



DOREL JUVENILE

Maxi-Cosi
Bébé Confort
Quinny
Safety 1st
Tiny Love
BabyArt
Cosco
Infanti
Mother's Choice
Voyage

DOREL SPORTS

Cannondale
Schwinn
Mongoose
GT
Caloi
SUGOI

DOREL HOME

Ameriwood
Altra Furniture
Cosco Home & Office
Dorel Home Products
Signature Sleep
Dorel Living

EXCHANGES

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C O M M U N I Q U É

DOREL REPORTS STRONG FIRST QUARTER 2017 RESULTS

- **Dorel Home posts another record quarter**
- **Dorel Sports significantly improves earnings**
- **Credit facilities amended to provide immediate savings and flexibility**

Montréal, May 5, 2017 — Dorel Industries Inc. (TSX: DII.B, DII.A) today released results for the first quarter ended March 31, 2017. Total revenue was US\$646.7 million compared to US\$645.9 million a year ago. Adjusted net income for the quarter increased 15.4% to US\$22.7 million or US\$0.69 per diluted share from US\$19.7 million, or US\$0.60 per diluted share in 2016. Reported net income decreased to US\$8.8 million, or US\$0.27 per diluted share, compared to US\$16.7 million or US\$0.51 per diluted share last year.

“Dorel’s adjusted operating profit improved by over 15% versus last year’s first quarter when excluding restructuring and other costs within our income statement. Of our three business segments, Dorel Home was again a standout with revenues increasing 9% and operating profit approaching 10% of revenues. Dorel Sports also improved earnings from prior year, leveraging better margins and its more efficient cost structure. Dorel Juvenile is benefitting from its strategic direction on improving gross margins, but faced challenges at its China facility with a large ramp up on new products and labour shortages around the Chinese New Year which delayed some scheduled launches. In our smaller Juvenile markets, Brazil and Australia performed exceptionally well and are now recognized as industry leaders. At the corporate level, with the support of our lenders, we successfully re-negotiated our credit facilities. This resulted in a first quarter pre-tax expense of US\$10.2 million, or US\$0.30 per diluted share, related to the extinguishment of existing debt. This change will allow for better management of our long-term capital needs and will decrease our financing costs going-forward. Interest costs are expected to be reduced by approximately US\$4.0 million through the balance of 2017 and will continue annually going forward,” stated Martin Schwartz, Dorel President & CEO.

The Company is presenting adjusted financial information, excluding restructuring and other costs, remeasurement of forward purchase agreement liabilities and loss on early extinguishment of long-term debt as it believes this provides a more meaningful comparison of its core business performance between the periods presented. These previously announced items are detailed in the attached tables of this press release. Contained within this press release are reconciliations of non-GAAP financial measures to the most directly comparable financial measures calculated in accordance with GAAP.

Summary of Financial Information (unaudited)			
Three Months Ended March 31			
All figures in thousands of US \$, except per share amounts			
	2017	2016	Change
	\$	\$	%
Total revenue	646,712	645,867	0.1%
Net income	8,841	16,734	(47.2%)
Per share - Basic	0.27	0.52	(48.1%)
Per share - Diluted	0.27	0.51	(47.1%)
Adjusted net income	22,705	19,671	15.4%
Per share - Basic	0.70	0.61	14.8%
Per share - Diluted	0.69 ⁽¹⁾	0.60	15.0%
Number of shares outstanding –			
Basic weighted average	32,403,980	32,333,261	
Diluted weighted average	32,654,173	32,545,454	
Adjusted diluted weighted average	35,221,018	32,545,454	

- (1) As at March 31, 2017, the convertible debentures were included in the calculation of the adjusted diluted EPS by adjusting the adjusted net income attributable to equity holders as well as the adjusted diluted weighted average number of shares outstanding as these debentures were deemed to be dilutive.

Dorel Home

All figures in thousands of US \$

Three Months Ended March 31 (unaudited)					
	2017		2016 <i>Restated*</i>		Change
	\$	% of rev.	\$	% of rev.	%
Total revenue	204,038		187,471		8.8%
Gross profit	34,572	16.9%	31,738	16.9%	8.9%
Operating profit	19,765	9.7%	17,643	9.4%	12.0%

- * During the fourth quarter of 2016, the Company changed its internal organization and the composition of its reportable segments. The design, sourcing, manufacturing, distribution and retail of the children's furniture was transferred from Dorel Juvenile to Dorel Home. Accordingly, the Company has restated the segmented information for the three months ended March 31, 2016.

First quarter revenue rose US\$16.6 million, or 8.8% to US\$204.0 million, representing the best quarter in the segment's history. Growth was driven by increased sales to on-line retailers in all divisions, representing 46% of total segment sales compared to 42% in the first quarter of 2016. Brick and mortar sales remained flat compared with last year's first quarter.

Gross profit, at 16.9%, remained comparable to last year's first quarter as improved margins from increased on-line sales were offset by higher input and warehousing costs.

Operating profit for the quarter was also a record, at US\$19.8 million, up 12.0% from US\$17.6 million a year ago, driven by higher sales volumes, slightly offset by a modest increase in selling expenses in line with the sales growth.

Dorel Juvenile

All figures in thousands of US \$

Three Months Ended March 31 (unaudited)					
	2017		2016		Change
	\$	% of rev.	\$	% of rev.	%
Total revenue	228,658		241,899		(5.5%)
Gross profit	69,885	30.6%	70,817	29.3%	(1.3%)
Operating profit	9,594	4.2%	14,445	6.0%	(33.6%)
Adjusted gross profit	71,102	31.1%	70,817	29.3%	0.4%
Adjusted operating profit	15,342	6.7%	17,410	7.2%	(11.9%)

* During the fourth quarter of 2016, the Company changed its internal organization and the composition of its reportable segments. The design, sourcing, manufacturing, distribution and retail of the children's furniture was transferred from Dorel Juvenile to Dorel Home. Accordingly, the Company has restated the segmented information for the three months ended March 31, 2016.

Dorel Juvenile's first quarter revenue decreased by US\$13.2 million or 5.5% to US\$228.7 million compared with US\$241.9 million in 2016, which was mostly organic. The decline in revenue was mainly attributable to the European market and reduced sales by Dorel Juvenile China to non-domestic third-party customers. Certain scheduled product launches were delayed due to production issues at the China factory caused by labour shortages associated with the Chinese New Year and the large number of concurrent new products, placing additional strain on the factory's ability to deliver on schedule. This also negatively impacted sales in several markets.

The benefits of a focused effort to improve sales mix, as well as cost savings and other operational efficiencies from our restructuring activities resulted in an adjusted gross profit of 31.1%. This represented a year-over-year improvement of 180 basis points on an adjusted basis and was in almost all markets. Adjusted operating profit decreased by US\$2.1 million, or 11.9% to US\$15.3 million from US\$17.4 million in 2016 due to higher operating expenses.

Dorel Sports

All figures in thousands of US \$

Three Months Ended March 31 (unaudited)					
	2017		2016		Change
	\$	% of rev.	\$	% of rev.	%
Total revenue	214,016		216,497		(1.1%)
Gross profit	48,988	22.9%	47,498	21.9%	3.1%
Operating profit	10,114	4.7%	5,254	2.4%	92.5%
Adjusted gross profit	48,044	22.4%	47,498	21.9%	1.1%
Adjusted operating profit	9,472	4.4%	5,226	2.4%	81.2%

First quarter revenue decreased US\$2.5 million or 1.1% to US\$214.0 million and approximately 1.3% after removing the impact of varying exchange rates year-over-year. Organic revenue declined approximately 9.9% when removing foreign exchange fluctuations and the change in Cycling Sports Group (CSG) International's business model for which the revenue recognition transitioned from a licensing model to a distribution platform. Part of the revenue shortfall in the mass channel was due to unfavourable North American weather and a shift in Easter holiday sales moving from the end of the first quarter to April 2017. Lower first quarter CSG sales volumes were also caused by inclement weather, lower discounted sales than prior year and continued reductions in IBD retailers' inventories which reached historically low levels.

Dorel Sports initiated restructuring actions last year which are expected to result in annualized savings of US\$5.0 million. First quarter operating profit rose by US\$4.9 million, or 92.5% to US\$10.1 million as a result of the restructuring plan, improved margins and cost

control initiatives in almost all regions. A combination of less discounting and selective price increases in CSG as well as Pacific Cycle's improved product mix also contributed to the improvement. Caloi achieved higher margins with its improved pricing and product mix as well as from the strengthening of the Brazilian Real.

Other

Effective March 24, 2017, the Company amended its Credit Agreement with respect to its revolving bank loans and secured a term loan of US\$200.0 million with the same maturity date as its revolving bank loans. As such, the net proceeds from the term loan were used by the Company to repay its Series "B" and "C" Senior Guaranteed Notes, its Brazilian non-convertible debentures and to reduce bank indebtedness. Included in finance expenses for the three months ended March 31, 2017, is a cost of US\$10.2 million or US\$0.30 per diluted share for early extinguishment of long-term debt. With the lower average interest rates of the term loan facilities going forward, the Company expects to reduce its interest costs by approximately US\$4.0 million in the balance of 2017.

During the first quarter of 2017, the Company's effective tax rate was 35.7% versus 17.2% in the prior year. Excluding income taxes on restructuring and other costs, on remeasurement of forward purchase agreement liabilities and on loss on early extinguishment of long-term debt, the Company's adjusted tax rate was 22.6% and 17.0% respectively. The main cause of the variation year-over-year of the adjusted tax rate is due to changes in the jurisdictions in which the Company generated its income. The Company has stated that for the full year it expects its annual adjusted tax rate to be between 15% and 20%. However, variations in earnings across quarters mean that this rate may vary significantly between quarters.

During the first three months of 2017, cash flow used in operating activities was US\$17.5 million compared to US\$5.9 million used in last year's first quarter mainly explained by lower net income, increased inventories and product liability costs payments during the first quarter of 2017 related to settlements in 2016, partly offset by increases in trade and other receivables as well as trade and other payables.

Quarterly dividend

Dorel's Board of Directors declared its regular quarterly dividend of US\$0.30 per share on the outstanding number of the Company's Class A Multiple Voting Shares, Class B Subordinate Voting Shares, Deferred Share Units and cash-settled Performance Share Units. The dividend is payable on June 2, 2017 to shareholders of record as at the close of business on May 19, 2017.

Outlook

"In the outlook provided with our year end results, we stated that for 2017 all three of our business segments were positioned to improve earnings. In the first quarter, both Dorel Home and Dorel Sports delivered on that expectation. Dorel Juvenile had a slower than anticipated start to the year as our factory in China faced challenges on new product launches, but we are proactively managing this and will see improvements through the year," stated Martin Schwartz, Dorel President & CEO.

"We still expect all three segments to exceed prior year earnings. Dorel Home again demonstrated its ability to deliver an expanded product range to consumers with its industry leading e-commerce platform. This will continue to drive sales and earnings improvements for the balance of the year. We expect a strong second half at Dorel Juvenile due to multiple new product introductions and new local management in China delivering on needed improvements in operations. In addition, 2016's abnormally high product liability costs will return to normal levels, contributing to the segment's substantial earnings improvement. The bicycle industry is currently facing short-term challenges, therefore sales growth opportunities in 2017 could be limited. Dorel Sports has re-structured itself to increase earnings this year through improved margins and lower operating expenses, and we expect this to more than offset sales challenges.

In addition, we made the strategic decision to amend the Company's Credit Agreement and the related costs impacted the quarter, but this will lower our finance expenses through the rest of the year," concluded Mr. Schwartz.

Conference Call

Dorel Industries Inc. will hold a conference call to discuss these results today, May 5, 2017 at 1:00 P.M. Eastern Time. Interested parties can join the call by dialing 1-877-223-4471. The conference call can also be accessed via live webcast at <http://www.dorel.com/eng/events>. If you are unable to call in at this time, you may access a recording of the meeting by calling 1-800-585-8367 and entering the passcode 4696858 on your phone. This recording will be available on Friday, May 5, 2017 as of 4:00 P.M. until 11:59 P.M. on Friday, May 12, 2017.

Complete condensed consolidated interim financial statements as at March 31, 2017 will be available on the Company's website, www.dorel.com, and will be available through the SEDAR website.

Profile

Dorel Industries Inc. (TSX: DII.B, DII.A) is a world class juvenile products and bicycle company. The Company'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 and Tiny Love, complemented by regional brands such as Cosco, Béb  Confort and Infanti. In Dorel Sports, brands include Cannondale, Schwinn, GT, Mongoose, Caloi, IronHorse and SUGOI. Dorel Home markets include a wide assortment of both domestically produced and imported furniture products, principally within North America. Dorel Industries Inc. has annual sales of US\$2.6 billion and employs approximately 10,000 people in facilities located in over twenty-five countries worldwide.

Caution Regarding Forward Looking Statements

Certain statements included in this press release may constitute "forward-looking statements" within the meaning of applicable Canadian securities legislation. Except as may be required by Canadian securities laws, Dorel 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 Dorel'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, Dorel cannot guarantee that any forward-looking statement will materialize, or if any of them do, what benefits Dorel will derive from them. Forward-looking statements are provided in this press release for the purpose of giving information about Management's current expectations and plans and allowing investors and others to get a better understanding of Dorel'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 press release are based on a number of assumptions that Dorel believed were reasonable on the day it made the forward-looking statements. Factors that could cause actual results to differ materially from Dorel's expectations expressed in or implied by the forward-looking statements include: general economic conditions; changes in product costs and supply channels; foreign currency fluctuations; customer and credit risk, including the concentration of revenues with small number of 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 Dorel'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 in Dorel's annual Management Discussion and Analysis and Annual Information Form filed with the applicable Canadian securities regulatory authorities. The risk factors outlined in the previously-mentioned documents are specifically incorporated herein by reference.

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

Non-GAAP financial measures

As a result of restructuring and other costs, remeasurement of forward purchase agreement liabilities and loss on early extinguishment of long-term debt incurred in 2017 and 2016, the Company is including in this press release the following non-GAAP financial measures: "adjusted cost of sales", "adjusted gross profit", "adjusted operating profit", "adjusted finance expenses", "adjusted income before income taxes", "adjusted income taxes expense", "adjusted tax rate", "adjusted net income", "adjusted earnings per basic and diluted share" and "adjusted diluted weighted average number of shares outstanding". The Company believes that this results in a more meaningful comparison of its core business performance between the periods presented. These non-GAAP financial measures do not have a standardized meaning prescribed by GAAP and therefore are unlikely to be comparable to similar measures presented by other issuers. Contained within this press release are reconciliations of these non-GAAP financial measures to the most directly comparable financial measures calculated in accordance with GAAP.

(All figures in tables below are in thousands of US\$, except per share amounts)

Reconciliation of non-GAAP financial measures

Three Months Ended March 31,

	2017					2016				
	Reported	% of Restructuring and		Adjusted	% of	Reported	% of Restructuring and		Adjusted	% of
		revenue	other costs				revenue	other costs		
	\$	%	\$	\$	%	\$	%	\$	\$	%
TOTAL REVENUE	646,712	100.0	-	646,712	100.0	645,867	100.0	-	645,867	100.0
Cost of sales	493,267	76.3	(273)	492,994	76.2	495,814	76.8	-	495,814	76.8
GROSS PROFIT	153,445	23.7	273	153,718	23.8	150,053	23.2	-	150,053	23.2
Selling expenses	54,662	8.5	-	54,662	8.5	56,341	8.7	-	56,341	8.7
General and administrative expenses	52,494	8.1	-	52,494	8.1	51,620	8.0	-	51,620	8.0
Research and development expenses	7,523	1.2	-	7,523	1.2	8,269	1.3	-	8,269	1.3
Restructuring and other costs	4,833	0.7	(4,833)	-	-	2,937	0.4	(2,937)	-	-
OPERATING PROFIT	33,933	5.2	5,106	39,039	6.0	30,886	4.8	2,937	33,823	5.2
Finance expenses	20,188	3.1	(10,475)	9,713	1.5	10,678	1.7	(561)	10,117	1.5
INCOME BEFORE INCOME TAXES	13,745	2.1	15,581	29,326	4.5	20,208	3.1	3,498	23,706	3.7
Income taxes expense	4,904	0.7	1,717	6,621	1.0	3,474	0.5	561	4,035	0.7
Tax rate	35.7%		-	22.6%		17.2%		-	17.0%	
NET INCOME	8,841	1.4	13,864	22,705	3.5	16,734	2.6	2,937	19,671	3.0
EARNINGS PER SHARE										
Basic	0.27		0.43	0.70		0.52		0.09	0.61	
Diluted	0.27		0.42	0.69 ⁽¹⁾		0.51		0.09	0.60	
SHARES OUTSTANDING										
Basic - weighted average	32,403,980			32,403,980		32,333,261			32,333,261	
Diluted - weighted average	32,654,173			35,221,018		32,545,454			32,545,454	

(1) As at March 31, 2017, the convertible debentures were included in the calculation of the adjusted diluted EPS by adjusting the adjusted net income attributable to equity holders as well as the adjusted diluted weighted average number of shares outstanding as these debentures were deemed to be dilutive.

The details of restructuring and other costs, remeasurement of forward purchase agreement liabilities and loss on early extinguishment of long-term debt recorded are presented below:

	Three Months Ended March 31,	
	2017	2016
	\$	\$
Write-down of long-lived assets	517	-
Inventory markdowns (reversals)	(93)	-
Recorded within gross profit	424	-
Employee severance and termination benefits	2,487	1,704
Write-down of long-lived assets	-	424
Net losses from the remeasurement and disposals of assets held for sale	712	-
Other associated costs	1,634	80
Recorded within a separate line in the condensed consolidated interim income statements	4,833	2,208
Total restructuring costs	5,257	2,208
Other costs recorded within gross profit	(151)	-
Acquisition-related costs recorded within a separate line in the condensed consolidated interim income statements	-	729
Total other costs	(151)	729
Total restructuring and other costs	5,106	2,937
Loss on remeasurement of forward purchase agreement liabilities	276	561
Loss on early extinguishment of long-term debt	10,199	-
Total restructuring and other costs, remeasurement of forward purchase agreement liabilities and loss on early extinguishment of long-term debt before income taxes ⁽¹⁾	15,581	3,498
Total restructuring and other costs, remeasurement of forward purchase agreement liabilities and loss on early extinguishment of long-term debt after income taxes	13,864	2,937
Total impact on diluted earnings per share	(0.42)	(0.09)
⁽¹⁾ Includes non-cash amounts of:	2,829	985

Dorel Juvenile

Reconciliation of non-GAAP financial measures

Three Months Ended March 31,										
	2017					2016				
	Reported	% of revenue	Restructuring and other costs	Adjusted	% of revenue	Reported	% of revenue	Restructuring and other costs	Adjusted	% of revenue
	\$	%	\$	\$	%	\$	%	\$	\$	%
TOTAL REVENUE	228,658	100.0	-	228,658	100.0	241,899	100.0	-	241,899	100.0
Cost of sales	158,773	69.4	(1,217)	157,556	68.9	171,082	70.7	-	171,082	70.7
GROSS PROFIT	69,885	30.6	1,217	71,102	31.1	70,817	29.3	-	70,817	29.3
Selling expenses	28,153	12.3	-	28,153	12.3	28,082	11.6	-	28,082	11.6
General and administrative expenses	22,348	9.8	-	22,348	9.8	19,654	8.2	-	19,654	8.2
Research and development expenses	5,259	2.3	-	5,259	2.3	5,671	2.3	-	5,671	2.3
Restructuring and other costs	4,531	2.0	(4,531)	-	-	2,965	1.2	(2,965)	-	-
OPERATING PROFIT	9,594	4.2	5,748	15,342	6.7	14,445	6.0	2,965	17,410	7.2

* During the fourth quarter of 2016, the Company changed its internal organization and the composition of its reportable segments. The design, sourcing, manufacturing, distribution and retail of the children's furniture was transferred from Dorel Juvenile to Dorel Home. Accordingly, the Company has restated the segmented information for the three months ended March 31, 2016.

Dorel Sports

Reconciliation of non-GAAP financial measures

Three Months Ended March 31,										
	2017					2016				
	Reported	% of revenue	Restructuring and other costs	Adjusted	% of revenue	Reported	% of revenue	Restructuring and other costs	Adjusted	% of revenue
	\$	%	\$	\$	%	\$	%	\$	\$	%
TOTAL REVENUE	214,016	100.0	-	214,016	100.0	216,497	100.0	-	216,497	100.0
Cost of sales	165,028	77.1	944	165,972	77.6	168,999	78.1	-	168,999	78.1
GROSS PROFIT	48,988	22.9	(944)	48,044	22.4	47,498	21.9	-	47,498	21.9
Selling expenses	19,857	9.3	-	19,857	9.3	22,401	10.3	-	22,401	10.3
General and administrative expenses	17,363	8.1	-	17,363	8.1	18,299	8.5	-	18,299	8.5
Research and development expenses	1,352	0.6	-	1,352	0.6	1,572	0.7	-	1,572	0.7
Restructuring and other costs	302	0.2	(302)	-	-	(28)	-	28	-	-
OPERATING PROFIT	10,114	4.7	(642)	9,472	4.4	5,254	2.4	(28)	5,226	2.4

DOREL INDUSTRIES INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
ALL FIGURES IN THOUSANDS OF US \$
(unaudited)

	as at March 31, 2017	as at December 30, 2016
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 35,137	\$ 31,883
Trade and other receivables	460,784	431,062
Inventories	569,615	549,688
Other financial assets	2,460	4,333
Income taxes receivable	13,399	14,466
Prepaid expenses	30,291	21,040
	<u>1,111,686</u>	<u>1,052,472</u>
Assets held for sale	4,397	20,017
	<u>1,116,083</u>	<u>1,072,489</u>
NON-CURRENT ASSETS		
Property, plant and equipment	191,560	191,294
Intangible assets	429,981	427,587
Goodwill	438,354	435,790
Deferred tax assets	36,302	39,324
Other assets	7,692	6,148
	<u>1,103,889</u>	<u>1,100,143</u>
	<u>\$ 2,219,972</u>	<u>\$ 2,172,632</u>
LIABILITIES		
CURRENT LIABILITIES		
Bank indebtedness	\$ 45,911	\$ 49,490
Trade and other payables	471,999	437,009
Written put option and forward purchase agreement liabilities	-	7,500
Other financial liabilities	570	569
Deferred revenue	4,960	6,475
Income taxes payable	14,587	15,143
Long-term debt	8,139	51,138
Provisions	43,185	63,169
	<u>589,351</u>	<u>630,493</u>
NON-CURRENT LIABILITIES		
Long-term debt	441,506	355,118
Net pension and post-retirement defined benefit liabilities	34,341	35,206
Deferred tax liabilities	51,493	53,293
Provisions	1,784	1,681
Written put option and forward purchase agreement liabilities	26,993	26,325
Other financial liabilities	967	1,115
Other long-term liabilities	9,846	13,302
	<u>566,930</u>	<u>486,040</u>
EQUITY		
Share capital	202,400	202,400
Contributed surplus	27,194	27,139
Accumulated other comprehensive loss	(104,691)	(113,840)
Other equity	2,359	3,027
Retained earnings	936,429	937,373
	<u>1,063,691</u>	<u>1,056,099</u>
	<u>\$ 2,219,972</u>	<u>\$ 2,172,632</u>

DOREL INDUSTRIES INC.
CONDENSED CONSOLIDATED INTERIM INCOME STATEMENTS
ALL FIGURES IN THOUSANDS OF US \$, EXCEPT PER SHARE AMOUNTS
(unaudited)

	Three Months Ended	
	March 31, 2017	March 31, 2016
Sales	\$ 646,425	\$ 642,572
Licensing and commission income	287	3,295
TOTAL REVENUE	646,712	645,867
Cost of sales ⁽¹⁾	493,267	495,814
GROSS PROFIT	153,445	150,053
Selling expenses	54,662	56,341
General and administrative expenses	52,494	51,620
Research and development expenses	7,523	8,269
Restructuring and other costs ⁽¹⁾	4,833	2,937
OPERATING PROFIT	33,933	30,886
Finance expenses	20,188	10,678
INCOME BEFORE INCOME TAXES	13,745	20,208
Income taxes expense	4,904	3,474
NET INCOME	\$ 8,841	\$ 16,734
EARNINGS PER SHARE		
Basic	\$0.27	\$0.52
Diluted	\$0.27	\$0.51
SHARES OUTSTANDING		
Basic - weighted average	32,403,980	32,333,261
Diluted - weighted average	32,654,173	32,545,454

⁽¹⁾ Restructuring and other costs charged to:

Cost of sales	\$ 273	\$ -
Expenses	4,833	2,937
	\$ 5,106	\$ 2,937

DOREL INDUSTRIES INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE INCOME
ALL FIGURES IN THOUSANDS OF US \$
(unaudited)

	Three Months Ended	
	March 31, 2017	March 31, 2016
NET INCOME	\$ 8,841	\$ 16,734
OTHER COMPREHENSIVE INCOME:		
Items that are or may be reclassified subsequently to net income:		
<u>Cumulative translation account:</u>		
Net change in unrealized foreign currency gains (losses) on translation of net investments in foreign operations, net of tax of nil	9,576	21,996
Net gains (losses) on hedge of net investments in foreign operations, net of tax of nil	930	6,576
	<u>10,506</u>	<u>28,572</u>
<u>Net changes in cash flow hedges:</u>		
Net change in unrealized gains (losses) on derivatives designated as cash flow hedges	(199)	(3,614)
Reclassification to income	99	183
Reclassification to the related non-financial asset	(1,643)	(238)
Deferred income taxes	415	1,352
	<u>(1,328)</u>	<u>(2,317)</u>
Items that will not be reclassified to net income:		
<u>Defined benefit plans:</u>		
Remeasurements of the net pension and post-retirement defined benefit liabilities	(37)	(13)
Deferred income taxes	8	7
	<u>(29)</u>	<u>(6)</u>
TOTAL OTHER COMPREHENSIVE INCOME	<u>9,149</u>	<u>26,249</u>
TOTAL COMPREHENSIVE INCOME	<u>\$ 17,990</u>	<u>\$ 42,983</u>

DOREL INDUSTRIES INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY
ALL FIGURES IN THOUSANDS OF US \$
(unaudited)

	Attributable to equity holders of the Company							
	Accumulated other comprehensive income (loss)							
	Share Capital	Contributed Surplus	Cumulative Translation Account	Cash Flow Hedges	Defined Benefit Plans	Other Equity	Retained Earnings	Total Equity
Balance as at December 30, 2015	\$ 200,277	\$ 26,480	\$ (104,521)	\$ 2,680	\$ (12,115)	\$ 1,527	\$ 988,069	\$1,102,397
<i>Total comprehensive income:</i>								
Net income	-	-	-	-	-	-	16,734	16,734
Other comprehensive income (loss)	-	-	28,572	(2,317)	(6)	-	-	26,249
	-	-	28,572	(2,317)	(6)	-	16,734	42,983
Reclassification from contributed surplus due to settlement of deferred share units	61	(103)	-	-	-	-	-	(42)
Share-based payments	-	113	-	-	-	-	-	113
Remeasurement of written put option liabilities	-	-	-	-	-	(1,890)	-	(1,890)
Dividends on common shares	-	-	-	-	-	-	(9,702)	(9,702)
Dividends on deferred share units	-	62	-	-	-	-	(62)	-
Balance as at March 31, 2016	\$ 200,338	\$ 26,552	\$ (75,949)	\$ 363	\$ (12,121)	\$ (363)	\$ 995,039	\$1,133,859
Balance as at December 30, 2016	\$ 202,400	\$ 27,139	\$ (102,629)	\$ 2,852	\$ (14,063)	\$ 3,027	\$ 937,373	\$1,056,099
<i>Total comprehensive income:</i>								
Net income	-	-	-	-	-	-	8,841	8,841
Other comprehensive income (loss)	-	-	10,506	(1,328)	(29)	-	-	9,149
	-	-	10,506	(1,328)	(29)	-	8,841	17,990
Share-based payments	-	(9)	-	-	-	-	-	(9)
Remeasurement of written put option liabilities	-	-	-	-	-	(668)	-	(668)
Dividends on common shares	-	-	-	-	-	-	(9,721)	(9,721)
Dividends on deferred share units	-	64	-	-	-	-	(64)	-
Balance as at March 31, 2017	\$ 202,400	\$ 27,194	\$ (92,123)	\$ 1,524	\$ (14,092)	\$ 2,359	\$ 936,429	\$1,063,691

DOREL INDUSTRIES INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
ALL FIGURES IN THOUSANDS OF US \$
(unaudited)

	Three Months Ended	
	March 31, 2017	March 31, 2016
CASH PROVIDED BY (USED IN):		
OPERATING ACTIVITIES		
Net income	\$ 8,841	\$ 16,734
Items not involving cash:		
Depreciation and amortization	12,017	13,045
Unrealized losses (gains) arising on financial assets and financial liabilities classified as held for trading	72	746
Share-based payments	(9)	113
Defined benefit pension and post-retirement costs	920	961
Loss on disposal of property, plant and equipment	67	16
Restructuring and other costs	1,136	424
Finance expenses	20,188	10,678
Income taxes expense	4,904	3,474
Net changes in balances related to operations ⁽¹⁾	(53,766)	(48,864)
Income taxes paid	(4,877)	(3,440)
Income taxes received	3,039	4,790
Interest paid	(10,143)	(4,679)
Interest received	119	86
CASH USED IN OPERATING ACTIVITIES	(17,492)	(5,916)
FINANCING ACTIVITIES		
Bank indebtedness	(4,909)	(11,632)
Increase of long-term debt	217,447	43,412
Repayments of long-term debt	(174,555)	(4,309)
Repayments of forward purchase agreement liabilities	(7,857)	(4,414)
Financing costs	(2,642)	(1,740)
Dividends on common shares	(9,721)	(9,702)
CASH PROVIDED BY FINANCING ACTIVITIES	17,763	11,615
INVESTING ACTIVITIES		
Acquisition of businesses	-	5,475
Additions to property, plant and equipment	(6,321)	(5,242)
Disposals of property, plant and equipment	72	113
Net proceeds from disposals of assets held for sale	11,649	-
Additions to intangible assets	(3,454)	(4,482)
CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	1,946	(4,136)
Effect of foreign currency exchange rate changes on cash and cash equivalents	1,037	3,795
NET INCREASE IN CASH AND CASH EQUIVALENTS	3,254	5,358
Cash and cash equivalents, beginning of period	31,883	33,182
CASH AND CASH EQUIVALENTS, END OF PERIOD	\$ 35,137	\$ 38,540

⁽¹⁾Supplemental information on net changes in balances related to operations:

Trade and other receivables	\$ (23,009)	\$ (29,981)
Inventories	(16,022)	33,018
Other financial assets	(137)	(1,128)
Prepaid expenses	(9,110)	(11,967)
Other assets	(76)	(317)
Trade and other payables	21,297	(37,202)
Net pension and post-retirement defined benefit liabilities	(1,978)	(1,411)
Provisions, other financial liabilities, deferred revenue and other long-term liabilities	(24,731)	124
	\$ (53,766)	\$ (48,864)

DOREL INDUSTRIES INC.
SEGMENTED INFORMATION
THREE MONTHS ENDED MARCH 31
ALL FIGURES IN THOUSANDS OF US \$, EXCEPT PER SHARE AMOUNTS
(unaudited)

	Total		Dorel Juvenile		Dorel Sports		Dorel Home	
	2017	2016	2017	2016	2017	2016	2017	2016
				<i>Restated*</i>				<i>Restated*</i>
Total revenue	\$ 646,712	\$ 645,867	\$ 228,658	\$ 241,899	\$ 214,016	\$ 216,497	\$ 204,038	\$ 187,471
Cost of sales ⁽¹⁾	493,267	495,814	158,773	171,082	165,028	168,999	169,466	155,733
Gross profit	153,445	150,053	69,885	70,817	48,988	47,498	34,572	31,738
Selling expenses	54,159	55,878	28,153	28,082	19,857	22,401	6,149	5,395
General and administrative expenses	47,457	45,627	22,348	19,654	17,363	18,299	7,746	7,674
Research and development expenses	7,523	8,269	5,259	5,671	1,352	1,572	912	1,026
Restructuring and other costs ⁽¹⁾	4,833	2,937	4,531	2,965	302	(28)	-	-
Operating profit	39,473	37,342	\$ 9,594	\$ 14,445	\$ 10,114	\$ 5,254	\$ 19,765	\$ 17,643
Finance expenses	20,188	10,678						
Corporate expenses	5,540	6,456						
Income taxes expense	4,904	3,474						
Net income	<u>\$ 8,841</u>	<u>\$ 16,734</u>						
<u>Earnings per share</u>								
Basic	<u>\$0.27</u>	<u>\$0.52</u>						
Diluted	<u>\$0.27</u>	<u>\$0.51</u>						
Depreciation and amortization included in operating profit	\$ 11,817	\$ 12,844	\$ 8,460	\$ 8,890	\$ 2,306	\$ 2,838	\$ 1,051	\$ 1,116
⁽¹⁾ Restructuring and other costs charged to:								
Cost of sales	\$ 273	\$ -	\$ 1,217	\$ -	\$ (944)	\$ -	\$ -	\$ -
Expenses	4,833	2,937	4,531	2,965	302	(28)	-	-
	<u>\$ 5,106</u>	<u>\$ 2,937</u>	<u>\$ 5,748</u>	<u>\$ 2,965</u>	<u>\$ (642)</u>	<u>\$ (28)</u>	<u>\$ -</u>	<u>\$ -</u>

- * During the fourth quarter of 2016, the Company changed its internal organization and the composition of its reportable segments. The design, sourcing, manufacturing, distribution and retail of the children's furniture was transferred from Dorel Juvenile to Dorel Home. Accordingly, the Company has restated the segmented information for the three months ended March 31, 2016.