



JUVENILE

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

RECREATIONAL / LEISURE

Cannondale
Schwinn
Mongoose
GT
Caloi
SUGOI

HOME FURNISHINGS

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

EXCHANGES

TSX: DII.B, DII.A

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C O M M U N I Q U É

DOREL REPORTS SECOND QUARTER 2014

- **Recreational/Leisure segment posts strong quarter cementing recovery**
- **Lerado acquisition to position Dorel Juvenile for long-term growth**

Montreal, August 6, 2014 — Dorel Industries Inc. (TSX: DII.B, DII.A) today announced results for the second quarter and six months ended June 30, 2014. Total revenue for the quarter was US\$655.8 million, up 9.2% from US\$600.4 million recorded in the same period last year. Net income was US\$15.2 million or US\$0.47 per diluted share, an increase of 14.9% from US\$13.2 million or US\$0.41 per diluted share reported for the same period a year ago. Revenue for the six months increased 9.1% to US\$1.3 billion compared to US\$1.2 billion last year. Net income reached US\$40 million or US\$1.24 per diluted share, compared to US\$35.5 million or US\$1.11 per diluted share in 2013.

"The momentum of the first quarter in the Recreational/Leisure segment carried into the second quarter as revenue grew by strong double digits and operating profit rose significantly," said Dorel President and CEO, Martin Schwartz. "Overall we are pleased with the earnings from operations for our three segments, however the costs related to the Caloi acquisition has resulted in our earnings to be lower than we hoped to see.

"Caloi's first half of the year performance was close to plan with a loss from operations at the segment level of US\$0.8 million. Caloi was affected by the slowing economy in Brazil and consumers' focus on the month-long World Cup which shifted attention away from the bicycle business. Caloi is executing well and is growing its market share. We are expecting the bulk of the earnings to come in the fourth quarter as it is both the start of summer and Christmas in Brazil. Despite the softening Brazilian economy, we expect Caloi to grow versus last year and we are confident regarding its future contributions to the segment as we firmly believe this transaction will be a good long-term investment in Dorel's future."

The impact of Caloi decreased Dorel's earnings by US\$10.3 million net of tax for the six months ended June 30, 2014 which is mainly comprised of the US\$0.8 million loss from operations at the segment level, cash interest costs and US\$6.0 million of non-cash charges including accretion interest and unrealized foreign exchange losses on put option liabilities.

"In Juvenile, results exceeded prior year, led by a strong performance at Dorel Juvenile Europe and continued sales growth at Dorel Juvenile Brazil. We are actively working on a plan to integrate the announced acquisition of the Lerado juvenile business which is expected to close before year-end. Lerado is one of the largest juvenile product manufacturers in China and will provide Dorel with our first-ever company-owned factories in Asia. We see this as an essential strategy to support and grow our Juvenile business.

"Home Furnishings' top line was flat with prior year as Internet sales continued their upward trend, offsetting the drop in brick and mortar revenue. As anticipated, operating profit for that segment decreased."

Summary of Financial Highlights			
Second Quarters Ended June 30			
All figures in thousands of US \$, except per share amounts			
	2014	2013	Change %
Total revenue	655,831	600,449	9.2%
Net income	15,200	13,224	14.9%
Per share - Basic	0.47	0.41	14.6%
Per share - Diluted	0.47	0.41	14.6%
Average number of shares outstanding –			
Diluted weighted average	32,488,794	32,223,810	

Summary of Financial Highlights			
Six Months Ended June 30			
All figures in thousands of US \$, except per share amounts			
	2014	2013	Change %
Total revenue	1,303,532	1,194,617	9.1%
Net income	40,000	35,540	12.5%
Per share - Basic	1.25	1.12	11.6%
Per share - Diluted	1.24	1.11	11.7%
Average number of shares outstanding –			
Diluted weighted average	32,384,207	32,152,285	

Juvenile Segment

Second Quarters Ended June 30					
	2014		2013		
	\$	% of rev.	\$	% of rev.	Change %
Total revenue	251,322		243,412		3.2%
Gross profit	72,777	29.0%	68,761	28.2%	5.8%
Operating profit	16,163	6.4%	15,811	6.5%	2.2%

Six Months Ended June 30					
	2014		2013		
	\$	% of rev.	\$	% of rev.	Change %
Total revenue	520,554		498,645		4.4%
Gross profit	149,191	28.7%	143,267	28.7%	4.1%
Operating profit	35,743	6.9%	33,743	6.8%	5.9%

Organic revenue was flat in the second quarter and has increased by approximately 1% year-to-date. Latin American organic growth was the exception, with an increase of approximately 10% for the quarter and 16% year-to-date. However, upon conversion to the U.S. dollar, this growth was largely offset by a less favourable exchange rate. The improvement in the segment's operating profit resulted primarily from Dorel Juvenile Europe due to slightly enhanced gross margins, lower operating costs and a stronger rate of conversion to the U.S. dollar. Conversely, operating profits in Latin America, Canada and Australia were impacted negatively due to a weakness in foreign exchange rates. The impact was most acute in Chile

where average year-to-date exchange rates have declined by over 15%. For the first half, the operating profit increase has been driven by improved earnings at Dorel Juvenile USA and Dorel Juvenile Europe, partially offset by the currency challenges in the other markets.

Recreational/Leisure Segment

Second Quarters Ended June 30					
	2014		2013		
	\$	% of rev.	\$	% of rev.	Change %
Total revenue	286,249		238,174		20.2%
Gross profit	67,348	23.5%	54,550	22.9%	23.5%
Operating profit	15,212	5.3%	3,681	1.5%	313.3%

Six Months Ended June 30					
	2014		2013		
	\$	% of rev.	\$	% of rev.	Change %
Total revenue	526,597		441,688		19.2%
Gross profit	127,790	24.3%	105,839	24.0%	20.7%
Operating profit	31,523	6.0%	13,222	3.0%	138.4%

Organic revenue increased by approximately 11% in the quarter and 15% year-to-date as overseas markets in the independent bike dealers (IBD) channel as well as sales to the North American mass merchant distribution channel contributed to the growth. The management team is driving improvements and is focused on cost containment initiatives. The results were further aided by improved weather conditions versus last year and the continuing rebound in most global bike markets. Both the Cannondale Sports Group (CSG) and Pacific Cycle made solid headway. CSG benefitted from global sales growth in most IBD markets, particularly in Europe and Japan, while better weather drove the improvement at Pacific Cycle at mass merchants. Restructuring costs of approximately US\$1.7 million for the quarter and US\$2.2 million year-to-date were recorded in 2014, compared with US\$2.0 million for both the quarter and year-to-date periods of 2013. Remaining costs of approximately US\$0.9 million are expected to be recorded in the second half of this year. As discussed above, the results of Caloi did not contribute to the quarter.

Sales of current model-year bicycles and the weakening of the U.S. dollar against its Euro counterpart helped boost the gross margins in the IBD channel in both the quarter and year-to-date. Gross profit in the mass market channel was tempered marginally due mainly to sales mix and was below the prior year's level in both the quarter and year-to-date.

Home Furnishings Segment

Second Quarters Ended June 30					
	2014		2013		
	\$	% of rev.	\$	% of rev.	Change %
Total revenue	118,260		118,863		(0.5%)
Gross profit	15,812	13.4%	17,145	14.4%	(7.8%)
Operating profit	5,254	4.4%	7,201	6.1%	(27.0%)

Six Months Ended June 30					
	2014		2013		
	\$	% of rev.	\$	% of rev.	Change %
Total revenue	256,381		254,284		0.8%
Gross profit	33,904	13.2%	35,225	13.9%	(3.8%)
Operating profit	13,324	5.2%	15,149	6.0%	(12.0%)

Sales to the segment's drop ship vendor program and on-line sales increased both for the quarter and year-to-date. These increases were offset for the quarter and partly offset for the year-to-date by declines in sales to brick-and-mortar stores. Dorel Home Products (DHP) and Cosco Home & Office again had a solid quarter while sales of ready-to-assemble (RTA) furniture products at Ameriwood and Altra negated some of these gains.

Other

The second quarter tax rate was 20.2% and year-to-date was 18.1%. This compares to 21.1% for the quarter and 14.3% year-to-date in 2013. The main causes of the variations year-over-year are changes in the jurisdictions in which the Company generated its income year-over-year and the increase in the fair value adjustments related to the put option liabilities which are non-deductible for tax purposes. For the full year the annual tax rate is expected to be between 15% and 20%. The Company has expensed approximately US\$1.0 million dollars in costs related to acquisitions in the first half this year.

Quarterly dividend

The Board of Directors of Dorel 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 September 3, 2014 to shareholders of record as at the close of business on August 20, 2014.

Outlook

"As expected, the momentum of the first quarter continued in the second quarter in the Recreational/Leisure segment as operating profit rose from prior year. As we look to the second half, excluding the restructuring costs, we are anticipating a slight growth in operating profit for the third quarter and a significant growth in the fourth quarter versus previous year," said Mr. Schwartz.

"In the Juvenile segment, even after excluding the impact of the U.S. product liability settlement case in Q4 2013, we still expect double digit earnings growth in the second half of 2014. This excludes any impact on earnings related to the acquisition of the juvenile products business of the Lerado Group.

"In the Home Furnishings segment, we expect an improvement in this year's second half to make up the earnings shortfall from the second quarter, which was anticipated."

It is important to note that due to the seasonality of both Dorel's Recreational/Leisure and Juvenile divisions in Latin America, approximately 90% of the operating profit of these businesses will be earned in the second half this year, primarily in the fourth quarter whilst the interest costs and the non-cash charges related to the put option liability are expensed throughout the year.

"Senior management is focused on investments which will provide Dorel with growth for the long-term. The Caloi acquisition and the Lerado transaction are two such examples. As well, while aware of a cooling of the Brazilian economy in the short-term we remain bullish on Latin America in general and have set in motion initial steps to develop a distribution base in Mexico," concluded Mr. Schwartz.

Conference Call

Dorel Industries Inc. will hold a conference call to discuss these results today, August 6, 2014 at 1:00 P.M. Eastern Time. Interested parties can join the call by dialling 1-888-231-8191. The conference call can also be accessed via live webcast at www.dorel.com or www.newswire.ca. If you are unable to call in at this time, you may access a recording of the meeting by calling 1-855-859-2056 and entering the passcode 76948662 on your phone. This recording will be available on Wednesday, August 6, 2014 as of 4:00 P.M. until 11:59 P.M. on Wednesday, August 13, 2014.

The condensed consolidated interim financial statements as of June 30, 2014 will be available on the Company's website, www.dorel.com, and will be available through the SEDAR websites.

Profile

Dorel Industries Inc. (TSX: DII.B, DII.A) is a world class juvenile products and bicycle company. Dorel creates style and excitement in equal measure to safety, quality and value. The Company's lifestyle leadership position is pronounced in both its Juvenile and Bicycle categories with an array of trend-setting products. Dorel'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 Recreational/Leisure, brands include Cannondale, Schwinn, GT, Mongoose, Caloi, IronHorse and SUGOI. Dorel's Home Furnishings segment markets a wide assortment of both domestically produced and imported furniture products, principally within North America. Dorel has annual sales of US\$2.4 billion and employs approximately 6,400 people in facilities located in 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. 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 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 subject to dividends being declared by the Board of Directors, there can be no certainty that Dorel's 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 MD&A 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 our 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.

Except as otherwise indicated, forward-looking statements do not reflect the potential impact of any non-recurring or other unusual items or of any dispositions, mergers, acquisitions, other business combinations or other transactions that may be announced or that may occur after the date hereof. The financial impact of these transactions and non-recurring and other unusual items can be complex and depends on the facts particular to each of them. Dorel therefore cannot describe the expected impact in a meaningful way or in the same way Dorel presents known risks affecting the business.

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

	as at June 30, 2014	as at December 30, 2013
	(unaudited)	(unaudited)
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 40,858	\$ 40,074
Trade and other receivables	474,776	456,465
Inventories	593,094	555,567
Other financial assets	780	231
Income taxes receivable	14,296	11,626
Prepaid expenses	<u>32,694</u>	<u>26,200</u>
	1,156,498	1,090,163
Assets held for sale	<u>1,308</u>	<u>-</u>
	<u>1,157,806</u>	<u>1,090,163</u>
NON-CURRENT ASSETS		
Property, plant and equipment	179,613	181,299
Intangible assets	557,117	500,381
Goodwill	632,851	637,084
Other financial assets	1,036	620
Deferred tax assets	20,150	24,356
Other assets	<u>5,562</u>	<u>6,060</u>
	1,396,329	1,349,800
	<u>\$ 2,554,135</u>	<u>\$ 2,439,963</u>
LIABILITIES		
CURRENT LIABILITIES		
Bank indebtedness	\$ 38,740	\$ 72,546
Trade and other payables	389,116	379,311
Other financial liabilities	3,540	3,231
Income taxes payable	4,147	7,075
Long-term debt	61,727	344,374
Provisions	<u>37,318</u>	<u>44,570</u>
	534,588	851,107
NON-CURRENT LIABILITIES		
Long-term debt	417,753	13,183
Net pension and post-retirement defined benefit liabilities	31,172	31,701
Deferred tax liabilities	94,723	87,171
Provisions	2,000	1,993
Put option liabilities	81,646	92,570
Other financial liabilities	2,203	2,727
Other long-term liabilities	<u>14,162</u>	<u>12,751</u>
	643,659	242,096
EQUITY		
Share capital	199,358	190,458
Contributed surplus	25,679	26,994
Accumulated other comprehensive income	68,730	67,824
Retained earnings	<u>1,082,121</u>	<u>1,061,484</u>
	1,375,888	1,346,760
	<u>\$ 2,554,135</u>	<u>\$ 2,439,963</u>

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

	Second Quarters Ended		Six Months Ended	
	June 30, 2014 (unaudited)	June 30, 2013 (unaudited)	June 30, 2014 (unaudited)	June 30, 2013 (unaudited)
Sales	\$ 653,415	\$ 598,046	\$ 1,296,573	\$ 1,187,112
Licensing and commission income	2,416	2,403	6,959	7,505
TOTAL REVENUE	655,831	600,449	1,303,532	1,194,617
Cost of sales ⁽¹⁾	499,894	459,993	992,647	910,286
GROSS PROFIT	155,937	140,456	310,885	284,331
Selling expenses	61,964	62,412	118,662	117,772
General and administrative expenses	56,544	46,044	106,675	98,178
Research and development expenses	6,945	7,696	15,696	14,899
Restructuring costs ⁽¹⁾	1,212	1,950	1,483	1,950
OPERATING PROFIT	29,272	22,354	68,369	51,532
Finance expenses	10,231	5,585	19,510	10,067
INCOME BEFORE INCOME TAXES	19,041	16,769	48,859	41,465
Income taxes expense	3,841	3,545	8,859	5,925
NET INCOME	\$ 15,200	\$ 13,224	\$ 40,000	\$ 35,540
EARNINGS PER SHARE				
Basic	\$0.47	\$0.41	\$1.25	\$1.12
Diluted	\$0.47	\$0.41	\$1.24	\$1.11
SHARES OUTSTANDING				
Basic - weighted average	32,297,064	31,865,525	32,117,648	31,765,123
Diluted - weighted average	32,488,794	32,223,810	32,384,207	32,152,285

⁽¹⁾ Restructuring costs charged to:

Cost of sales	\$ 491	\$ -	\$ 671	\$ -
Expenses	1,212	1,950	1,483	1,950
	\$ 1,703	\$ 1,950	\$ 2,154	\$ 1,950

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

	Second Quarters Ended		Six Months Ended	
	June 30, 2014	June 30, 2013	June 30, 2014	June 30, 2013
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
NET INCOME	\$ 15,200	\$ 13,224	\$ 40,000	\$ 35,540
OTHER COMPREHENSIVE INCOME (LOSS):				
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	441	(3,711)	109	(19,349)
<u>Net changes in cash flow hedges:</u>				
Net change in unrealized gains (losses) on derivatives designated as cash flow hedges	(1,070)	(294)	(939)	3,824
Reclassification to income	190	251	480	503
Reclassification to the related non-financial asset	993	(628)	1,477	(758)
Deferred income taxes	71	41	(227)	(1,211)
	184	(630)	791	2,358
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	9	(4)	9	4
Deferred income taxes	(3)	1	(3)	(1)
	6	(3)	6	3
TOTAL OTHER COMPREHENSIVE INCOME (LOSS)	631	(4,344)	906	(16,988)
TOTAL COMPREHENSIVE INCOME	\$ 15,831	\$ 8,880	\$ 40,906	\$ 18,552

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

	Attributable to equity holders of the Company						
	Accumulated other comprehensive income						
	Share Capital	Contributed Surplus	Cumulative Translation Account	Cash Flow Hedges	Defined Benefit Plans	Retained Earnings	Total Equity
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Balance as at December 30, 2012	\$ 180,856	\$ 27,192	\$ 66,391	\$ (1,036)	\$ (7,736)	\$ 1,042,446	\$ 1,308,113
<i>Total comprehensive income:</i>							
Net income	-	-	-	-	-	35,540	35,540
Other comprehensive income (loss)	-	-	(19,349)	2,358	3	-	(16,988)
	\$ -	\$ -	\$ (19,349)	\$ 2,358	\$ 3	\$ 35,540	\$ 18,552
Issued under stock option plan	6,464	-	-	-	-	-	6,464
Reclassification from contributed surplus due to exercise of stock options	1,377	(1,377)	-	-	-	-	-
Reclassification from contributed surplus due to settlement of deferred share units	227	(347)	-	-	-	-	(120)
Share-based payments	-	1,381	-	-	-	-	1,381
Dividends on common shares	-	-	-	-	-	(19,052)	(19,052)
Dividends on deferred share units	-	93	-	-	-	(93)	-
Balance as at June 30, 2013	\$ 188,924	\$ 26,942	\$ 47,042	\$ 1,322	\$ (7,733)	\$ 1,058,841	\$ 1,315,338
Balance as at December 30, 2013	\$ 190,458	\$ 26,994	\$ 75,378	\$ (2,154)	\$ (5,400)	\$ 1,061,484	\$ 1,346,760
<i>Total comprehensive income:</i>							
Net income	-	-	-	-	-	40,000	40,000
Other comprehensive income	-	-	109	791	6	-	906
	\$ -	\$ -	\$ 109	\$ 791	\$ 6	\$ 40,000	\$ 40,906
Issued under stock option plan	6,916	-	-	-	-	-	6,916
Reclassification from contributed surplus due to exercise of stock options	1,829	(1,829)	-	-	-	-	-
Reclassification from contributed surplus due to settlement of deferred share units	155	(233)	-	-	-	-	(78)
Share-based payments	-	650	-	-	-	-	650
Dividends on common shares	-	-	-	-	-	(19,266)	(19,266)
Dividends on deferred share units	-	97	-	-	-	(97)	-
Balance as at June 30, 2014	\$ 199,358	\$ 25,679	\$ 75,487	\$ (1,363)	\$ (5,394)	\$ 1,082,121	\$ 1,375,888

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

	Second Quarters Ended		Six Months Ended	
	June 30, 2014	June 30, 2013	June 30, 2014	June 30, 2013
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
CASH PROVIDED BY (USED IN):				
OPERATING ACTIVITIES				
Net income	\$ 15,200	\$ 13,224	\$ 40,000	\$ 35,540
Items not involving cash:				
Depreciation and amortization	14,692	13,957	29,712	27,080
Amortization of deferred financing costs	206	98	383	190
Accretion expense on put option liabilities	1,452	578	3,797	1,172
Unrealized losses (gains) due to foreign exchange exposure on put option liabilities	969	(2,169)	2,654	(1,975)
Unrealized losses (gains) arising on financial assets and financial liabilities classified as held for trading	538	-	538	-
Other finance expenses	8,573	4,909	15,330	8,705
Restructuring costs	1,703	1,950	2,154	1,950
Income taxes expense	3,841	3,545	8,859	5,925
Share-based payments	192	327	506	1,076
Defined benefit pension and post-retirement costs	833	933	1,704	1,492
Loss (gain) on disposal of property, plant and equipment	43	(197)	20	(218)
	<u>48,242</u>	<u>37,155</u>	<u>105,657</u>	<u>80,937</u>
Net changes in balances related to operations:				
Trade and other receivables	32,227	41,435	(11,329)	(3,979)
Inventories	(16,705)	9,717	(31,616)	(13,312)
Other financial assets	6	(12)	(177)	24
Prepaid expenses	1,111	(310)	(6,503)	(9,552)
Other assets	1,920	21	1,072	(1,293)
Trade and other payables	(31,678)	(13,668)	(6,667)	3,450
Net pension and post-retirement defined benefit liabilities	(548)	(499)	(2,152)	(1,733)
Provisions, other financial liabilities and other long-term liabilities	(7,843)	(900)	(6,478)	(2,701)
	<u>(21,510)</u>	<u>35,784</u>	<u>(63,850)</u>	<u>(29,096)</u>
Income taxes paid	(5,935)	(4,247)	(18,544)	(9,609)
Income taxes received	1,226	1,663	6,445	9,891
Interest paid	(9,700)	(6,695)	(13,390)	(8,213)
Interest received	85	-	274	496
CASH PROVIDED BY OPERATING ACTIVITIES	<u>12,408</u>	<u>63,660</u>	<u>16,592</u>	<u>44,406</u>
FINANCING ACTIVITIES				
Bank indebtedness	(28,937)	(9,726)	(37,194)	5,605
Increase of long-term debt	73,296	-	147,173	19,957
Repayments of long-term debt	(24,968)	(15,424)	(26,395)	(13,084)
Repayments of contingent consideration	-	-	-	(1,995)
Financing costs	(900)	(213)	(1,291)	(218)
Issuance of share capital	301	571	6,901	5,620
Dividends on common shares	(9,691)	(9,562)	(19,266)	(19,052)
CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	<u>9,101</u>	<u>(34,354)</u>	<u>69,928</u>	<u>(3,167)</u>
INVESTING ACTIVITIES				
Acquisition of businesses	(6,432)	-	(54,593)	-
Additions to property, plant and equipment	(8,054)	(10,885)	(18,084)	(17,530)
Disposals of property, plant and equipment	535	229	568	288
Additions to intangible assets	(5,370)	(5,535)	(10,076)	(10,877)
CASH USED IN INVESTING ACTIVITIES	<u>(19,321)</u>	<u>(16,191)</u>	<u>(82,185)</u>	<u>(28,119)</u>
Effect of foreign currency exchange rate changes on cash and cash equivalents	(2,996)	1,781	(3,551)	986
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	<u>(808)</u>	<u>14,896</u>	<u>784</u>	<u>14,106</u>
Cash and cash equivalents, beginning of period	41,666	37,521	40,074	38,311
CASH AND CASH EQUIVALENTS, END OF PERIOD	<u>\$ 40,858</u>	<u>\$ 52,417</u>	<u>\$ 40,858</u>	<u>\$ 52,417</u>

DOREL INDUSTRIES INC.
INDUSTRY SEGMENTED INFORMATION
SECOND QUARTERS ENDED JUNE 30
ALL FIGURES IN THOUSANDS OF US \$

	Total		Juvenile		Recreational / Leisure		Home Furnishings	
	2014	2013	2014	2013	2014	2013	2014	2013
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Total revenue	\$ 655,831	\$ 600,449	\$ 251,322	\$ 243,412	\$ 286,249	\$ 238,174	\$ 118,260	\$ 118,863
Cost of sales	499,894	459,993	178,545	174,651	218,901	183,624	102,448	101,718
Gross profit	155,937	140,456	72,777	68,761	67,348	54,550	15,812	17,145
Selling expenses	61,142	61,804	28,761	27,384	28,300	30,319	4,081	4,101
General and administrative expenses	50,009	42,313	23,682	20,486	20,831	16,900	5,496	4,927
Research and development expenses	6,945	7,696	4,171	5,080	1,793	1,700	981	916
Restructuring costs	1,212	1,950	-	-	1,212	1,950	-	-
Operating profit	36,629	26,693	\$ 16,163	\$ 15,811	\$ 15,212	\$ 3,681	\$ 5,254	\$ 7,201
Finance expenses	10,231	5,585						
Corporate expenses	7,357	4,339						
Income taxes	3,841	3,545						
Net income	\$ 15,200	\$ 13,224						
<u>Earnings per Share</u>								
Basic	\$ 0.47	\$ 0.41						
Diluted	\$ 0.47	\$ 0.41						
<u>Depreciation and amortization included in operating profit</u>								
	\$ 14,646	\$ 13,913	\$ 10,097	\$ 10,163	\$ 3,522	\$ 2,708	\$ 1,027	\$ 1,042

DOREL INDUSTRIES INC.
INDUSTRY SEGMENTED INFORMATION
SIX MONTHS ENDED JUNE 30
ALL FIGURES IN THOUSANDS OF US \$

	Total		Juvenile		Recreational / Leisure		Home Furnishings	
	2014	2013	2014	2013	2014	2013	2014	2013
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Total revenue	\$ 1,303,532	\$ 1,194,617	\$ 520,554	\$ 498,645	\$ 526,597	\$ 441,688	\$ 256,381	\$ 254,284
Cost of sales	992,647	910,286	371,363	355,378	398,807	335,849	222,477	219,059
Gross Profit	310,885	284,331	149,191	143,267	127,790	105,839	33,904	35,225
Selling expenses	117,133	116,527	57,714	54,817	51,308	53,757	8,111	7,953
General and administrative expenses	95,983	88,841	45,214	44,845	40,191	33,615	10,578	10,381
Research and development expenses	15,696	14,899	10,520	9,862	3,285	3,295	1,891	1,742
Restructuring costs	1,483	1,950	-	-	1,483	1,950	-	-
Operating profit	80,590	62,114	\$ 35,743	\$ 33,743	\$ 31,523	\$ 13,222	\$ 13,324	\$ 15,149
Finance expenses	19,510	10,067						
Corporate expenses	12,221	10,582						
Income taxes	8,859	5,925						
Net income	\$ 40,000	\$ 35,540						
<u>Earnings per Share</u>								
Basic	\$ 1.25	\$ 1.12						
Diluted	\$ 1.24	\$ 1.11						
Depreciation and amortization included in operating profit	\$ 29,625	\$ 26,994	\$ 20,597	\$ 19,816	\$ 6,868	\$ 5,036	\$ 2,160	\$ 2,142