



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 FURNISHINGS

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

EXCHANGES

TSX: DII.B, DII.A

CONTACTS:

MaisonBrison Communications
Rick Leckner
(514) 731-0000

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

DOREL REPORTS SECOND QUARTER RESULTS

- **Dorel Home Furnishings continues to deliver strong results**
- **Dorel Juvenile adjusted operating profit increases 9.5%**
- **Dorel Sports announces changes to drive future enhanced profitability**

Montreal, August 4, 2016 — Dorel Industries Inc. (TSX: DII.B, DII.A) today announced results for the second quarter and six months ended June 30, 2016. Second quarter revenue was US\$637.3 million, down 4.8% from US\$669.6 million recorded in the same period a year ago. Adjusted net income was US\$14.5 million or US\$0.45 per diluted share, compared to adjusted net income of US\$16.6 million or US\$0.51 per diluted share last year. Reported net loss was US\$38.6 million or US\$1.19 per diluted share, compared to reported net income of US\$16.2 million or US\$0.50 per diluted share in the second quarter of 2015.

Revenue for the six months was US\$1.28 billion, a decrease of 3.9% compared to US\$1.34 billion last year. First half adjusted net income increased to US\$34.2 million or US\$1.05 per diluted share, compared to adjusted net income of US\$28.4 million or US\$0.87 per diluted share a year ago. Reported net loss for the period was US\$21.9 million or US\$0.68 per diluted share, compared to net income of US\$27.8 million or US\$0.86 per diluted share in the first half of 2015.

As detailed in the table below, the second quarter reported net loss includes impairment losses on goodwill and intangible assets, restructuring and other costs and remeasurement of forward purchase agreement liabilities totaling US\$63.2 million pre-tax or US\$1.64 per diluted share. Excluding these items, pre-tax adjusted income increased by 5.5% for the quarter to US\$19.0 million from US\$18.1 million last year.

The Company is presenting adjusted financial information as it believes that excluding these items provides a more meaningful comparison of its core business performance between the periods presented. Contained within this press release are reconciliations of non-GAAP financial measures to the most directly comparable financial measures calculated in accordance with GAAP.

“Dorel Home Furnishings continued its consistent strong performance, further building shareholder value with sustained, strong on-line sales growth. Year-to-date the segment has grown revenues by 7%, with operating profit increasing 66%. Dorel Juvenile’s solid operational performance, better than expected results in China and overall pricing reflecting current foreign exchange levels, resulted in the segment’s adjusted operating profit exceeding our prior guidance for the quarter, and improving by almost 10% in earnings. At Dorel Sports we are making the required changes to ensure profitability and we are encouraged as our new model bicycles are being well accepted in the market,” commented Martin Schwartz, Dorel President & CEO.

Summary of Financial Information (unaudited)			
Second Quarters Ended June 30			
All figures in thousands of US \$, except per share amounts			
	2016	2015	
	\$	\$	Change %
Total revenue	637,296	669,643	(4.8%)
Net income (loss)	(38,644)	16,215	(338.3%)
Per share - Basic	(1.19)	0.50	(338.0%)
Per share - Diluted	(1.19)	0.50	(338.0%)
Adjusted net income	14,533	16,622	(12.6%)
Per share - Basic	0.45	0.51	(11.8%)
Per share - Diluted	0.45	0.51	(11.8%)
Number of shares outstanding –			
Basic weighted average	32,345,352	32,322,011	
Diluted weighted average	32,345,352	32,519,877	

Summary of Financial Information (unaudited)			
Six Months Ended June 30			
All figures in thousands of US \$, except per share amounts			
	2016	2015	
	\$	\$	Change %
Total revenue	1,283,163	1,335,132	(3.9%)
Net income (loss)	(21,910)	27,847	(178.7%)
Per share - Basic	(0.68)	0.86	(179.1%)
Per share - Diluted	(0.68)	0.86	(179.1%)
Adjusted net income	34,204	28,421	20.3%
Per share - Basic	1.06	0.88	20.5%
Per share - Diluted	1.05	0.87	20.7%
Number of shares outstanding –			
Basic weighted average	32,339,292	32,321,825	
Diluted weighted average	32,339,292	32,521,398	

Dorel Juvenile

All figures in thousands of US \$

Second Quarters Ended June 30 (unaudited)					
	2016		2015		
	\$	% of rev.	\$	% of rev.	Change %
Total revenue	238,982		264,919		(9.8%)
Gross profit	74,661	31.2%	72,989	27.6%	2.3%
Operating profit	9,492	4.0%	14,755	5.6%	(35.7%)
Adjusted operating profit	16,812	7.0%	15,353	5.8%	9.5%

All figures in thousands of US \$

Six Months Ended June 30 (unaudited)					
	2016		2015		
	\$	% of rev.	\$	% of rev.	Change %
Total revenue	492,210		539,614		(8.8%)
Gross profit	147,694	30.0%	144,430	26.8%	2.3%
Operating profit	25,112	5.1%	23,930	4.4%	4.9%
Adjusted operating profit	35,397	7.2%	25,645	4.8%	38.0%

Dorel Juvenile's second quarter revenue was US\$239.0 million, down 9.8% compared with US\$264.9 million in 2015. Organic revenue decreased by approximately 4.0% after removing the impact of foreign exchange rate variations and planned reductions in third party sales at Dorel Juvenile China. Six-month revenue was US\$492.2 million compared to US\$539.6 million in 2015, a decrease of US\$47.4 million. Organic revenue, as described above, declined by approximately 2.6%.

Gross profit rose in the second quarter to 31.2% from 27.6% in 2015 and year-to-date to 30.0% from 26.8% last year as pricing now better reflects current foreign exchange rate levels. In addition, the segment benefitted from production efficiencies and favourable purchasing initiatives which more than offset the negative impact on margins of lower sales volumes, principally in Europe and the U.S. Gross profit dollars increased by 2.3% for the second quarter and year-to-date which represented increases of US\$1.7 million and US\$3.3 million respectively.

Subsequent to the previously reported jury verdict in Marshall, Texas that awarded net damages as Dorel's portion in a car seat case, the parties have since agreed to a final settlement for an amount of US\$19.0 million. As such, an expense of US\$7.0 million net of insurance has been recorded in restructuring and other costs in the second quarter to reflect the Company's net expense as result of the settlement.

Operating profit for the second quarter decreased by US\$5.3 million to US\$9.5 million from last year due to the car seat settlement. Excluding restructuring and other costs, adjusted operating profit increased to US\$16.8 million, or 9.5%. This was due to improved margins and to Dorel Juvenile China's contribution to improved earnings. Year-to-date, operating profit increased by US\$1.2 million to US\$25.1 million from the comparable period. Adjusted operating profit increased by US\$9.8 million or 38.0% to US\$35.4 million. Growth was driven by improved margins and by cost savings generated by the segment's on-going transformation into a more fully integrated operation.

In 2015, Dorel Juvenile initiated restructuring activities which are now expected to continue into 2017. Excess Chinese facilities are being made available for sale and further opportunities for headcount reductions have been identified, principally in China. The total costs related to these restructuring initiatives are estimated at US\$24.5 million, of which US\$10.3 million was recorded in 2015 and US\$2.5 million in the first half of 2016. The expected remaining costs of US\$11.7 million are non-

cash losses on the planned disposal of the facilities in China estimated at US\$9.0 million and costs of US\$2.7 million related to employee severance and termination benefits principally in China. Annualized cost savings of approximately US\$9.0 million are anticipated once the restructuring is completed.

Dorel Sports

All figures in thousands of US \$

Second Quarters Ended June 30 (unaudited)					
	2016		2015		
	\$	% of rev.	\$	% of rev.	Change %
Total revenue	236,514		251,087		(5.8%)
Gross profit	48,841	20.7%	56,627	22.6%	(13.7%)
Operating profit (loss)	(49,967)	(21.1%)	11,079	4.4%	(551.0%)
Adjusted operating profit	5,236	2.2%	10,655	4.2%	(50.9%)

All figures in thousands of US \$

Six Months Ended June 30 (unaudited)					
	2016		2015		
	\$	% of rev.	\$	% of rev.	Change %
Total revenue	453,011		480,016		(5.6%)
Gross profit	96,339	21.3%	110,087	22.9%	(12.5%)
Operating profit (loss)	(44,713)	(9.9%)	22,641	4.7%	(297.5%)
Adjusted operating profit	10,462	2.3%	22,017	4.6%	(52.5%)

Dorel Sports' second quarter revenue decreased by US\$14.6 million or 5.8% to US\$236.5 million compared to US\$251.1 million last year. After removing the impact of varying year-over-year foreign exchange rates, organic revenue declined by approximately 4.8%. In the independent bicycle dealer (IBD) channel, Cycling Sports Group (CSG) global revenue declined versus prior year amid a soft and competitive North American market. While Cannondale branded bicycles' market share increased during the first half, continued industry-wide discounting due to excess inventories at the supplier and retailer levels impacted the segment's profitability. Caloi's sales declined due to the continued economic challenges in Brazil, including foreign exchange rate pressures.

Year-to-date revenue decreased by US\$27.0 million, or 5.6% to US\$453.0 million compared to last year's US\$480.0 million. Organic revenue declined by approximately 3.7%, after removing the impact of varying foreign exchange rates year-over-year.

The segment has begun restructuring activities in the third quarter of 2016 which are estimated at US\$9.5 million pre-tax, of which US\$5.9 million is non-cash, to simplify and focus its business with a view to bolstering the bottom line. The segment's most significant initiatives are:

- In the Chinese independent bike dealer channel, the business will move distribution for its GT brand to a third-party distributor, similar to the current route-to-market for the brand in many other countries across the world.
- By the end of Q4, the majority of Pacific Cycle's mass market and distribution operations will be relocated from Illinois to Savannah, Georgia to better serve customers.
- Dorel Sports will also be exiting its three U.S. "Cannondale Sports" named retail outlets.

In total, all restructuring actions will result in an approximate 4% reduction in Dorel Sports' global workforce. Annualized savings of US\$5.0 million are anticipated, commencing next year. The goal of these activities is to refocus the business to deliver enhanced profitability during all business conditions.

In light of challenging market and highly competitive conditions in the independent bicycle dealer (IBD) channel and foreign exchange pressure, Dorel Sports has recorded a goodwill and intangible assets impairment charge of approximately US\$55 million in the second quarter.

As such, the segment reported an operating loss in the second quarter of US\$50.0 million compared to an operating profit of US\$11.1 million in 2015. Year-to-date, the segment reported an operating loss of US\$44.7 million compared to an operating profit of US\$22.6 million last year.

Adjusted operating profit for the second quarter decreased to US\$5.2 million from US\$10.7 million due to a decrease in sales and a 190 basis point reduction in gross profit, which more than offset a 5.1% reduction in operating expenses. Six month adjusted operating profit decreased by US\$11.5 million, or 52.5% to US\$10.5 million from US\$22.0 million in 2015.

"Dorel Sports is taking the necessary steps to maintain its strong position in the face of a continuing tough market. Results have been affected by sustained discounting in North America and the reality of depressed foreign exchange rates, as IBD sales outside the U.S. are significant. Nonetheless, we remain confident and excited about our bicycle business. The recently launched Cannondale Scalpel and Quick models have been well received and are selling at traditional margins. A new e-mountain bike has been introduced in Europe and will be shipped in the fourth quarter and we anticipate excellent reaction. The measures we are taking are expected to benefit the segment going forward," commented Martin Schwartz.

Dorel Home Furnishings

All figures in thousands of US \$

Second Quarters Ended June 30 (unaudited)					
	2016		2015		
	\$	% of rev.	\$	% of rev.	Change %
Total revenue	161,800		153,637		5.3%
Gross profit	27,060	16.7%	20,621	13.4%	31.2%
Operating profit	13,747	8.5%	8,685	5.7%	58.3%

All figures in thousands of US \$

Six Months Ended June 30 (unaudited)					
	2016		2015		
	\$	% of rev.	\$	% of rev.	Change %
Total revenue	337,942		315,502		7.1%
Gross profit	56,582	16.7%	41,295	13.1%	37.0%
Operating profit	30,215	8.9%	18,235	5.8%	65.7%

Second quarter revenue increased to US\$161.8 million or 5.3% compared with US\$153.6 million a year ago. For the first six months, revenue rose to US\$337.9 million up US\$22.4 million or 7.1% from US\$315.5 million in 2015. The segment's sales to on-line retailers in the second quarter and for the six months continue to drive revenue growth and respectively represented 43.0% and 42.5% of total segment sales compared to 34.0% and 32.5% respectively for the comparable periods in 2015. This growth significantly exceeded reductions in sales through the brick and mortar channel. Due to the e-commerce growth, the segment is increasing its warehouse footprint in Savannah, Georgia.

Operating profit was US\$13.7 million for the quarter and US\$30.2 million year-to-date representing an increase of 58.3% and 65.7% respectively from the prior year. This was due to increased sales volume and improved mix partly offset by higher operating expenses.

Other

During the second quarter and six months, the Company's effective tax rates were 12.5% and 8.6% compared to prior year's 8.1% and 15.6% respectively. Excluding income taxes on impairment losses, restructuring and other costs, the adjusted tax rate for the quarter was 23.7% compared to last year's 7.9% and 20.0% for the first six months compared to 16.2% in 2015. Excluding the impact of impairment losses, the Company has stated that for the full year it expects its annual tax rate to be between 15% and 20%.

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 September 1, 2016 to shareholders of record as at the close of business on August 18, 2016.

Outlook

"Dorel Juvenile has delivered a strong improvement in earnings thus far this year and we expect this to continue into the second half. While sales growth is challenging in certain markets, improved sales mix, pricing and operational improvements are expected to generate significant earnings increases in the fourth quarter over last year, at a similar pace as reported thus far. Similarly in Home Furnishings, the positive performance for this segment will continue, and the second half will exceed last year," stated Mr. Schwartz."

"At Dorel Sports, we are seeing excess supplier inventory levels within the industry decreasing, therefore the pressure on margins experienced to date is now easing. Our own inventory is at much healthier levels with far fewer prior year models on hand. Based on enthusiastic initial dealer reaction, we are anticipating strong sell through on the model year 2017 line just introduced. This will also benefit margins, and, as such, we foresee adjusted operating profit to be much better than last year in the second half which will be mostly weighted in the fourth quarter."

"Overall, all three of our segments are poised to deliver double digit adjusted earnings growth in the second half versus last year. With the changes we have made, and will continue to make, we are optimistic about our results for the balance of the year," concluded Mr. Schwartz.

Conference Call

Dorel Industries Inc. will hold a conference call to discuss these results today, August 4, 2016 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 32271381 on your phone. This recording will be available on Thursday, August 4, 2016 as of 4:00 P.M. until 11:59 P.M. on Thursday, August 11, 2016.

Complete condensed consolidated interim financial statements as at June 30, 2016 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, Bébé Confort and Infanti. In Dorel Sports, brands include Cannondale, Schwinn, GT, Mongoose, Caloi, IronHorse and SUGOI. Dorel Home Furnishings markets a wide assortment of both

domestically produced and imported furniture products, principally within North America. Dorel Industries Inc. has annual sales of US\$2.7 billion and employs approximately 10,450 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, 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 a 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 impairment losses, restructuring and other costs and remeasurement of forward purchase agreement liabilities incurred in both 2016 and 2015, the Company is including in this press release the following non-GAAP financial measures: “adjusted operating profit”, “adjusted finance expenses”, “adjusted income before income taxes”, “adjusted income taxes expense”, “adjusted net income”, and “adjusted earnings per basic and diluted share”. 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

Second quarters ended June 30												
	2016					2015						
	Reported		Impairment losses, % of restructuring and other costs		Adjusted		Reported		Restructuring and other costs		Adjusted	
	\$	%	\$	\$	%	\$	%	\$	\$	%		
TOTAL REVENUE	637,296	100.0	-	637,296	100.0	669,643	100.0	-	669,643	100.0		
Cost of sales	486,734	76.4	-	486,734	76.4	519,406	77.6	-	519,406	77.6		
GROSS PROFIT	150,562	23.6	-	150,562	23.6	150,237	22.4	-	150,237	22.4		
Selling expenses	57,323	9.0	-	57,323	9.0	60,252	9.0	-	60,252	9.0		
General and administrative expenses	56,193	8.8	-	56,193	8.8	52,279	7.8	-	52,279	7.8		
Research and development expenses	8,331	1.3	-	8,331	1.3	9,319	1.4	-	9,319	1.4		
Restructuring and other costs	7,182	1.1	(7,182)	-	-	174	-	(174)	-	-		
Impairment losses on goodwill and intangible assets	55,341	8.7	(55,341)	-	-	-	-	-	-	-		
OPERATING PROFIT (LOSS)	(33,808)	(5.3)	62,523	28,715	4.5	28,213	4.2	174	28,387	4.2		
Finance expenses	10,378	1.6	(712)	9,666	1.5	10,566	1.6	(233)	10,333	1.5		
INCOME (LOSS) BEFORE INCOME TAXES	(44,186)	(6.9)	63,235	19,049	3.0	17,647	2.6	407	18,054	2.7		
Income taxes expense (recovery)	(5,542)	(0.8)	10,058	4,516	0.7	1,432	0.2	-	1,432	0.2		
Tax rate	12.5%	-	-	23.7%	-	8.1%	-	-	7.9%	-		
NET INCOME (LOSS)	(38,644)	(6.1)	53,177	14,533	2.3	16,215	2.4	407	16,622	2.5		
EARNINGS (LOSS) PER SHARE												
Basic	(1.19)		1.64	0.45		0.50		0.01	0.51			
Diluted	(1.19)		1.64	0.45		0.50		0.01	0.51			
SHARES OUTSTANDING												
Basic - weighted average	32,345,352		32,345,352	32,322,011		32,322,011		32,322,011				
Diluted - weighted average	32,345,352		32,580,339	32,519,877		32,519,877		32,519,877				

Reconciliation of non-GAAP financial measures

	Six months ended June 30									
	2016					2015				
	Reported	% of revenue	Impairment losses, restructuring and other costs	Adjusted	% of revenue	Reported	% of revenue	Restructuring and other costs	Adjusted	% of revenue
\$	%	\$	\$	%	\$	%	\$	\$	%	
TOTAL REVENUE	1,283,163	100.0	-	1,283,163	100.0	1,335,132	100.0	-	1,335,132	100.0
Cost of sales	982,548	76.6	-	982,548	76.6	1,039,320	77.8	-	1,039,320	77.8
GROSS PROFIT	300,615	23.4	-	300,615	23.4	295,812	22.2	-	295,812	22.2
Selling expenses	113,664	8.9	-	113,664	8.9	116,509	8.7	-	116,509	8.7
General and administrative expenses	107,813	8.3	-	107,813	8.3	108,435	8.2	-	108,435	8.2
Research and development expenses	16,600	1.3	-	16,600	1.3	17,831	1.3	-	17,831	1.3
Restructuring and other costs	10,119	0.8	(10,119)	-	-	1,091	0.1	(1,091)	-	-
Impairment losses on goodwill and intangible assets	55,341	4.3	(55,341)	-	-	-	-	-	-	-
OPERATING PROFIT (LOSS)	(2,922)	(0.2)	65,460	62,538	4.9	51,946	3.9	1,091	53,037	4.0
Finance expenses	21,056	1.7	(1,273)	19,783	1.6	18,941	1.4	168	19,109	1.5
INCOME (LOSS) BEFORE INCOME TAXES	(23,978)	(1.9)	66,733	42,755	3.3	33,005	2.5	923	33,928	2.5
Income taxes expense (recovery)	(2,068)	(0.2)	10,619	8,551	0.6	5,158	0.4	349	5,507	0.4
Tax rate	8.6%	-	-	20.0%	-	15.6%	-	-	16.2%	-
NET INCOME (LOSS)	(21,910)	(1.7)	56,114	34,204	2.7	27,847	2.1	574	28,421	2.1
EARNINGS (LOSS) PER SHARE										
Basic	(0.68)		1.74	1.06		0.86		0.02	0.88	
Diluted	(0.68)		1.73	1.05		0.86		0.01	0.87	
SHARES OUTSTANDING										
Basic - weighted average	32,339,292			32,339,292		32,321,825			32,321,825	
Diluted - weighted average	32,339,292			32,572,105		32,521,398			32,521,398	

The detail of impairment losses, restructuring and other costs and remeasurement of forward purchase agreement liabilities are presented below:

	Second quarters ended June 30		Six months ended June 30	
	2016	2015	2016	2015
	\$	\$	\$	\$
Employee severance and termination benefits	482	(59)	2,186	(259)
Write-down of long-lived assets	-	-	424	-
Losses (gains) from the remeasurement and disposals of assets held for sale	(381)	-	(381)	-
Other associated costs	81	(365)	161	(365)
Total restructuring costs	182	(424)	2,390	(624)
Acquisition-related costs	-	598	729	1,715
U.S. car seat settlement	7,000	-	7,000	-
Total other costs	7,000	598	7,729	1,715
Total restructuring and other costs	7,182	174	10,119	1,091
Impairment losses on goodwill and intangible assets	55,341	-	55,341	-
<u>Finance expenses</u>				
Loss (gain) on remeasurement of forward purchase agreement liabilities	712	233	1,273	(168)
Total impairment losses, restructuring and other costs and remeasurement of the forward purchase agreement liabilities before income taxes ⁽¹⁾	63,235	407	66,733	923
Total impairment losses, restructuring and other costs and remeasurement of the forward purchase agreement liabilities after income taxes	53,177	407	56,114	574
Total impact on diluted earnings (loss) per share	(1.64)	(0.01)	(1.73)	(0.01)
⁽¹⁾ Includes non-cash amounts of:	55,672	233	56,657	(168)

Dorel Juvenile

Reconciliation of non-GAAP financial measures

Second quarters ended June 30

	2016					2015				
	Reported	% of revenue	Restructuring and other costs		% of revenue	Reported	% of revenue	Other costs	Adjusted	% of revenue
			\$	\$						
TOTAL REVENUE	238,982	100.0	-	238,982	100.0	264,919	100.0	-	264,919	100.0
Cost of sales	164,321	68.8	-	164,321	68.8	191,930	72.4	-	191,930	72.4
GROSS PROFIT	74,661	31.2	-	74,661	31.2	72,989	27.6	-	72,989	27.6
Selling expenses	27,845	11.7	-	27,845	11.7	27,850	10.5	-	27,850	10.5
General and administrative expenses	24,135	10.0	-	24,135	10.0	23,034	8.8	-	23,034	8.8
Research and development expenses	5,869	2.5	-	5,869	2.5	6,752	2.5	-	6,752	2.5
Restructuring and other costs	7,320	3.0	(7,320)	-	-	598	0.2	(598)	-	-
OPERATING PROFIT	9,492	4.0	7,320	16,812	7.0	14,755	5.6	598	15,353	5.8

Six months ended June 30

	2016					2015				
	Reported	% of revenue	Restructuring and other costs		% of revenue	Reported	% of revenue	Other costs	Adjusted	% of revenue
			\$	\$						
TOTAL REVENUE	492,210	100.0	-	492,210	100.0	539,614	100.0	-	539,614	100.0
Cost of sales	344,516	70.0	-	344,516	70.0	395,184	73.2	-	395,184	73.2
GROSS PROFIT	147,694	30.0	-	147,694	30.0	144,430	26.8	-	144,430	26.8
Selling expenses	56,339	11.4	-	56,339	11.4	56,668	10.5	-	56,668	10.5
General and administrative expenses	44,418	9.1	-	44,418	9.1	49,195	9.1	-	49,195	9.1
Research and development expenses	11,540	2.3	-	11,540	2.3	12,922	2.4	-	12,922	2.4
Restructuring and other costs	10,285	2.1	(10,285)	-	-	1,715	0.4	(1,715)	-	-
OPERATING PROFIT	25,112	5.1	10,285	35,397	7.2	23,930	4.4	1,715	25,645	4.8

Dorel Sports

Reconciliation of non-GAAP financial measures

Second quarters ended June 30

	2016					2015				
	Reported	% of revenue	Impairment losses, restructuring and other costs	Adjusted	% of revenue	Reported	% of revenue	Restructuring and other costs	Adjusted	% of revenue
	\$	%	\$	\$	%	\$	%	\$	\$	%
TOTAL REVENUE	236,514	100.0	-	236,514	100.0	251,087	100.0	-	251,087	100.0
Cost of sales	187,673	79.3	-	187,673	79.3	194,460	77.4	-	194,460	77.4
GROSS PROFIT	48,841	20.7	-	48,841	20.7	56,627	22.6	-	56,627	22.6
Selling expenses	23,953	10.1	-	23,953	10.1	26,615	10.6	-	26,615	10.6
General and administrative expenses	18,044	7.7	-	18,044	7.7	17,706	7.1	-	17,706	7.1
Research and development expenses	1,608	0.7	-	1,608	0.7	1,651	0.7	-	1,651	0.7
Restructuring and other costs	(138)	(0.1)	138	-	-	(424)	(0.2)	424	-	-
Impairment losses on goodwill and intangible assets	55,341	23.4	(55,341)	-	-	-	-	-	-	-
OPERATING PROFIT (LOSS)	(49,967)	(21.1)	55,203	5,236	2.2	11,079	4.4	(424)	10,655	4.2

Six months ended June 30

	2016					2015				
	Reported	% of revenue	Impairment losses, restructuring and other costs	Adjusted	% of revenue	Reported	% of revenue	Restructuring and other costs	Adjusted	% of revenue
	\$	%	\$	\$	%	\$	%	\$	\$	%
TOTAL REVENUE	453,011	100.0	-	453,011	100.0	480,016	100.0	-	480,016	100.0
Cost of sales	356,672	78.7	-	356,672	78.7	369,929	77.1	-	369,929	77.1
GROSS PROFIT	96,339	21.3	-	96,339	21.3	110,087	22.9	-	110,087	22.9
Selling expenses	46,354	10.2	-	46,354	10.2	49,202	10.3	-	49,202	10.3
General and administrative expenses	36,343	8.1	-	36,343	8.1	35,754	7.4	-	35,754	7.4
Research and development expenses	3,180	0.7	-	3,180	0.7	3,114	0.6	-	3,114	0.6
Restructuring and other costs	(166)	-	166	-	-	(624)	(0.1)	624	-	-
Impairment losses on goodwill and intangible assets	55,341	12.2	(55,341)	-	-	-	-	-	-	-
OPERATING PROFIT (LOSS)	(44,713)	(9.9)	55,175	10,462	2.3	22,641	4.7	(624)	22,017	4.6

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

	as at June 30, 2016	as at December 30, 2015
	<u>2016</u>	<u>2015</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 43,153	\$ 33,182
Trade and other receivables	468,228	447,345
Inventories	581,406	584,986
Other financial assets	4,469	4,467
Income taxes receivable	9,459	12,985
Prepaid expenses	31,379	20,234
	<u>1,138,094</u>	<u>1,103,199</u>
Assets held for sale	8,689	11,265
	<u>1,146,783</u>	<u>1,114,464</u>
NON-CURRENT ASSETS		
Property, plant and equipment	201,377	206,542
Intangible assets	457,356	465,447
Goodwill	443,339	476,330
Deferred tax assets	40,054	37,258
Other assets	6,770	4,904
	<u>1,148,896</u>	<u>1,190,481</u>
	<u>\$ 2,295,679</u>	<u>\$ 2,304,945</u>
LIABILITIES		
CURRENT LIABILITIES		
Bank indebtedness	\$ 50,663	\$ 54,471
Trade and other payables	432,388	434,178
Written put option and forward purchase agreement liabilities	4,727	4,104
Other financial liabilities	2,569	895
Income taxes payable	13,363	15,590
Long-term debt	34,531	32,857
Provisions	52,575	34,267
	<u>590,816</u>	<u>576,362</u>
NON-CURRENT LIABILITIES		
Long-term debt	474,500	465,732
Net pension and post-retirement defined benefit liabilities	43,235	43,058
Deferred tax liabilities	63,808	72,447
Provisions	1,753	1,702
Written put option and forward purchase agreement liabilities	29,874	30,788
Other financial liabilities	2,000	1,890
Other long-term liabilities	10,312	10,569
	<u>625,482</u>	<u>626,186</u>
EQUITY		
Share capital	200,906	200,277
Contributed surplus	27,329	26,480
Accumulated other comprehensive loss	(94,954)	(113,956)
Other equity	(522)	1,527
Retained earnings	946,622	988,069
	<u>1,079,381</u>	<u>1,102,397</u>
	<u>\$ 2,295,679</u>	<u>\$ 2,304,945</u>

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

	<u>Second Quarters Ended</u>		<u>Six Months Ended</u>	
	<u>June 30, 2016</u>	<u>June 30, 2015</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Sales	\$ 635,666	\$ 666,929	\$ 1,278,238	\$ 1,328,323
Licensing and commission income	<u>1,630</u>	<u>2,714</u>	<u>4,925</u>	<u>6,809</u>
TOTAL REVENUE	637,296	669,643	1,283,163	1,335,132
Cost of sales	<u>486,734</u>	<u>519,406</u>	<u>982,548</u>	<u>1,039,320</u>
GROSS PROFIT	150,562	150,237	300,615	295,812
Selling expenses	57,323	60,252	113,664	116,509
General and administrative expenses	56,193	52,279	107,813	108,435
Research and development expenses	8,331	9,319	16,600	17,831
Restructuring and other costs	7,182	174	10,119	1,091
Impairment losses on goodwill and intangible assets	<u>55,341</u>	<u>-</u>	<u>55,341</u>	<u>-</u>
OPERATING PROFIT (LOSS)	(33,808)	28,213	(2,922)	51,946
Finance expenses	<u>10,378</u>	<u>10,566</u>	<u>21,056</u>	<u>18,941</u>
INCOME (LOSS) BEFORE INCOME TAXES	(44,186)	17,647	(23,978)	33,005
Income taxes expense (recovery)	<u>(5,542)</u>	<u>1,432</u>	<u>(2,068)</u>	<u>5,158</u>
NET INCOME (LOSS)	<u>\$ (38,644)</u>	<u>\$ 16,215</u>	<u>\$ (21,910)</u>	<u>\$ 27,847</u>
EARNINGS (LOSS) PER SHARE				
Basic	<u>(\$1.19)</u>	<u>\$0.50</u>	<u>(\$0.68)</u>	<u>\$0.86</u>
Diluted	<u>(\$1.19)</u>	<u>\$0.50</u>	<u>(\$0.68)</u>	<u>\$0.86</u>
SHARES OUTSTANDING				
Basic - weighted average	32,345,352	32,322,011	32,339,292	32,321,825
Diluted - weighted average	32,345,352	32,519,877	32,339,292	32,521,398

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

	Second Quarters Ended		Six Months Ended	
	June 30, 2016	June 30, 2015	June 30, 2016	June 30, 2015
NET INCOME (LOSS)	\$ (38,644)	\$ 16,215	\$ (21,910)	\$ 27,847
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	(5,149)	10,456	16,847	(34,003)
Net gains (losses) on hedge of net investments in foreign operations, net of tax of nil	(4,003)	5,130	2,573	(11,821)
	(9,152)	15,586	19,420	(45,824)
<u>Net changes in cash flow hedges:</u>				
Net change in unrealized gains (losses) on derivatives designated as cash flow hedges	2,681	(4,117)	(933)	(233)
Reclassification to income	127	283	310	594
Reclassification to the related non-financial asset	(275)	(1,876)	(513)	(5,472)
Deferred income taxes	(633)	1,521	719	1,423
	1,900	(4,189)	(417)	(3,688)
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	10	(41)	(3)	92
Deferred income taxes	(5)	14	2	(30)
	5	(27)	(1)	62
TOTAL OTHER COMPREHENSIVE INCOME (LOSS)	(7,247)	11,370	19,002	(49,450)
TOTAL COMPREHENSIVE INCOME (LOSS)	\$ (45,891)	\$ 27,585	\$ (2,908)	\$ (21,603)

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, 2014	\$ 199,927	\$ 25,691	\$ (8,842)	\$ 2,180	\$ (13,917)	\$ 579	\$1,001,366	\$1,206,984
<i>Total comprehensive loss:</i>								
Net income	-	-	-	-	-	-	27,847	27,847
Other comprehensive income (loss)	-	-	(45,824)	(3,688)	62	-	-	(49,450)
	\$ -	\$ -	\$ (45,824)	\$ (3,688)	\$ 62	\$ -	\$ 27,847	\$ (21,603)
Reclassification from contributed surplus due to settlement of deferred share units	61	(101)	-	-	-	-	-	(40)
Share-based payments	-	531	-	-	-	-	-	531
Remeasurement of written put option liabilities	-	-	-	-	-	(262)	-	(262)
Dividends on common shares	-	-	-	-	-	-	(19,393)	(19,393)
Dividends on deferred share units	-	112	-	-	-	-	(112)	-
Balance as at June 30, 2015	\$ 199,988	\$ 26,233	\$ (54,666)	\$ (1,508)	\$ (13,855)	\$ 317	\$1,009,708	\$1,166,217
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 loss:</i>								
Net loss	-	-	-	-	-	-	(21,910)	(21,910)
Other comprehensive income (loss)	-	-	19,420	(417)	(1)	-	-	19,002
	\$ -	\$ -	\$ 19,420	\$ (417)	\$ (1)	\$ -	\$ (21,910)	\$ (2,908)
Issued under stock option plan	441	-	-	-	-	-	-	441
Reclassification from contributed surplus due to exercise of stock options	127	(127)	-	-	-	-	-	-
Reclassification from contributed surplus due to settlement of deferred share units	61	(103)	-	-	-	-	-	(42)
Share-based payments	-	943	-	-	-	-	-	943
Remeasurement of written put option liabilities	-	-	-	-	-	(2,049)	-	(2,049)
Dividends on common shares	-	-	-	-	-	-	(19,401)	(19,401)
Dividends on deferred share units	-	136	-	-	-	-	(136)	-
Balance as at June 30, 2016	\$ 200,906	\$ 27,329	\$ (85,101)	\$ 2,263	\$ (12,116)	\$ (522)	\$ 946,622	\$1,079,381

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

	Second Quarters Ended		Six Months Ended	
	June 30, 2016	June 30, 2015	June 30, 2016	June 30, 2015
CASH PROVIDED BY (USED IN):				
OPERATING ACTIVITIES				
Net income (loss)	\$ (38,644)	\$ 16,215	\$ (21,910)	\$ 27,847
Items not involving cash:				
Depreciation and amortization	13,415	14,445	26,460	28,735
Impairment losses on goodwill and intangible assets	55,341	-	55,341	-
Unrealized losses (gains) arising on financial assets and financial liabilities classified as held for trading	464	518	1,210	165
Share-based payments	117	119	230	190
Defined benefit pension and post-retirement costs	1,169	808	2,130	1,633
Loss (gain) on disposal of property, plant and equipment	504	68	520	(18)
Restructuring and other costs	(381)	-	43	-
Finance expenses	10,378	10,566	21,056	18,941
Income taxes expense (recovery)	(5,542)	1,432	(2,068)	5,158
Net change in balances related to operations	38,180	(24,851)	(10,684)	(142,257)
Income taxes paid	(8,852)	(2,805)	(12,292)	(9,398)
Income taxes received	1,466	3,403	6,256	6,128
Interest paid	(13,535)	(2,968)	(18,214)	(6,810)
Interest received	119	33	205	173
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	54,199	16,983	48,283	(69,513)
FINANCING ACTIVITIES				
Bank indebtedness	2,994	10,137	(8,638)	59,768
Increase of long-term debt	-	56,938	31,154	123,997
Repayments of long-term debt	(35,775)	(58,172)	(27,826)	(61,978)
Repayments of forward purchase agreement liabilities	-	-	(4,414)	-
Increase of written put option liabilities	673	-	673	525
Financing costs	(199)	(1,431)	(1,939)	(1,465)
Issuance of share capital	406	-	406	-
Dividends on common shares	(9,699)	(9,696)	(19,401)	(19,393)
CASH (USED IN) PROVIDED BY FINANCING ACTIVITIES	(41,600)	(2,224)	(29,985)	101,454
INVESTING ACTIVITIES				
Acquisition of businesses	-	-	5,475	(1,736)
Additions to property, plant and equipment	(4,569)	(9,750)	(9,811)	(16,829)
Disposals of property, plant and equipment	25	74	138	530
Net proceeds from disposals of assets held for sale	2,981	-	2,981	-
Additions to intangible assets	(4,568)	(5,186)	(9,050)	(9,675)
CASH USED IN INVESTING ACTIVITIES	(6,131)	(14,862)	(10,267)	(27,710)
Effect of foreign currency exchange rate changes on cash and cash equivalents	(1,855)	1,226	1,940	(2,898)
NET INCREASE IN CASH AND CASH EQUIVALENTS	4,613	1,123	9,971	1,333
Cash and cash equivalents, beginning of period	38,540	47,311	33,182	47,101
CASH AND CASH EQUIVALENTS, END OF PERIOD	\$ 43,153	\$ 48,434	\$ 43,153	\$ 48,434
Supplemental information on net changes in balances related to operations:				
Trade and other receivables	\$ 21,535	\$ 42,669	\$ (8,446)	\$ (5,792)
Inventories	(20,056)	(33,486)	12,962	(67,608)
Other financial assets	1,133	(71)	5	112
Prepaid expenses	1,131	9	(10,836)	(9,018)
Other assets	(39)	(51)	(356)	(82)
Trade and other payables	29,757	(31,829)	(7,445)	(52,587)
Net pension and post-retirement defined benefit liabilities	(669)	(584)	(2,080)	(1,985)
Provisions, other financial liabilities and other long-term liabilities	5,388	(1,508)	5,512	(5,297)
	\$ 38,180	\$ (24,851)	\$ (10,684)	\$ (142,257)

DOREL INDUSTRIES INC.
SEGMENTED INFORMATION
SECOND QUARTERS ENDED JUNE 30
ALL FIGURES IN THOUSANDS OF US \$, EXCEPT PER SHARE AMOUNTS
(unaudited)

	Total		Dorel Juvenile		Dorel Sports		Dorel Home Furnishings	
	2016	2015	2016	2015	2016	2015	2016	2015
Total revenue	\$ 637,296	\$ 669,643	\$ 238,982	\$ 264,919	\$ 236,514	\$ 251,087	\$ 161,800	\$ 153,637
Cost of sales	486,734	519,406	164,321	191,930	187,673	194,460	134,740	133,016
Gross profit	150,562	150,237	74,661	72,989	48,841	56,627	27,060	20,621
Selling expenses	56,958	59,012	27,845	27,850	23,953	26,615	5,160	4,547
General and administrative expenses	49,478	47,213	24,135	23,034	18,044	17,706	7,299	6,473
Research and development expenses	8,331	9,319	5,869	6,752	1,608	1,651	854	916
Restructuring and other costs	7,182	174	7,320	598	(138)	(424)	-	-
Impairment losses on goodwill and intangible assets	55,341	-	-	-	55,341	-	-	-
Operating profit (loss)	(26,728)	34,519	\$ 9,492	\$ 14,755	\$ (49,967)	\$ 11,079	\$ 13,747	\$ 8,685
Finance expenses	10,378	10,566						
Corporate expenses	7,080	6,306						
Income taxes expense (recovery)	(5,542)	1,432						
Net income (loss)	\$ (38,644)	\$ 16,215						
<u>Earnings (loss) per share</u>								
Basic	(\$1.19)	\$0.50						
Diluted	(\$1.19)	\$0.50						
Depreciation and amortization included in operating profit (loss)	\$ 13,215	\$ 14,399	\$ 9,006	\$ 9,836	\$ 3,088	\$ 3,362	\$ 1,121	\$ 1,201

DOREL INDUSTRIES INC.
SEGMENTED INFORMATION
SIX MONTHS ENDED JUNE 30
ALL FIGURES IN THOUSANDS OF US \$, EXCEPT PER SHARE AMOUNTS
(unaudited)

	Total		Dorel Juvenile		Dorel Sports		Dorel Home Furnishings	
	2016	2015	2016	2015	2016	2015	2016	2015
Total revenue	\$ 1,283,163	\$ 1,335,132	\$ 492,210	\$ 539,614	\$ 453,011	\$ 480,016	\$ 337,942	\$ 315,502
Cost of sales	982,548	1,039,320	344,516	395,184	356,672	369,929	281,360	274,207
Gross profit	300,615	295,812	147,694	144,430	96,339	110,087	56,582	41,295
Selling expenses	112,836	114,559	56,339	56,668	46,354	49,202	10,143	8,689
General and administrative expenses	95,105	97,525	44,418	49,195	36,343	35,754	14,344	12,576
Research and development expenses	16,600	17,831	11,540	12,922	3,180	3,114	1,880	1,795
Restructuring and other costs	10,119	1,091	10,285	1,715	(166)	(624)	-	-
Impairment losses on goodwill and intangible assets	55,341	-	-	-	55,341	-	-	-
Operating profit (loss)	10,614	64,806	\$ 25,112	\$ 23,930	\$ (44,713)	\$ 22,641	\$ 30,215	\$ 18,235
Finance expenses	21,056	18,941						
Corporate expenses	13,536	12,860						
Income taxes expense (recovery)	(2,068)	5,158						
Net income (loss)	\$ (21,910)	\$ 27,847						
<u>Earnings (loss) per share</u>								
Basic	(\$0.68)	\$0.86						
Diluted	(\$0.68)	\$0.86						
Depreciation and amortization included in operating profit (loss)	\$ 26,059	\$ 28,645	\$ 17,896	\$ 19,522	\$ 5,926	\$ 6,743	\$ 2,237	\$ 2,380