti, which is one of the most popular juvenile products brands in Latin America, and enjoys a leading position in the market as it caters to all price categories with a focus on opening to mid-price points. Dorel Juvenile Chile operates close to 100 retail locations in Chile and Peru of which the majority are under the Baby Infanti banner. Dorel Juvenile Colombia operates in Colombia and Panama and sells goods into several countries in Central America and the Caribbean.

Dorel Juvenile Australia manufactures and/or distributes its products under both local brand Mother's Choice, as well as Dorel's North American and European brands in Australia and New Zealand. Sales are made to both large retailers and specialty stores. Tiny Love is headquartered in Tel Aviv, Israel and is recognized as an innovator in the developmental toy category, which comprises products like activity gyms, mobiles, light gear and toys designed specifically for babies and toddlers. Tiny Love sells products in more than 50 countries worldwide, much of which is through a worldwide distributor network.

In 2014 Dorel Juvenile accounted for 40% (41% in 2013) of Dorel's revenues.

Dorel Sports

The Dorel Sports Segment's businesses participate in a marketplace that totals approximately $60 billion in retail sales annually. This includes bicycles, bicycling and running footwear and apparel, jogging strollers and bicycle trailers, as well as related parts and accessories. The breakdown of bicycle industry sales around the world is approximately 47.5% in the Asia-Pacific region, 27% in Europe, 12.5% in North America, with the balance in the rest of the world. Bicycles are sold in the mass merchant channel, at IBDs as well as in the sporting goods chains.

In the US, mass merchants have captured a greater share of the market over the past 20 years and today account for over 71% of unit sales. Despite the growth of the mass merchant channel, the IBD channel remains an important retail outlet in North America, Europe and other parts of the world. IBD retailers specialize in higher-end bicycles and deliver a level of service to their customers that the mass merchants cannot provide. Retail prices in the IBD's are much higher, reaching to over $10,000 a unit. This compares to the mass merchant channel where the highest prices are between $300 and $500. The sporting goods chains sell bicycles in the mid-price range and in the US this channel accounts for less than 10% of total industry retail sales.

Brand differentiation is an important part of the bicycle industry with different brands being found in the different distribution channels. High-end bicycles and brands would be found in IBD's and some sporting goods chains, whereas the other brands can be purchased at mass market retailers. Consumer purchasing patterns are generally influenced by economic conditions, weather and seasonality. Principal competitors include Huffy, Dynacraft, Trek, Giant, Specialized, Scott and Raleigh. In Europe, the market is significantly more fragmented as there is additional competition from much smaller companies that are popular in different regions.

The segment's worldwide headquarters is based in Wilton, Connecticut. There are also significant operations in Madison, WI; Vancouver, B.C. as well as Sao Paulo, Brazil. In addition, distribution centres are located in California and Illinois. European operations are headquartered in Oldenzaal, Holland with operations in Switzerland and the United Kingdom. Globally, there are sales and distribution companies based in Japan and China. In Australia, sales are made through a third party distributor. There is a sourcing operation based in Taiwan established to oversee the segment's Far East supplier base and logistics chain, ensuring that the Company's products are produced to meet the exacting quality standards that are required.

The IBD retail channel is serviced by CSG which focuses exclusively on this category principally with the premium-oriented Cannondale and GT brands. The vast majority of sales to this channel consist of bicycles, with some sales of parts and accessories and apparel. The Caloi division has sales to both IBD and mass merchant channels. The PCG division has an exclusive focus on mass merchant and sporting goods chain customers, and along with bicycles and accessories, its product line also includes jogging strollers, bicycle trailers, children's electric ride-ons and some toys. The mass merchant product line of bicycles, parts and accessories are sold under several brands, the most significant being Schwinn and Mongoose. Other important brands used at varying price points include Roadmaster and Iron Horse, as well as licensed brands on children's bicycles and tricycles. Jogging strollers and bicycle trailers are sold under the InStep and Schwinn brands and children's electric ride-ons are sold mainly under KidTrax as well as certain licenses.

In Europe and elsewhere around the world, certain bicycle brands are sold across these distribution channels. As an example, in Russia, GT is a successful brand in the sporting goods channel, whereas in the Czech Republic this same brand is sold in the IBD channel. Sales of sports apparel and related products are made by the AFG through the IBDs, various sporting goods chains and specialty running stores. AFG's principal brand is SUGOI and its major competitors are Nike, Pearl Izumi, Adidas, among others, as well as some of the bicycle brands.

In 2014, the Dorel Sports Segment accounted for 39% of Dorel's revenues (38% in 2013).

Dorel Home Furnishings

Dorel's Home Furnishings Segment participates in the $80 billion North American furniture industry. Dorel ranks in the top ten of North American furniture manufacturers and marketers and has a strong foothold in both North American manufacturing and importation of furniture, with a significant portion of its supply coming from its own manufacturing facilities and the balance through sourcing efforts in Asia. Dorel is also the number two manufacturer of RTA furniture in North America. Products are distributed from the Company's North American manufacturing locations as well as from several distribution facilities.

Dorel's Home Furnishings Segment consists of five operating divisions. They are Ameriwood Industries ("Ameriwood"), Altra Furniture ("Altra"), Cosco Home & Office ("Cosco"), Dorel Home Products ("DHP") and Dorel Asia. Ameriwood specializes in domestically manufactured RTA furniture and is headquartered in Wright City, Missouri. Ameriwood's manufacturing and distribution facilities are located in Tiffin, Ohio, Dowagiac, Michigan, and Cornwall, Ontario. Altra Furniture is also located in Wright City, Missouri and designs and imports furniture mainly within the home entertainment and home office categories. Cosco is located in Columbus, Indiana and the majority of its sales are of metal folding furniture, step stools, hand trucks and specialty ladders. DHP, located in Montreal, Québec, manufactures futons and baby mattresses and imports futons, bunk beds, mattresses and other accent furniture. Dorel Asia specializes in sourcing upholstery and a full range of finished goods from Asia for distribution throughout North America. Major distribution facilities are also located in California and Georgia.

Despite a challenging environment, in 2014 Dorel's Home Furnishings segment grew revenue by over 5%, recording its highest year in sales to date. Dorel has significant market share within its product categories and has a strong presence with its customer base. Sales are concentrated with mass merchants, warehouse clubs, home centres, Internet retailers and office and electronic superstores. Online sales represent a significant portion of Dorel Home Furnishings' sales revenue and Dorel has made many investments in this channel. Dorel markets its products under generic retail house brands as well as under a range of branded products including; Ameriwood, Altra, System Build, Ridgewood, DHP, Dorel Fine Furniture, Signature Sleep, and Cosco. The Dorel Home Furnishings segment has many competitors including Sauder Manufacturing and Whalen Furniture in the RTA category, Meco in the folding furniture category, Tricam in step stools and Werner in ladders.

In 2014 and 2013, the Home Furnishings Segment accounted for 21% of Dorel's revenues.

Distribution

Dorel sells its products primarily to major retail chains. In 2014, Dorel had sales to the following: (i) mass merchant discount chains; (ii) speciality stores; (iii) department stores; (iv) club format outlets; (v) hardware/home centres; (vi) independent stores; (vii) sporting goods stores; and (viii) Internet retailers.

Dorel conducts its business through 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 their own sales force.

Major Customers

For the year ended December 30, 2014, one customer accounted for over 10% of the Company's revenues, representing 25.9% of Dorel's total revenue. In 2013, this customer accounted for 27.9% of total revenues. Dorel believes that its commitment to provide a high-quality, industry-leading level of service has allowed it to develop successful and mutually-beneficial relationships with such major retailers as Wal-Mart, Target, K-Mart and Toys "R" Us. Dorel has achieved high levels of customer satisfaction by fostering particularly close contacts between its sales representatives and clients. To this end, Dorel has a permanent, full-service 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 Target, 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 its mass merchant customer's preference 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 relationship with each of Wal-Mart, Target, 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.

Foreign Operations

In 2014, 54% of Dorel's sales took place in the United States, 5% in Canada, 24% in Europe, 10% in Latin America and 7% elsewhere. In 2013, these percentages were 56% in the United States, 6% in Canada, 24% in Europe, 8% in Latin America, and 6% elsewhere. The origin of Dorel's sales in 2014 from its various facilities is as follows: United States 50%, Canada 9%, Europe 24%, Latin America 10%, and 7% elsewhere. In 2013, these percentages were: United States 52%, Canada 10%, Europe 25%, Latin America 8% and 5% elsewhere.

Components

Dorel purchases raw materials, component parts and finished goods. The main commodity items purchased for production include particleboard and plastic resins, as well as corrugated cartons. Key component parts include car seat covers, hardware, buckles and harnesses, bicycle frames and futon frames and covers. These parts are derived from textiles, and a wide assortment of metals, plastics, and wood. The Company's finished goods purchases are largely derived from steel, aluminum, resins, textiles, rubber and wood.

Intangible Properties

Strong consumer brands are an important element of Dorel's strategy. For example, in North America, Dorel's Cannondale and Schwinn product lines are two of the most recognized sporting goods brand names. Safety 1st is a highly-regarded Dorel brand in the North American juvenile products market. Throughout Europe, the Maxi-Cosi brand is synonymous with quality car seats. In most of Dorel's Latin American markets, Infanti is a leading brand in Dorel Juvenile for lower to medium priced products and Caloi is the largest bicycle brand in the region. These brands, and the fact that Dorel has a wide range of other brand names, allow for product and price differentiation within the same product categories. Additionally, Dorel is the sole owner of all patents, brands and manufacturing licenses for its products.

Some of the intangible assets that Dorel has include: trademarks, customer relationships, a supplier relationship, and patents. Trademarks are considered to have an indefinite useful life, customer relationships acquired as part of business combinations have useful lives ranging from 9 to 25 years, a supplier relationship acquired as part of a business acquisition has a useful life of 10 years, and patents have useful lives ranging from 4 to 18 years.

Cycles

Though revenues at the operating segments within Dorel may vary in their seasonality, for the Company as a whole, variations between quarters are not significant.

Competitive Conditions

With regards to Dorel Juvenile Segment, Dorel is among the three largest juvenile products companies in North America, along with Graco (a part of the Newell Rubbermaid Group of companies) and Evenflo Company Inc. (a subsidiary of Goodbaby International Holdings Limited) and Britax. In Europe, Dorel is also one of the largest juvenile products companies, competing with companies such as Britax, Peg Perego, Chicco, Maclaren and Graco, as well as several smaller companies. In Latin America, Dorel is the largest juvenile products company, competing with Graco (a part of the Newell Rubbermaid Group of companies), Evenflo Company Inc. (a subsidiary of Goodbaby International Holdings Limited), Britax, Peg Perego, Chicco, and Maclaren, along with several smaller local companies. Within its principal categories, Dorel's combined juvenile operations make it the largest juvenile products company in the world.

In the Dorel Sports Segment, brand differentiation is an important part of the bicycle industry with different brands being found in the different distribution channels. High-end bicycles and brands would be found in IBD's and some sporting goods chains, whereas the other brands can be purchased in mass market retailers. Consumer purchasing patterns are generally influenced by economic conditions, weather and seasonality. Principal competitors include Huffy, Dynacraft, Trek, Giant, Specialized, Scott and Raleigh. In Europe, the market is much more fragmented as there is additional competition from much smaller companies that are popular in different regions.

Dorel's Home Furnishings Segment participates in the North American furniture industry. Dorel ranks in the top ten of North American furniture manufacturers and marketers and has a strong foothold in both North American manufacturing and importation of furniture, with a significant portion of its supply coming from its own manufacturing facilities and the balance through sourcing efforts in Asia. Dorel is also the number two manufacturer of RTA furniture in North America. Products are distributed from our North American manufacturing locations as well as from several distribution facilities. The Dorel Home Furnishings Segment has many competitors including Sauder Manufacturing and Whalen Furniture in the RTA category, Meco in the folding furniture category, Tricam in step stools, and Werner in ladders.

Although the diversity of products and fragmented markets of the home furnishings and sports products industries make useful comparisons difficult, Dorel believes that the following table sets out the major competitors of each of its business segments:

Dorel Juvenile		**Dorel Sports**		**Dorel Home Furnishings**	
Artsana (Chicco,Prenatal, Neobaby)	Newell Rubbermaid (Graco)	Accell	Huffy	Home Star	South Shore
Britax Romer	Maclaren	Bridgeway	Kent	Lifetime	Tricam
Bugaboo	Peg Perego	Derby	Raleigh	Linon	Victoryland
Summer Infant	The First Years	Dynacraft	Specialized	Louisville Ladder Group	Werner
Baby Trend	Munchkin	Giant	Trek	Meco	Whalen
Goodbaby/Evenflo/Cybex	Stokke			Mylex	Z-Line
Fisher Price	Team Tex			Sauder	Other imports from the Orient
Kolcraft					

Product Development

Product development is an important element of Dorel's past and future growth. As a growing consumer products company, Dorel has invested heavily in this area, focusing on innovation, quality, safety and speed to market with several design and product development centres. Each of Dorel's operating segments generally introduces a large number of new products every year. Additionally, quality control is an essential part of Dorel's competitive position. Most products are developed to exclusive specifications and rigid safety standards, particularly with regards to Dorel Juvenile.

North American research and development is done at several locations. Except for car seat development, juvenile products are conceived, designed and developed at Dorel Juvenile USA's Foxboro, Massachusetts location. Car seat development is centralized at the Company's state-of-the-art car seat Dorel Technical Center for Child Safety in Columbus, Indiana. Car seat engineering is done at Dorel Juvenile USA's plant in Columbus, Indiana. This facility includes a 25,000 square foot area with respect to car seats and for also home furnishings products carried by the Cosco Home & Office division. Furniture products and futons are conceived and developed at a design centre at Ameriwood's head office in Wright City, Missouri as well as at Dorel Home Products in Montreal, Québec. In Europe, development is carried out in Helmond, Holland and Cholet, France. Recreational products are conceived and designed principally in Bethel, Connecticut; Madison, Wisconsin; Vancouver, British Columbia and in Sao Paulo, Brazil.

As new product development is vital to the continued success of Dorel, the Company must make capital investments in research and development, moulds and other machinery, equipment and technology. It is expected that Dorel will invest approximately $55.0 million over the course of 2015 to meet its new product development and other growth objectives. It is expected that these capital additions will be funded by cash flow generated from existing operations.

Environmental Protection

To Dorel's knowledge, all Dorel segments currently operate within existing environmental regulations. Dorel assumed certain environmental liabilities and contingencies associated with the Dowagiac, Michigan facility acquired with the purchase of Ameriwood in 1998. At December 30, 2014 the balance of the provision recognized in connection with this contingency amounts to $156,000. Any amounts incurred in excess of the provision are not expected to have a material adverse effect on the Company.

Employees

At the end of fiscal 2014, Dorel employed approximately 11,500 full-time people in 25 countries. Approximately 2,700 of these employees are based in North America, of which 900 are unionized. These unionized employees are subject to a total of four collective agreements. Approximately 5,000 of the employees are based in Asia and none are unionized. The majority of the remaining 3,800 employees are based in Europe and Latin America, of which 600 are unionized. These unionized employees are subject to a total of five collective agreements.

RISK FACTORS

General Economic Conditions

In its over 50 year history, the Company has experienced several economic downturns and its products have proven to be ones that consumers continue to purchase in varying economic conditions. In 2014, in most of its markets, the retail environment could be characterized as challenging. As a result, the majority of the Company's retail customers continued to emphasize price competitiveness as their primary focus. To provide these retail partners with value over and above competitive pricing, Dorel continued to invest in new product development and various brand support initiatives.

In Dorel Juvenile, the Company believes that demand generally remains steady as child safety is a constant priority and parents require products that fill that need. In recent years, a trend has emerged that consumers were more likely to purchase less expensive items, often at lower margins for the Company. In addition, birth rates are falling in many of the Company's markets, which also negatively affect demand.

In Dorel Sports, the Company believes that consumer trends that consider health and environmental concerns will also help buffer this segment against possible declines in overall consumer spending. However, demand can also be affected by weather conditions which are beyond the Company's control. In addition, Dorel offers a great assortment of product in the value priced product category available at its mass merchant customers. This means that should consumers elect to spend less on a particular recreational product, Dorel has alternatives to higher priced items.

In Dorel Home Furnishings, Dorel concentrates exclusively on value priced items and sells the majority of its products through the mass merchant and Internet sales distribution channel. During difficult economic times, when shopping for furniture, consumers are likely to spend less and tend to eschew furniture store outlets and shop at the mass merchants for reasonably priced items.

Should economic conditions worsen significantly, unemployment rise significantly, or bad weather conditions occur, this could have a negative impact on the Company as consumer spending would likely be curtailed. There can be no assurance that the economies, taken as a whole, in which the Company operates, will improve going forward and in the event of a substantial deterioration of these economies, the Company could be adversely affected.

Product Costs and Supply

Dorel purchases raw materials, component parts and finished goods. The main commodity items purchased for production include particleboard and plastic resins, as well as corrugated cartons. Key component parts include car seat covers, hardware, buckles and harnesses, bicycle frames and futon frames and covers. These parts are derived from textiles, and a wide assortment of metals, plastics, and wood. The Company's finished goods purchases are largely derived from steel, aluminum, resins, textiles, rubber and wood.

Raw material costs in North America and Europe were overall slightly higher in 2014. The impact of falling crude oil prices contributed to decreases in resin prices in the fourth quarter. Given the current level of oil pricing, the Company foresees lower resin prices in 2015. Particleboard prices in North America increased in 2014 and prices are forecasted to increase further in 2015.

The Company's suppliers of components and finished goods experienced lower input material costs in 2014. The Chinese currency ("RMB") depreciated approximately 2% in 2014 and labour costs in China continue to increase at a rate of 10-15% per year.

Industry container freight costs were moderately volatile in 2014 relative to 2013, primarily in the fourth quarter due to US west coast congestion issues; however, the overall costs on average remained stable. Current expectations are for container pricing to slightly increase in 2015.

The Company's level of profitability is impacted by its ability to manage these various input costs and adjust pricing to its customers as required. In addition, Dorel relies on its suppliers to provide quality products on a timely basis and has always prided itself on establishing successful long-term relationships both domestically and overseas. The Company remains committed to actively working with its supplier base to ensure that the flow of product is not interrupted. Should input costs increase dramatically or should major existing vendors be unable to supply Dorel, this could have an adverse effect on the Company going forward.

Foreign Currency Fluctuations

Dorel uses the US dollar as its reporting currency. Dorel is subject to risk due to variations in currency values against the US dollar. Foreign currency risk occurs at two levels; transactional and translational. Transactional currency risk occurs when a given division either incurs costs or generates revenues in a currency other than its own functional currency. The Company's operations that are most affected by transactional currency risk are those that operate in the Euro zone, the United Kingdom, Canada, Latin America, Japan and Australia. Translational risk occurs upon conversion of non-US functional currency divisions' results to the US dollar for reporting purposes. Dorel's European, Latin American, Asian and Australian operations are the most significant subsidiaries that do not use the US dollar as their functional currency, and as such translational risk is limited to those operations. The two major functional currencies in Europe are the Euro and Pound Sterling.

Dorel's European, Latin American, Asian and Australian operations are negatively affected by a stronger US dollar as portions of its purchases are in that currency, while its revenues are not. The Dorel Sports Segment is growing its business more quickly outside of the US and as such its exposure to fluctuations in the US dollar on both a transactional and translational basis has grown over the past few years. They are similar to the Dorel Juvenile Segment in that portions of its purchases are in US dollars, while its revenues are not. Dorel's Canadian operations within Dorel Home Furnishings benefits from a stronger US dollar as large portions of its revenues are generated in the United States and the majority of its costs are in Canadian dollars. This situation is mitigated somewhat by Dorel Juvenile Canada's operations that import US dollar denominated goods and sells to Canadian customers.

Particularly in the second half of 2014 with a bigger impact in the fourth quarter, all major divisions saw their currencies weakening significantly against the stronger US dollar. In 2014, the Euro was an exception to most other currencies against the US dollar with a significant decline in value only occurring in December. Since then, the surge in the value of the US dollar versus the majority of Dorel's other operating currencies have continued to have a negative impact on Dorel's earnings from both transactional and translational levels. Dorel Juvenile and Dorel Sports are the segments most impacted negatively by the strengthening of the US dollar while Dorel Home Furnishings benefits positively from it.

The Company uses options, futures and forward contracts to hedge against these adverse fluctuations in currency. Further details on the Company's hedging strategy and the impact in the year can be found in Note 20 to the Consolidated Financial Statements. Significant changes in the value of the US dollar can affect greatly future earnings.

Concentration of Revenues

For the year ended December 30, 2014, one customer accounted for over 10% of the Company's revenues, representing 25.9% of Dorel's total revenue. In 2013, this customer accounted for 27.9% of total revenues. Dorel does not have long-term contracts with its customers, and as such, revenues are dependent upon Dorel's continued ability to deliver attractive products at a reasonable price, combined with high levels of service. There can be no assurance that Dorel will be able to sell to such customers on an economically advantageous basis in the future or that such customers will continue to buy from Dorel.

Customer and Credit Risk

The majority of the Company's revenue is derived from sales to major retail chains. The remainder of Dorel's sales are made mostly to specialty juvenile stores and independent bike dealers. To minimize credit risk, the Company conducts ongoing credit reviews and maintains credit insurance on selected accounts. Should certain of these major retailers cease operations, there could be a material short term adverse effect on the Company's consolidated results of operations. In the long term, the Company believes that should certain retailers cease to exist, consumers will shop at competitors at which Dorel's products will generally also be sold.

As at December 30, 2014, one customer accounted for 16.0% of the Company's total trade accounts receivable balance. This same customer accounted for 13.8% of the Company's total trade accounts receivable balance in 2013. Based on past experience, the Company believes that no significant allowance for doubtful accounts is necessary in respect of trade accounts receivable not past due and past due 0-30 days which represent 91.0% of total gross trade accounts receivable (2013 – 89.6%).

Product Liability

As with all manufacturers of products designed for use by consumers, Dorel is subject to numerous product liability claims, particularly in the United States. At Dorel, there is an ongoing effort to improve quality control and to ensure the safety of its products. The Company is insured to mitigate its product liability exposure. No assurance can be given that a judgment will not be rendered against it in an amount exceeding the amount of insurance coverage or in respect of a claim for which Dorel is not insured. During the year ended December 30, 2013, an amount of $6.0 million was recorded in restructuring and other costs relating to the settlement of a US car seat case.

Income Taxes

The Company's current organizational structure has resulted in a comparatively low effective income tax rate. This structure and the resulting tax rate are supported by current domestic tax laws in which the Company operates and by the interpretation and application of these tax laws. The rate can also be affected by the application of income tax treaties between these various jurisdictions. Unanticipated changes to these interpretations and applications of current domestic tax laws, or to the tax rates and treaties, could impact the effective income tax rate of the Company going forward.

Product and Brand Development

To support continued revenue growth, the Company must continue to update existing products, design innovative new items, develop strong brands and make significant capital investments. The Company has invested heavily in product development and plans to keep it at the centre of its focus. In addition, the Company must continue to maintain, develop and strengthen its end-user brands. Should the Company invest in or design products that are not accepted in the marketplace, or if its products are not brought to market in a timely manner, and in certain cases, fail to be approved by the appropriate regulatory authorities, this could negatively impact future growth.

Regulatory Environment

The Company operates in certain industries which are highly regulated and as such operates within constraints imposed by various regulatory authorities. In recent years, greater concern regarding product safety has resulted in more onerous regulations being placed on the Company as well as on all of the Company's competitors operating in these industries. Dorel has always operated within this environment and has always placed a great deal of resources on meeting these obligations, and is therefore well positioned to meet these regulatory requirements. However, any future regulations that would require additional costs could have an impact on the Company going forward.

Liquidity and Access to Capital Resources

Dorel requires continued access to capital markets to support its activities. Part of the Company's long-term strategy is to grow through the acquisition of complementary businesses that it believes will enhance the value of the Company for its shareholders. To satisfy its financing needs, the Company relies on long-term and short-term debt and cash flow from operations. Any impediments to the Company's ability to access capital markets, including significant changes in market interest rates, general economic conditions or the perception in the capital markets of the Company's financial condition or prospects, could have a material adverse effect on the Company's financial condition and results of operation.

Valuation of Goodwill and other Intangible Assets

As part of annual impairment tests, the value of goodwill and other indefinite life intangible assets are subject to significant assumptions, such as future expected cash flows and assumed discount and weighted average cost of capital rates. In addition, the value of customer relationships and supplier relationship recognized includes significant assumptions in reference to customer attrition rates and useful lives. Should current market conditions adversely affect the Company's expectations of future results, this could result in a non-cash impairment being recognized at some point in the future. Additionally, in the current market environment, some of the other assumptions could be impacted by factors beyond the Company's control. For example, more conservative risk assumptions could materially affect these valuations and could require a downward adjustment in the value of these intangible assets in the future.

The Company performs its impairment tests of goodwill and intangible assets with indefinite useful lives (trademarks) during the fourth quarter or more frequently if an impairment indicator is triggered. After taking into consideration the impairment losses on goodwill and trademarks recorded in the fourth quarter of 2014 which was explained in the annual MD&A, the Company completed a reconciliation of the sum of the estimated fair values of its cash generating units (CGU) to its market capitalization. The Company's market capitalization was determined by multiplying the number of Class "A" and Class "B" shares outstanding as at October 31, 2014 by the market price of the Company's total shares as at October 31, 2014. The accounting principles regarding goodwill acknowledge that the observed market prices of individual trades of a company's stock (and thus its computed market capitalization) may not be representative of the fair value of the company as a whole. The Company believes that market capitalization alone does not capture the fair value of the business as a whole, or the substantial value that an acquirer would obtain from its ability to obtain control of the business. The amount of the control premium in excess of the Company's market capitalization requires significant judgment and the Company has observed recent market transactions as a guide to establish a range of reasonably possible control premiums to estimate the Company's fair value. The Company also considers the following qualitative items that cannot be accurately quantified and are based upon the beliefs of management, but provide additional support for the explanation of the remaining difference between the estimated fair values of the Company's CGUs and its market capitalization:

- The Company's stock has relatively low trading volume;
- Previously unseen pressures are in place given the global financial and economic crises.

As described above, the Company's share price and control premium are significant factors in assessing the Company's fair value for purposes of the goodwill impairment assessment. The Company's share price can be affected by, among other things, changes in industry or market conditions, including the effect of competition, changes in our results of operations, and changes in our forecasts or market expectations relating to future results. In the last 52 week range, the Company's share price has fluctuated significantly from a high of CAD$42.12 and a low of CAD$31.98. The Company will continue to monitor market trends in the business, the related expected cash flows and the calculation of market capitalization for purposes of identifying possible indicators of impairment. Should the Company's market capitalization decline or the Company has other indicators of impairment, the Company would be required to perform a goodwill impairment test. Additionally, the Company would then be required to review its remaining non-financial assets for impairment.

DIVIDENDS

The Company's current dividend policy is based on the declaration by the Board of Directors, on August 9, 2012, of an increase in the Company's quarterly dividend to thirty cents ($0.30) on each of the Class "A" Multiple Voting Shares, Class "B" Subordinate Voting Shares, Deferred Share Units and cash-settled Performance Share Units of the Company, which equates to a total dividend of $1.20 per share per annum.

During fiscal 2014, the Company declared and paid four quarterly dividends of thirty cents ($0.30) per share on the Class "A" Multiple Voting Shares, Class "B" Subordinate Voting Shares and Deferred Share Units of the Company for an aggregate amount $1.20 per share for the year, or $38.7 million. In fiscal 2013 and 2012, these four quarterly dividends totalled $38.2 million and $28.4 million, respectively.

Under the Company's current financing arrangements, the payment of dividends is prohibited if the Company is in default under its credit agreement. These financing arrangements also include certain customary financial covenants that may indirectly restrict the Company's ability to pay dividends.

DESCRIPTION OF CAPITAL STRUCTURE

The designation of each class and series of the Company's authorized share capital is as follows:

- An unlimited number of preferred shares without nominal or par value, issuable in series (none of which are outstanding as at the date hereof), with such rights and conditions as may be determined by the Board of Directors of the Company prior to issuance thereof, carrying no voting rights, except as prescribed by law, and ranking prior to the Class "A" Multiple Voting Shares and Class "B" Subordinate Voting Shares with respect to the payment of dividends and return of capital in the event of liquidation, dissolution or other distribution of the assets of the Company for purpose of winding-up its affairs;

- An unlimited number of Class "A" Multiple Voting Shares (ten votes per share) without nominal or par value, convertible at any time at the option of the holder into Class "B" Subordinate Voting Shares on a one-for-one basis, entitling their holders to participate equally with the holders of the Class "B" Subordinate Voting Shares in respect of payment of dividends, and ranking equally with the Class "B" Subordinate Voting Shares in respect of return of capital in the event of liquidation, dissolution or other distribution of the assets of the Company for purpose of winding-up its affairs; and

- An unlimited number of Class "B" Subordinate Voting Shares (one vote per share) without nominal or par value, convertible into Class "A" Multiple Voting Shares, under certain circumstances, if an offer is made to purchase the Class "A" Multiple Voting Shares, entitling their holders to participate equally with the holders of the Class "A" Multiple Voting Shares in respect of payment of dividends, and ranking equally with the Class "A" Multiple Voting Shares in respect of return of capital in the event of liquidation, dissolution or other distribution of the assets of the Company for purpose of winding-up its affairs.

MARKET FOR 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 following provides the price range and volume traded on the Toronto Stock Exchange of each type of security of the Company for each month of 2014:

	Class "A" Multiple Voting Shares			Class "B" Subordinate Voting Shares		
	Price Range (in Canadian dollars)			Price Range (in Canadian dollars)		
Month	Low	High	Volume Traded	Low	High	Volume Traded
January	$40.15	$41.99	6,480	$39.26	$41.75	528,357
February	$36.10	$41.99	7,498	$36.08	$40.50	761,365
March	$36.50	$39.50	5,398	$36.00	$39.20	715,494
April	$37.13	$40.28	3,505	$36.84	$40.29	592,438
May	$39.99	$41.75	2,050	$39.25	$41.50	480,155
June	$38.64	$41.69	1,740	$37.79	$41.99	692,137
July	$38.45	$40.69	2,781	$37.40	$39.76	325,320
August	$34.50	$38.01	4,730	$33.73	$39.50	828,700
September	$34.51	$37.37	11,113	$31.98	$37.30	1,037,474
October	$32.05	$36.78	13,103	$32.11	$36.78	746,996
November	$36.51	$39.99	2,710	$34.34	$38.78	570,812
December	$38.73	$43.40	4,501	$36.80	$41.60	775,706

DIRECTORS AND SENIOR OFFICERS

As at the date of this annual information form, the name, place of residence, period during which each has served as a director where applicable, offices held with the Company and principal occupations of each of the directors and senior officers of the Company are as follows:

Name and place of residence	Director since	Offices	Principal occupations
Martin Schwartz................................... Québec, Canada	1987	President, Chief Executive Officer and Director	President and Chief Executive Officer of the Company
Jeff Segel... Québec, Canada	1987	Executive Vice-President, Sales and Marketing and Director	Executive Vice-President, Sales and Marketing of the Company
Alan Schwartz .... Québec, Canada	1987	Executive Vice-President, Operations and Director	Executive Vice-President, Operations of the Company
Jeffrey Schwartz .... Ontario, Canada	1987	Executive Vice-President, Chief Financial Officer, Secretary and Director	Executive Vice-President, Chief Financial Officer and Secretary of the Company
Frank Rana.. Québec, Canada	—	Vice-President, Finance and Assistant-Secretary	Vice-President, Finance and Assistant Secretary of the Company

Edward Wyse Québec, Canada	—	Vice-President, Global Procurement	Vice-President, Global Procurement of the Company
Maurice Tousson[(1)(2)] Ontario, Canada	1995	Lead Director	President and Chief Executive Officer CDREM Group Inc. (retailer)
Harold P. (Sonny) Gordon, Q.C.[(2)] Florida, USA	2003	Director	Vice Chairman and a Director of Dundee Corporation (financial services and investment company) and Chairman and a Director of Dundee Energy Limited
Dian Cohen[(2)] Ontario, Canada	2004	Director	Corporate Director (economic consultant)
Alain Benedetti, FCPA, FCA[(1)] Québec, Canada	2004	Director	Corporate Director
Rupert Duchesne[(1)] Ontario, Canada	2009	Director	Group Chief Executive and Director Aimia Inc. (loyalty-management company)

(1) Member of the Audit Committee
(2) Member of 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. The term of each of the directors listed above will expire at the next annual general meeting of shareholders of the Company.

Beneficial Ownership

As at December 30, 2014, the directors and senior officers beneficially owned in the aggregate, or exercised control or direction over, directly and indirectly, 3,069,701 Class "A" Multiple Voting Shares, representing 73.2% of the issued and outstanding Class "A" Multiple Voting Shares, and 1,972,414 Class "B" Subordinate Voting Shares, representing 7.01% of the issued and outstanding Class "B" Subordinate Voting Shares of the Company.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

To the knowledge of the Company, none of the foregoing directors or executive officers of the Company is as of the date of this annual information form, or within the last ten years of the date of this annual information form, has been a director, chief executive officer or chief financial officer of any company that:

(a) was subject to a cease trade or similar order, or an order that denied such company access to any exemption under applicable securities legislation for a period of more than 30 consecutive days (an "Order") that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer of such company; or

(b) was subject to an Order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer of such company.

To the knowledge of the Company, none of the foregoing directors or executive officers of the Company, or a shareholder holding a sufficient number of securities of the Company to affect materially its control:

(a) is, as of the date of this annual information form, or within the last ten years of the date of this annual information form, a director or executive officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

(b) has within the last ten years of the date of this annual information form become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or become subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold his, her or its assets.

To the knowledge of the Company, none of the foregoing directors or executive officers of the Company, or a shareholder holding a sufficient number of securities of the Company to affect materially its control, has been subject to: (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

In the normal course of business activities, Dorel is subject to various legal actions, none of which involve any claim for damages exceeding ten percent, exclusive of interest and costs, of Dorel's current assets. Dorel contests these actions and believes that their resolution will not have a material adverse impact on the Company's financial condition.

During fiscal 2014, the Company (i) was not subject to any penalty or sanction imposed by a court relating to securities legislation or by a securities regulatory authority, (ii) was not subject to any other penalty or sanction imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision, and (iii) did not enter into any settlement agreement before a court relating to securities legislation or with a securities regulatory authority.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

No director or senior officer of the Company, and no person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10% of any of the Class "A" Multiple Voting Shares or Class "B" Subordinate Voting Shares, and any of their respective associates or affiliates, has or has had a material interest, direct or indirect, in any transaction, within the three most recently completed fiscal years or during the current fiscal year, that has materially affected or is reasonably expected to materially affect the Company.

MATERIAL CONTRACTS

The Company has not entered into any contract out of the ordinary course of its business during fiscal year 2014.

TRANSFER AGENT AND REGISTRAR

Computershare Investor Services Inc., at its principal offices in Toronto, Ontario, is the registrar and transfer agent for the Class "A" Multiple Voting Shares and Class "B" Subordinate Voting Shares of the Company.

NAMES AND INTERESTS OF EXPERTS

The Company's external auditors are KPMG LLP, 600 de Maisonneuve Boulevard West, Suite 1500, Montreal, Québec H3A 0A3, who reported on the annual Consolidated Financial Statements as at December 30, 2014 and for the year then ended, which financial statements have been filed under Québec *Regulation 51-102 respecting*

Continuous Disclosure Obligations and National Instrument 51-102 *Continuous Disclosure Obligations*. KPMG LLP is independent in accordance with auditors' rules of professional conduct in Québec.

INFORMATION ON THE AUDIT COMMITTEE

Audit Committee Charter

The Audit Committee Charter sets out the roles and responsibilities of the Audit Committee of the Company. A copy of the charter is attached hereto as Schedule B.

Composition of the Audit Committee

The Audit Committee is composed of Messrs. Alain Benedetti, FCPA, FCA, Maurice Tousson and Rupert Duchesne. Each member of the Audit Committee is independent and financially literate within the meaning of Québec *Regulation 52-110 respecting Audit Committees* and National Instrument *52-110 Audit Committees*.

Financial Literacy

Each member of the Audit Committee has a good command of generally accepted accounting principles and has the ability to understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements. This section describes at greater length how these members acquired that financial literacy.

Alain Benedetti, FCPA, FCA: Mr. Benedetti is the retired Vice-Chairman of Ernst & Young LLP, where he worked for 34 years, most recently as the Canadian area managing partner, overseeing all Canadian operations. Prior thereto, he was the managing partner for eastern Canada and the Montreal office. Mr. Benedetti has extensive experience with both public and private companies and currently serves on the Board of Directors of Russel Metals Inc. A former Chair of the Canadian Institute of Chartered Accountants, Mr. Benedetti has served on the Audit Committee of the Company since 2004 and has been its chairperson since 2005.

Maurice Tousson: Mr. Tousson is the President and Chief Executive Officer of CDREM Group Inc., a chain of retail stores known as Centre du Rasoir or Personal Edge, a position he has held since January 2000. Mr. Tousson has held executive positions at well-known Canadian specialty stores, including Chateau Stores of Canada, Consumers' Distributing and Sports Experts, with responsibilities for operations, finance, marketing and corporate development. Mr. Tousson currently sits on the Board of Directors of several privately-held companies. Mr. Tousson holds an MBA degree from Long Island University in New York.

Rupert Duchesne: Mr. Duchesne is the Group Chief Executive and Director of Aimia (Groupe Aeroplan Inc.), the international loyalty-management company that owns and operates the Aeroplan program in Canada, the Nectar program in the United Kingdom and Italy, Air Miles Middle East (60% owned), and which provides proprietary loyalty and data-analytic services to clients in 20 countries. Aimia is listed on the Toronto Stock Exchange. Mr. Duchesne previously held a number of senior officer positions at Air Canada from 1996, and prior thereto was involved in strategy and investment consulting. He was previously a director of Alliance Atlantis Communications International Inc. Mr. Duchesne holds an MBA degree from Manchester Business School and a B.Sc. (Hons) degree from Leeds University in the United Kingdom.

Pre-approval Policies and Procedures for Audit and Non Audit Services

In 2003, the Audit Committee adopted a policy regarding the breadth of services provided by external auditors. This policy forbids the Company from hiring external auditors to provide certain non-auditing services. Under certain exceptions, the policy provides that the Company may hire external auditors to provide non-audit services that are not prohibited, on condition that they are pre-approved by the Audit Committee. A copy of the policy is attached hereto as Schedule C.

External Auditor Service Fees (by Category)

In 2014, the Company's auditors were KPMG, LLP. The table below represents all fees paid to the Company's auditors for the years ended December 30, 2014 and 2013:

	Years ended December 30	
	2014	2013
Audit fees	$ 2,547,498	$ 2,010,940
Audit-related fees	2,440,875	437,890
Tax fees	23,682	3,500
All other fees	179,038	—
TOTAL	$ 5,191,093	$ 2,452,330

1. Audit fees were charged for professional services rendered by the auditors for the audit of the Company's annual Consolidated Financial Statements or services provided in connection with certain statutory and regulatory filings or engagements.
2. Audit-related fees were charged for due diligence services relating to business acquisitions, miscellaneous assurance and related services that are reasonably related to the performance of the audit or review of the annual Consolidated Financial Statements and are not reported as part of audit fees.
3. Tax fees were charged for tax compliance services.
4. Other fees were charged for operational advisory services.

ADDITIONAL INFORMATION

Additional information, including directors' and officers' remuneration and indebtedness (if any), principal holders of the Company's securities, and securities authorized for issuance under equity compensation plans, that is not included herein, is contained in the Company's Management Proxy Circular dated April 24, 2014 sent and filed in connection with the Company's annual meeting of shareholders held on May 28, 2014. Additional information relating to the Company may be found on SEDAR at www.sedar.com. Additional financial information may be found in the Company's consolidated financial statements and Management's Discussion and Analysis for the fiscal year ended December 30, 2014.

Schedule A

Major Companies within Dorel Industries Inc.
As of December 30, 2014

Name	Jurisdiction of Incorporation	Percentage of Votes Attaching to Shares
North America		
Ameriwood Industries, Inc.	Delaware	100%
Ameriwood Industries, Inc.	Michigan	100%
Ameriwood Industries, Inc.	Ohio	100%
Cycling Sports Group, Inc.	Delaware	100%
Cannondale Sports Group, LLC	Delaware	100%
Dorel Juvenile Group, Inc.	Massachusetts	100%
Dorel Design and Development, LLC	Indiana	100%
PCL Holdings Inc.	Delaware	100%
Pacific Cycle Inc.	Delaware	100%
Dorel Asia Inc.	Delaware	100%
Sugoi Performance Apparel Limited Partnership	British Columbia	100%
Lerado Success Inc.	Pennsylvania	100%
Europe		
Cycling Sports Group GmbH	Switzerland	100%
Dorel (UK) Limited	United Kingdom	100%
IBD Bikes UK Limited	United Kingdom	100%
Maxi Miliaan B.V.	The Netherlands	100%
Cycling Sports Group Europe B.V.	The Netherlands	100%
Dorel Germany GmbH	Germany	100%
Dorel France Holding SAS	France	100%
Dorel France SAS	France	100%
Dorel Belgium SA	Belgium	100%
BabyArt BVBA	Belgium	100%
Dorel Hispania SA	Spain	100%
Dorel Italia SpA	Italy	100%
Dorel Juvenile Switzerland SA	Switzerland	100%
Dorel Portugal - Artigos para bébé LdA	Portugal	100%
BéBé and Co SAS	France	100%
AMPA 2P SAS	France	100%
Dorel Suisse Sàrl	Switzerland	100%
Dorel Hungary Ltd.	Hungary	100%
Other		
Dorel Consulting (Shanghai) Co., Ltd.	People's Republic of China	100%
Dorel Australia Pty Ltd	Australia	100%
Cannondale Japan KK	Japan	100%
IGC Dorel New Zealand Limited	New Zealand	100%

Schedule A

Major Companies within Dorel Industries Inc.
As of December 30, 2014 (cont'd)

Name	Jurisdiction of Incorporation	Percentage of Votes Attaching to Shares
Companhia Dorel Brasil Produtos Infantis	Brazil	100%
Comexa Distribution Limited	Barbados	70%
Comexa Comercializadora Extranjera SA	Panama	70%
Comercial e Industrial Silfa S.A.	Chile	70%
Dorel International Trade Limited	Barbados	100%
Dorel Colombian Holdings Limited	Barbados	70%
Best Brands Group S.A.	Panama	70%
Ofir S.A.	Panama	70%
Baby Universe SAS	Colombia	70%
Dorel Luxembourg Sàrl	Luxembourg	100%
Dorel Limited	Barbados	100%
Dorel Asia SRL	Barbados	100%
Dorel Finance Limited	Barbados	100%
Cycling Sports Group Brazil Investimentos Limitada	Brazil	100%
Caloi Norte S.A.	Brazil	70%
Tiny Love Ltd.	Israel	100%
Dorel Global (MCO) Limited	Macau	100%
Zhongshan Guohong Plastic Mfg Co., Ltd.	People's Republic of China	100%
Peaceful Trust Co., Ltd.	Taiwan	100%
Zhongshan Lerado Mfg Co., Ltd.	People's Republic of China	100%
Zhongshan Jiemeng Trading Co., Ltd.	People's Republic of China	100%
Shanghai Juvenile Product Co., Ltd.	People's Republic of China	100%
Yangjiang Lerado Mfg Co., Ltd.	People's Republic of China	100%
Huangshi Lerado Mfg Co., Ltd.	People's Republic of China	100%
Angel (Zhongshan) Co., Ltd.	People's Republic of China	100%
Dorel Sports Chile S.A.	Chile	70%

Schedule B

DOREL INDUSTRIES INC.

AUDIT COMMITTEE CHARTER

The Audit Committee (the "Committee") of the Board of Directors of Dorel Industries Inc. (the "Company") assists the Board of Directors in fulfilling its oversight responsibilities relating to the quality and integrity of the accounting, auditing, and reporting practices of the Company and such other duties as directed by the Board of Directors or imposed by legislative and securities and exchange authorities.

• STRUCTURE AND ORGANIZATION

1. The Committee will be composed solely of directors who are independent of the management of the Company and are free of any relationship that, in the opinion of the Board of Directors, may interfere with their exercise of independent judgment as a Committee member, all in accordance with applicable securities and exchange regulations.

2. The membership of the Committee will consist of at least three independent members of the Board of Directors. Committee members and the Committee Chairman shall be designated by and serve at the pleasure of the Board of Directors. All members must be financially literate and at least one member shall be designated as the "financial expert" as defined by applicable legislation and regulation. The Committee shall appoint a Secretary who need not be a director of the Company.

3. The Committee shall meet at least four times per year or more frequently as circumstances require. All Committee members may attend meetings in person or via tele- or video-conference. The Committee may ask members of management, auditors or others to attend the meetings and provide pertinent information as necessary. The required quorum is a simple majority of members.

4. The Committee has the authority to maintain free and open communication with Company officers, employees, internal audit, the external auditors and outside counsel.

5. The Committee has the authority to investigate any matter brought to its attention and to retain independent counsel, accountants, or others for this purpose if, in its judgment, that is appropriate. The Committee further has the authority to set and authorize the compensation for any advisors employed by the Committee.

6. Members of the Audit Committee are prohibited from receiving any payment, either directly or indirectly, from the Company other than for the Board of Directors and its committees' membership.

7. The Committee may delegate to one or more independent members the authority to pre-approve non-audit services provided that such services meet the definition pursuant to securities and exchange regulations. Such pre-approval must be presented to the Committee by the respective member at its first scheduled meeting following such pre-approval.

8. Meeting agendas will be prepared and provided in advance to members, along with appropriate briefing materials. Minutes will be prepared.

• GENERAL RESPONSIBILITES

1. Meet periodically with representatives of the external auditors, the Director, Internal Audit, and management in separate sessions to discuss any matters that the Committee or these groups believe should be discussed

privately (in camera) with the Committee. Provide sufficient opportunity for the external auditors to meet with the internal auditor as appropriate without members of the management being present.

2. Submit the minutes of all Committee meetings to the Board of Directors and regularly report to the Board of Directors about Committee activities and issues that arise with respect to the quality and integrity of the Company's financial statements, the Company's compliance with legal or regulatory requirements, the performance and independence of the Company's independent auditors and the performance of the internal audit function.

3. Review and reassess the adequacy of this Charter annually.

• RESPONSIBILITIES FOR ENGAGING AND MONITORING EXTERNAL AUDITORS

1. Recommend for approval by the Board of Directors and ratification by the shareholders the selection and retention of an independent firm of Chartered Accountants as external auditors, for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services; approve all compensation of the external auditors; and review and approve in advance the discharge of the external auditors.

2. Review the independence of the external auditors. In considering the independence of the external auditors, the Committee will review the nature of the services provided by the external auditors' firm and the fees charged, and such other matters as the Committee deems appropriate.

3. Arrange for the external auditors to be available to the Board of Directors at least annually to help provide a basis for the Board's approval of the external auditors' appointment.

4. Review services and related fees for work done by the external auditors in the period and newly pre-approved services since the prior meeting as well as an updated projection of the total costs for the fiscal year.

5. Pre-approve all non-audit related services to be provided by the Company's external auditors on a case-by-case basis provided that such services meet the definition pursuant to securities and exchange regulations.

6. Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Company.

7. Oversee the rotation of lead, concurring and other external audit partners, to the extent required by securities and exchange regulations.

8. Review at least annually, representations by the external auditors describing their internal quality-control procedures, as well as significant results arising from regulatory and professional quality-control procedures.

9. Review with the external auditors and management the audit plan, including scope and approach, of the external auditors for the current year.

•RESPONSIBILITIES FOR OVERSIGHT OF THE QUALITY AND INTEGRITY OF ACCOUNTING, AUDITING, AND REPORTING PRACTICES OF THE COMPANY

1. Review the annual audited financial statements and quarterly financial statements, including the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations", Annual Information Form and the Management Proxy Circular with management and the external auditors prior to release. The Committee should review each annual and interim profit or loss announcement with management (and the external auditors if desired) prior to release, filing and distribution. These discussions should cover the quality of the financial reporting, and such others matters as the Committee deems appropriate.

2. Review with management and the external auditors the results of the audit, including any difficulties encountered, and management's response and/or action plan related to any Management Letter issued by the

external auditors and any significant recommendations contained therein. This will also include a review of any restrictions on the scope of the independent auditor's activities or on access to requested information, and any significant disagreements with management.

3. Ensure adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements, other than the public disclosure referred to in (1), and periodically assess the adequacy of those procedures.

4. Review disclosures made by the President and Chief Executive Officer and the Executive Vice-President, Chief Financial Officer and Secretary during the Form 52-109F certification process about significant deficiencies and or material weaknesses in the design or operation of internal controls, or any fraud that involves management or other employees who have a significant role in the Company's internal controls.

5. Review the periodic report of the Company's Disclosure Committee, including the reassessment of its Charter annually.

6. Consider the adequacy and effectiveness of the Company's internal control system, including information technology security and control.

7. Understand the scope of internal audit's review of internal control over financial reporting, and obtain reports on significant findings and recommendations, together with management's responses.

8. Establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters. Such complaints regarding questionable accounting or auditing matters are to be treated confidentially and anonymously.

9. Review and approve all related party transactions undertaken by the Company.

• **PERIODIC RESPONSIBILITIES**

1. Review periodically with management any legal and regulatory matters that may have a material impact on the Company's financial statements, compliance policies and compliance programs.

2. Review the effectiveness of the system for monitoring compliance with laws and regulations and the results of management's investigation and follow-up (including disciplinary action) of any instances of noncompliance.

3. Review with the chief audit executive the charter, plans, activities, staffing and organizational structure of the internal audit function and its effectiveness. Ensure there are no unjustified restrictions or limitations, and review and concur in the appointment, replacement, or dismissal of the chief audit executive.

4. Discuss with management the Company's major compliance policies with respect to risk assessment and risk management, including but not limited to: Code of Business Conduct, Disclosure Policy, Policy on Financial Reporting, Policy on Whistle blowing, Policy Regarding Procurement of Audit Services and Non Audit Services, Insider Trading and Blackout Periods Policy, Policy Statement on Internal Audit Services, Policy on Incident Reporting and Policy on Hiring of Employees from Independent Auditors.

5. Review the process for communicating the Code of Business Conduct to Company personnel, and for monitoring compliance therewith.

6. Perform such other functions assigned by law, the Company's charter or bylaws, or by the Board of Directors.

Schedule C

DOREL INDUSTRIES INC.

POLICY REGARDING PROCUREMENT OF AUDIT SERVICES AND NON AUDIT SERVICES

The primary purpose of this Policy is to ensure that Dorel Industries Inc. (the "Company") engages its public accountants to only provide permitted audit and non-audit services that are compatible with maintaining independence. The Company recognizes that investor confidence in public companies is based in part on the maintenance of independence, in fact and in appearance, by the public accounting firms that perform financial statement audits for those companies. The Company and its Audit Committee (the "Committee") believe that it is prudent to establish a formal policy to define the basis upon which the external auditors may be engaged to provide audit and non-audit services. Services discussed below where external auditors are engaged require the pre-approval of the Committee, in accordance with this Policy.

This Policy applies to the Company and all corporations, subsidiaries, branches and other entities directly or indirectly owned by the Company that are included in the Company's consolidated financial statements. This Policy is to be approved annually by the Company's Committee or more frequently as necessary due to changes in securities regulations.

The responsibility for ensuring that the Company's external auditor is engaged to perform only those services that are compatible with maintaining the firm's independence from the Company rests with the:

- external auditor;
- Executive Vice-President, Chief Financial Officer and Secretary;
- Vice-President, Finance and Assistant Secretary;
- Director of Finance; and
- Audit Committee.

Annually, the Vice President, Finance and Assistant Secretary will prepare a summary of the fees paid to the external auditor for audit and other permitted services, for inclusion in the annual proxy statement.

In accordance with this Policy, all audit services and related fees have to be pre-approved by the Committee. To allow efficiency in the performance of such services, the Chairman of the Committee can act on behalf of the Committee by providing pre-approval, between meetings of the Committee. He will report such approval at the next Committee meeting.

Any questions or interpretations of such matters should be addressed to the Committee.

For the purposes of this Policy, the scope of external auditor services is classified into the following categories.

PERMITTED SERVICES

These services generally are highly correlated with the role of an independent auditor. Such services include matters such as analysis and interpretation of accounting principles and their application.

1. **AUDIT SERVICES:**

- Audits of consolidated financial statements including quarterly reviews, consultation on accounting issues, attendance at Audit Committee meetings, and use of specialists in connection with the foregoing. Assistance in the implementation of new accounting principles.
- Audits of opening balance sheets of acquired companies.

- Compliance letters, agreed-upon procedures, reviews and similar reports based on audited financial statements and the role of external auditors as independent auditors.
- Audits of financial statements and transactions that are used by lenders, filed with government and regulatory bodies and similar reports.

2. **AUDIT RELATED SERVICES:**

- Services that result from the role of the firm as independent auditor such as reviews of securities regulator filings and letters to underwriters.
- Employee benefits plan audits and revenues of relevant filings.

3. **TAX SERVICES:**

These services are expressly allowed under this Policy:

- Tax return and tax accrual reviews, consultations and assistance.
- Tax planning and other compliance related consultation or services.

Tax services cannot however be based on confidential transactions or aggressive interpretation of tax rules.

Fees for tax services may not be on a contingency basis.

Pre the execution of the proposed service, the external auditor is to provide a description of the proposed tax service to the Committee detailing how it could or could not hamper external auditor independence.

4. **SPECIFIC APPROVALS:**

These services are allowed if specific pre-approval is given by the Committee:

- Employee benefit plan advisory services.
- Cash management and treasury advisory services.
- Strategic planning support (e.g., corporate, business unit, information technology).
- Forensic and other investigative services.

RESTRICTED SERVICES

Restricted services are those services that may not be provided by external auditors, as they are considered by securities legislation and/or in the Company’s opinion to be incompatible with the role of an independent auditor, unless it is reasonable to conclude that the results of the service would not be subject to audit procedures during an audit of the Company’s financial statements. Areas of doubt must be submitted to the Committee in advance of the commitment.

- Bookkeeping or other services related to accounting records or financial statements (e.g., recording journal entries, reconciling accounts, processing data, preparing financial statements, etc.).
- Internal audit services.
- Appraisals, valuation services or fairness opinions.
- Signing tax returns (including payroll tax returns) on behalf of the Company.
- Actuarial services.
- Signing or co-signing cheques.
- Acting as an agent for the Company.
- Human resources functions (managerial position search and evaluation activities).
- Payroll services.
- Broker-Dealer services (including underwriting, promoting, investment banking and investment management).
- Maintaining custody of the Company’s funds.

- Acting in a capacity equivalent to that of the Company's management or employees, or performing any decision making, supervisory or ongoing monitoring functions for the Company.
- Financial information systems design and/or implementation.
- Legal services.
- Expert witness or testimony services, except where specifically related to the Company's accounting policy, procedure, or audited financial statements.
- Providing tax services to management members (or their immediate family) who have a role in financial reporting.
- All other consulting or auditing services of any nature, except as specifically allowed in other sections above.