



RAPALA VMC CORPORATION Q1 2015

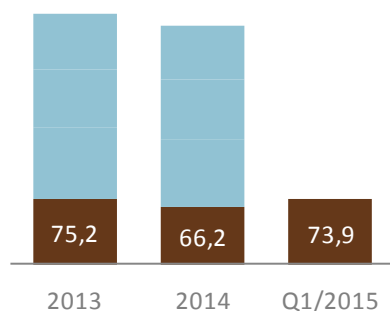
May 5, 2015

RAPALA VMC CORP.

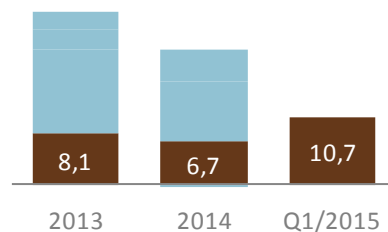
Summary of Q1 2015

- NET SALES 73.9 MEUR (66.2)
 - With comparable exchange rates sales up 8%.
- COMPARABLE OPERATING PROFIT 10.7 MEUR (6.7)
 - Increased sales, completion of the transfer of lure manufacturing from China to Batam, improved performance in Batam.
- REPORTED OPERATING PROFIT 9.1 MEUR (7.4)
 - Valuation of currency derivatives and non-recurring losses on China-exit.
- CASH FLOW FROM OPERATIONS -7.0 MEUR (-8.0)
- EPS 0.10 EUR (0.11)
 - Impacted by non-recurring items and increase in financial items, taxes and non-controlling interest

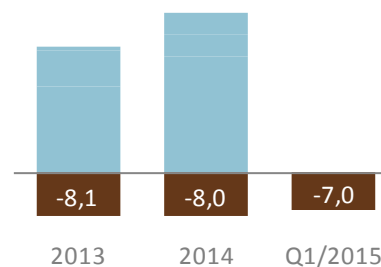
Net sales, MEUR



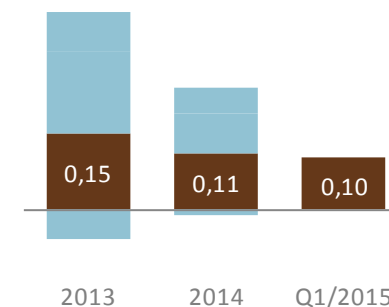
Comparable operating profit, MEUR



Cash flow from operations, MEUR



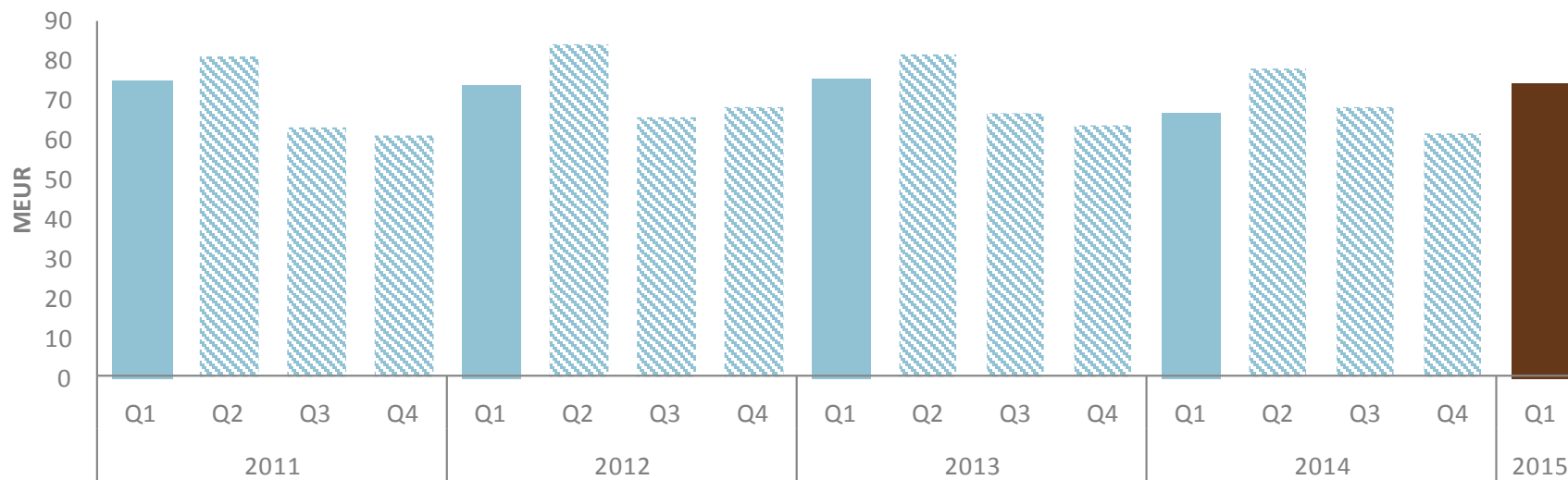
EPS, EUR



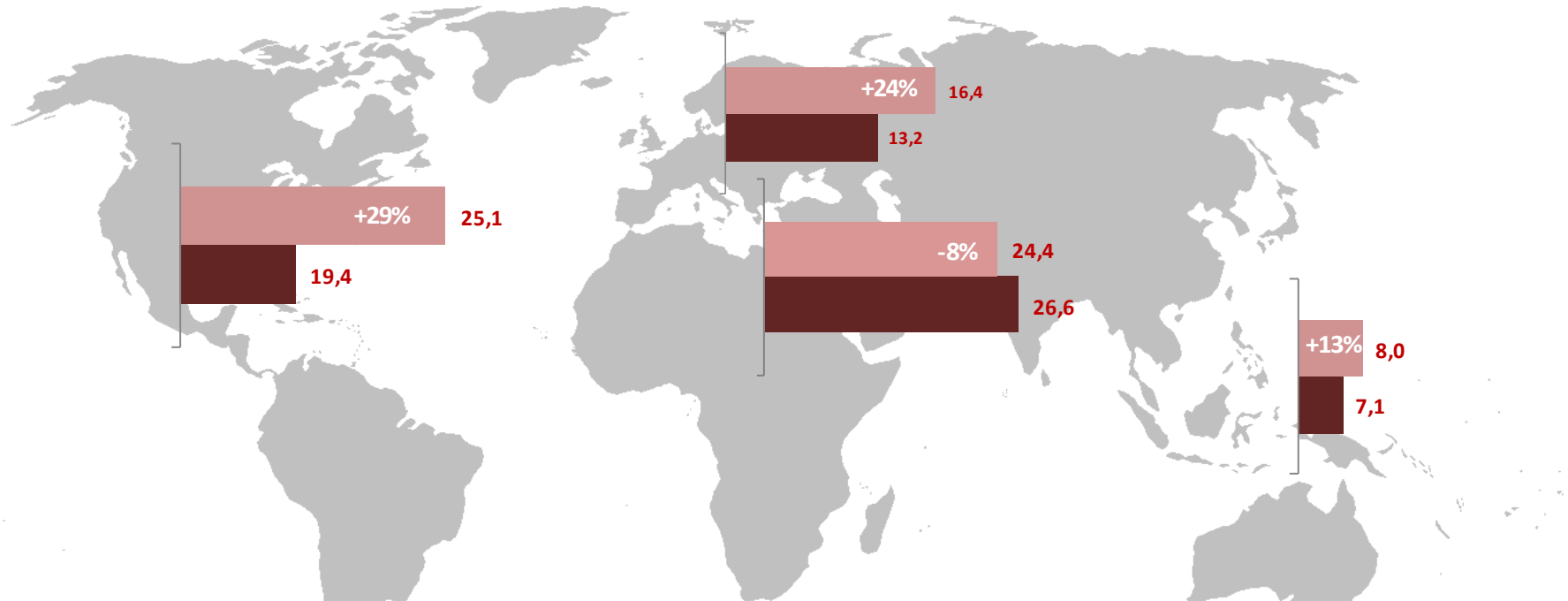
Net Sales

- YTD NET SALES 73.9 MEUR (+12%)
 - Changes in FX rates explain approximately 2.4 MEUR. With comparable FX sales +8%.
 - Year 2015 started with good growth driven by US.
 - Successful launch of new products, earlier start of summer shipments.
 - All market areas, excluding Russia, contributed positively to the sales growth.
 - Political unrest and continuing economic downturn in Russia and Ukraine continued to have negative impact on sales.

Net sales



Q1 Net Sales – Geographical Areas



• NORTH AMERICA

- Comparable net sales +9%
- Strong start of the year
- Successful launch of Shadow Rap lure family
- Shift of sales from last year's fourth quarter

• NORDICS

- Comparable net sales +27%
- Improved winter conditions supporting replenishment sales
- Overall winter conditions exceptionally bad
- Earlier start of sales of summer fishing products

• REST OF EUROPE

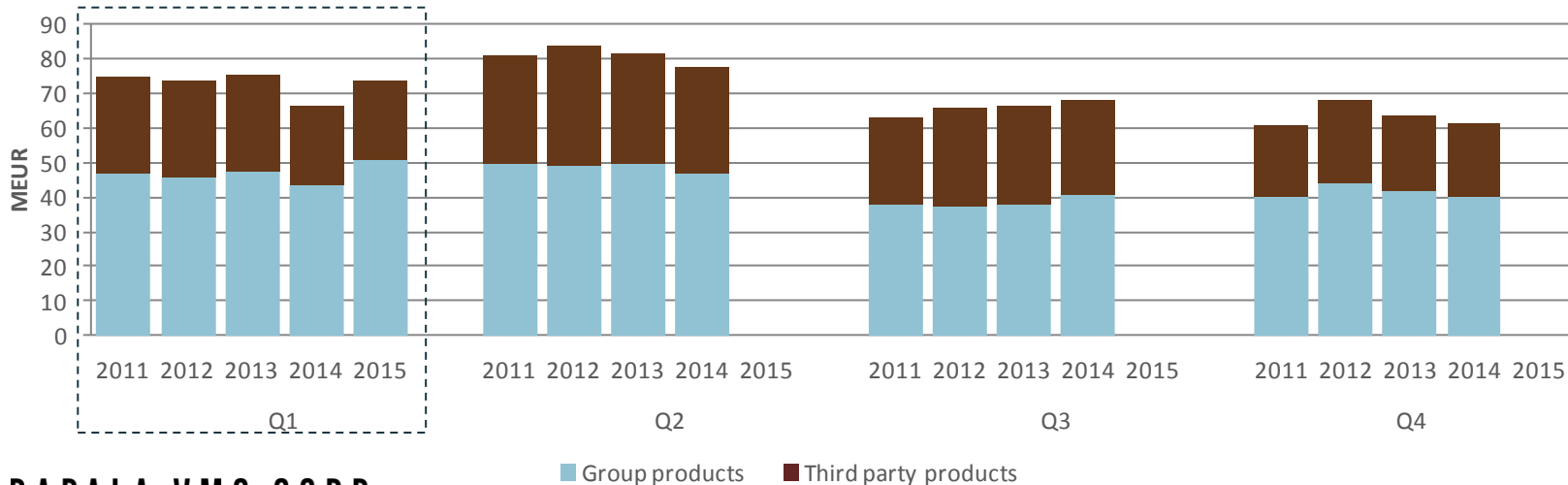
- Comparable net sales -1%
- Excluding Russia and Ukraine, comparable sales +6%
- Early start of summer season shipments
- Steady growth in France, Hungary and Romania

• REST OF THE WORLD

- Comparable net sales +3%
- Positive development in Malaysia, Chile and South Africa
- Sales suffered in Indonesia, Thailand and Japan

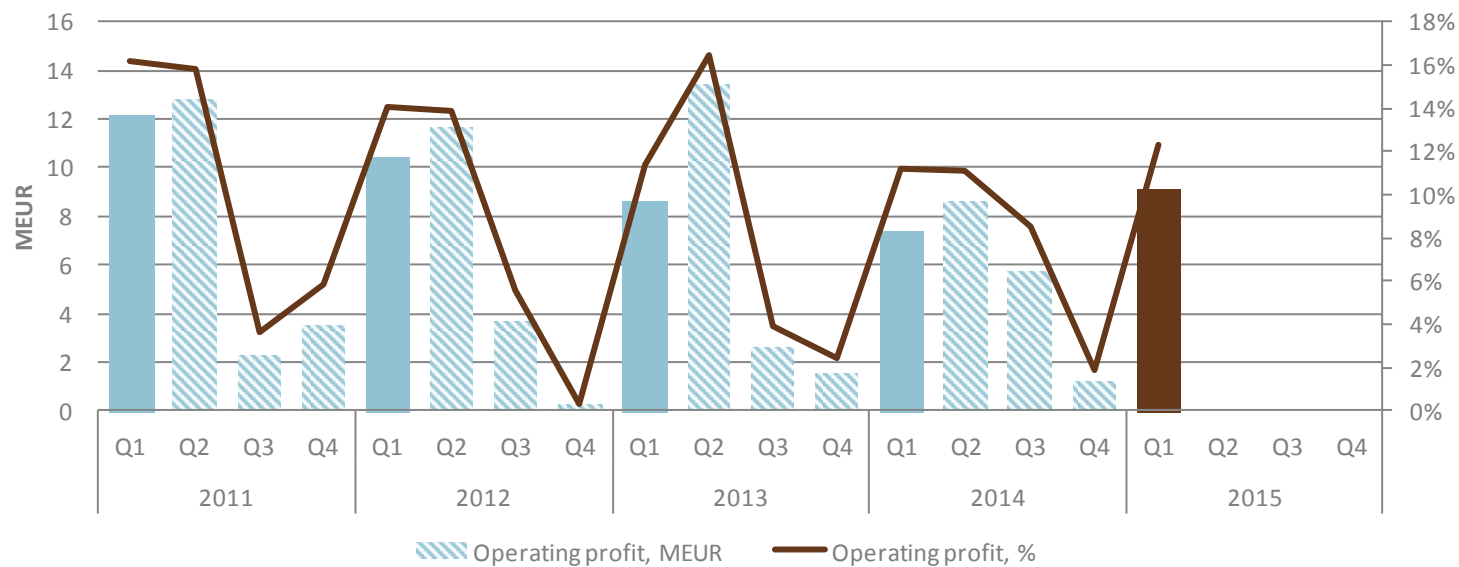
Net Sales – Product Segments

- **GROUP PRODUCTS 50.8 MEUR (+17%)**
 - Q1 comparable net sales +9%
 - Supported by earlier start of summer fishing product shipments and by successful launch of Shadow Rap lures in US
 - Overall solid summer fishing tackle sales in North America
- **THIRD PARTY PRODUCTS 23.1 MEUR (+1%)**
 - Comparable net sales +7%
 - Increase from outdoor and fishing products through earlier start of summer fishing season and improved suppliers' deliveries
 - Negatively impacted by economical instabilities in Russia



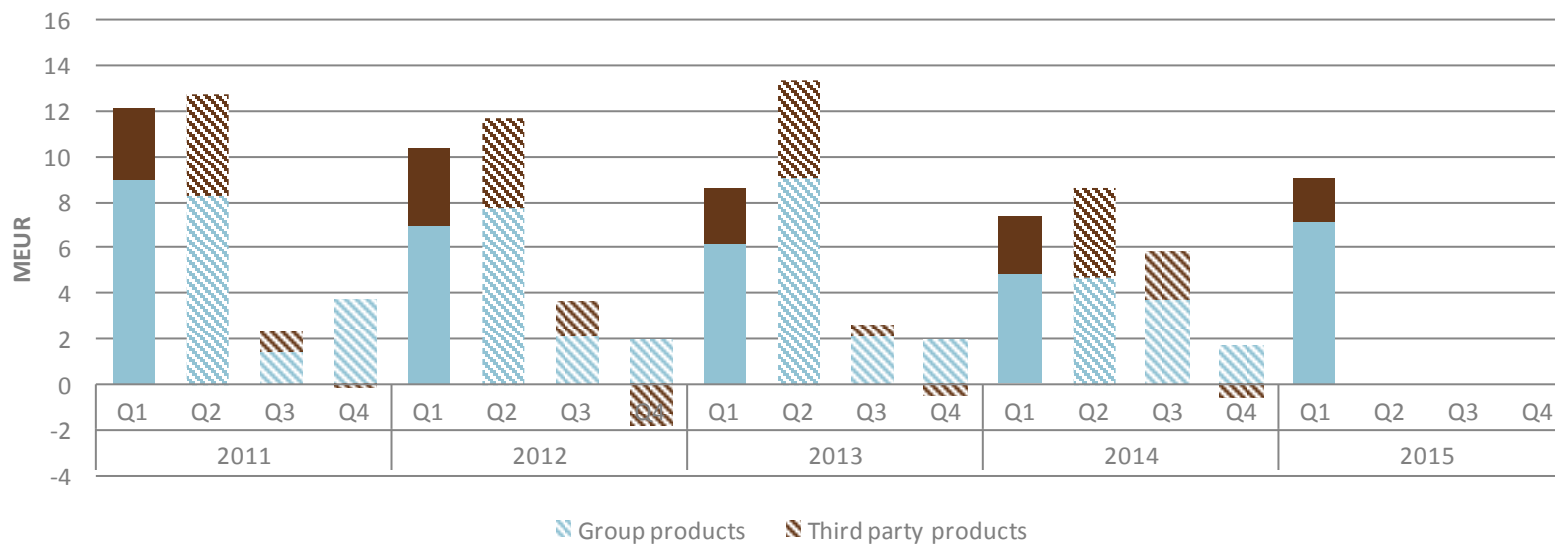
Operating Profit

- **COMPARABLE OPERATING PROFIT 10.7 MEUR (+60%)**
 - Increase driven by improved sales and recovering profitability of Batam operations.
 - Burdened by continuing turbulence in Russia and unfavorable fx impact on purchases.
- **REPORTED OPERATING PROFIT 9.1 MEUR (+23%)**
 - Mark-to-market valuation of operative currency derivatives -0.3 MEUR (+0.7)
 - Non-recurring items -1.2 MEUR (+0.1)
 - Related to direct one-off costs on closing down of the manufacturing operations in China.



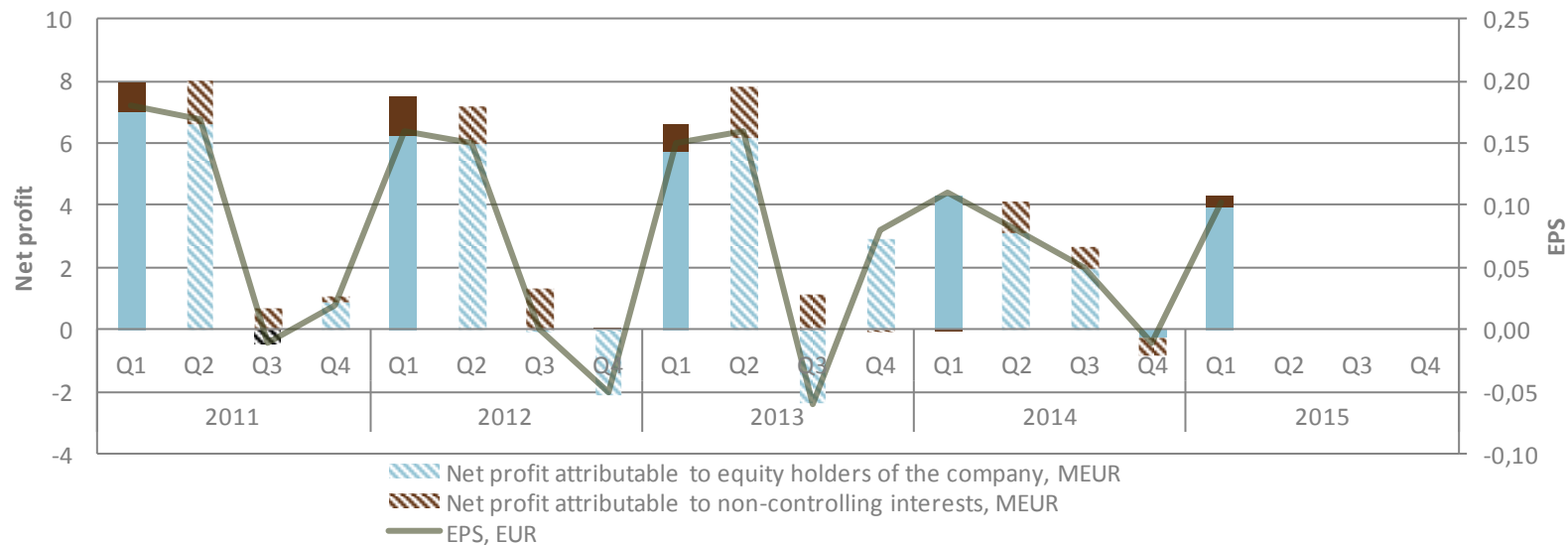
Operating Profit – Product segments

- GROUP PRODUCTS 7.2 MEUR (+47%)
 - Supported by increased sales and by improved profitability of Batam operations.
 - Reported operating profit burdened by 1.2 MEUR non-recurring cost relating to closing down China operations.
- THIRD PARTY PRODUCTS 1.9 MEUR (-24%)
 - Burdened by unfavorable fx on purchases and by decline of sales in Russia.



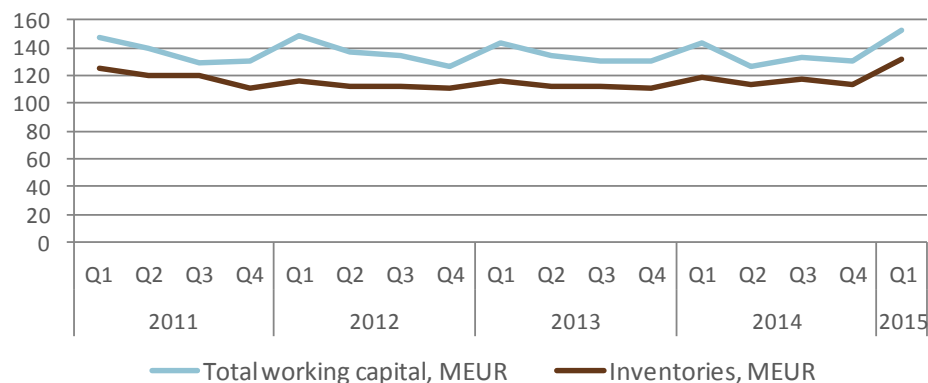
Net Profit and EPS

- FINANCIAL (NET) EXPENSES 2.2 MEUR (1.9)
 - Slight negative impact of FX expenses 1.5 MEUR (1.0)
 - Net interest and other financial expenses 0.7 MEUR (0.9)
- NET PROFIT 4.3 MEUR (0%)
 - Impacted by non-recurring items and increase in financial items
 - Last year includes a positive tax impact of 1.0 MEUR related to past years' tax assessments
- SHARE OF NON-CONTROLLING INTEREST 0.4 MEUR (0.0)
- EPS 0.10 EUR (0.11)

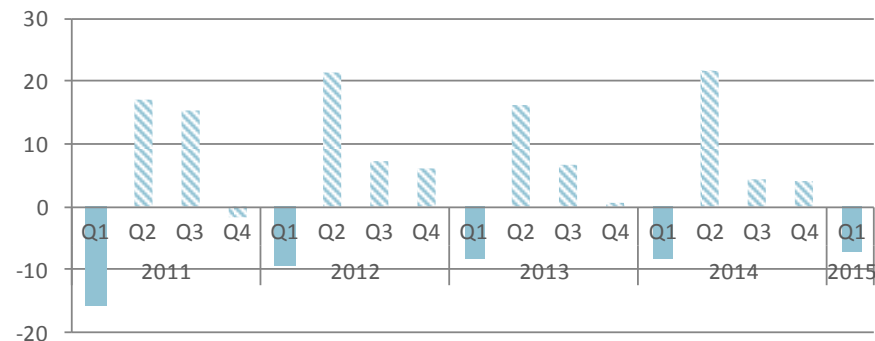


Cash Flow and Working Capital

- CASH FLOW FROM OPERATIONS -7.0 MEUR (-8.0)
 - Change in working capital -16.3 MEUR (-15.6)
- INVENTORIES 132.2 MEUR (118.2)
 - Increased 14.0 MEUR from last year
 - Currency impact increased inventories by 3.4 MEUR
 - Increase in working capital, especially inventories, was impacted by earlier deliveries from suppliers and slowdown of sales in Russia
- INVESTING ACTIVITIES MAINLY NORMAL CAPITAL EXPENDITURE



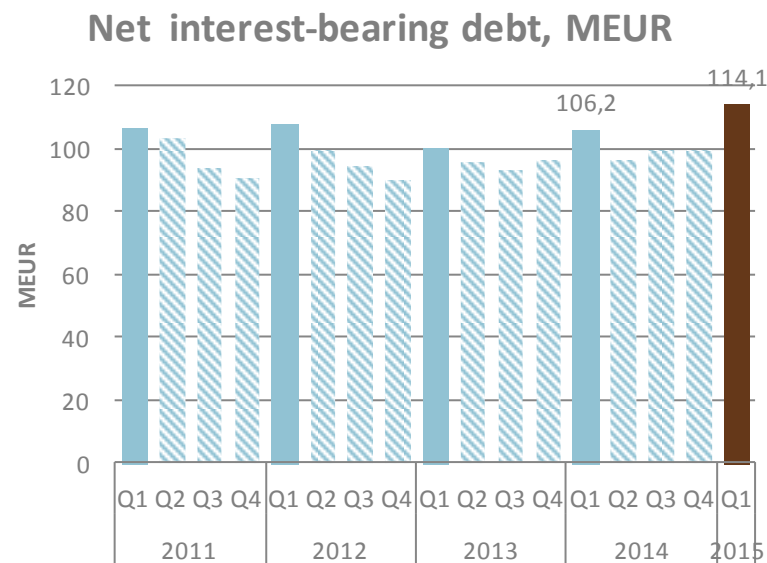
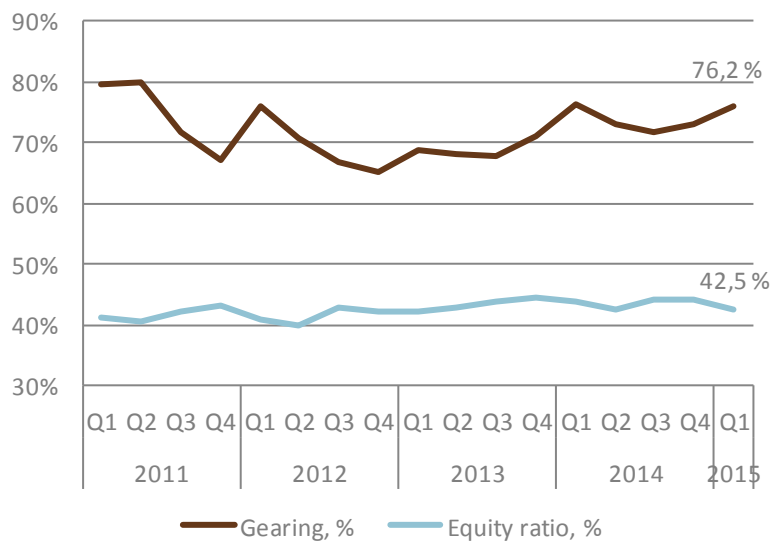
Cash flow from operations, MEUR *



* 2015 and 2014 figures restated, see interim report for more information.

Financial Position

- LIQUIDITY POSITION OF THE GROUP WAS GOOD
 - Undrawn committed long-term credit facilities amounted to 78.1 MEUR
- NET INTEREST-BEARING DEBT INCREASED SEASONALLY, GEARING SLIGHTLY DOWN
 - Equity-to-assets ratio slightly below last year level at 42.5% (43.9)
 - The Group fulfils all financial covenants related to its credit facilities



Cornerstones of the Profitable Growth Strategy

BRANDS

Portfolio of most recognized and respected brands in the fishing tackle industry.

New items for 2015 received well by the markets.

Successful launch of Shadow Rap in the US.

Storm Arashi being expanded to other markets.

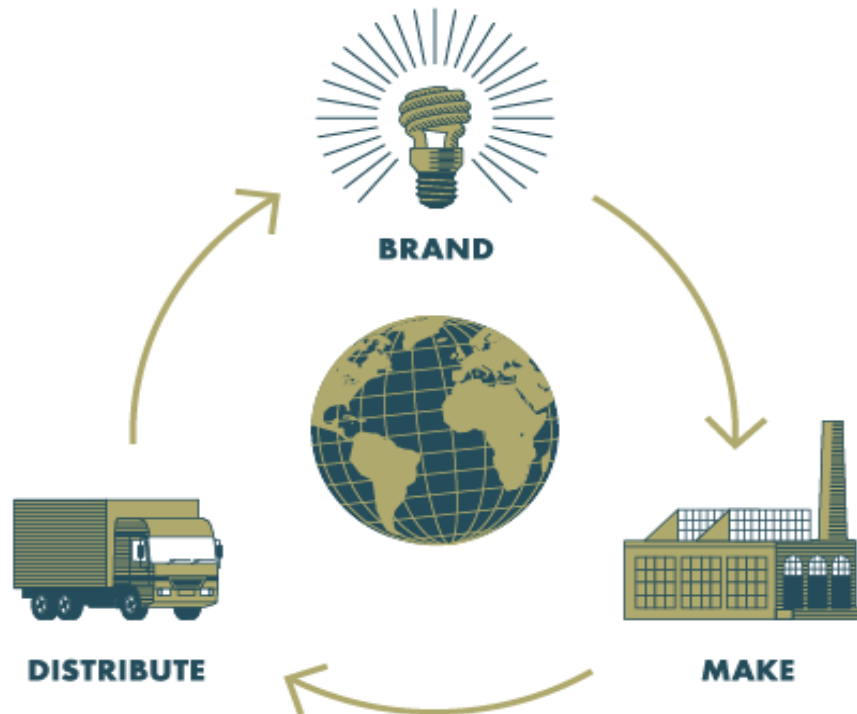
2015

DISTRIBUTION

Industry's widest distribution network with own units in 35 countries, selling Group's own and selected 3rd party fishing, hunting and outdoor products.

Reducing the amount of inventories is high on the agenda.

2015



RAPALA CULTURE

Local entrepreneurial spirit and profit responsibility together with a low hierarchy, straightforward business culture and strong local knowledge are key to executing Rapala VMC's strategy.

MANUFACTURING

Efficient own manufacturing and sourcing platform to supply premium products for mass markets.

Transfer of Asian lure manufacturing from China to Batam concluded in 2014:
-Concentration on exploiting the strengths and capturing the benefits of manufacturing.
-Solid basis for future growth of the Group's Storm, Luhr Jensen and Williamson Branded lures.

2015

Short-term Outlook

- After the strong start, the outlook for the whole year is positive
- Positive market sentiment in USA, early start of the summer season in many markets and successful new product introductions expected to support the sales this year.
- Following two difficult winter seasons, the sales of winter sports products expected to improve in Finland this year.
- Distribution pipeline for winter fishing equipment is expected to be rather empty.
 - In USA termination of a third party winter fishing equipment distribution agreement will reduce sales ca. 5 MUSD during latter part of the year
- Political and economic situation in Russia and Ukraine very challenging
 - Increases uncertainties.
- Improvement in performance of the manufacturing unit in Batam supporting the profitability of the Group this year
- Actions to reduce the Group's inventory levels may lower margins, but should support the cash flow

- The Group expects full year net sales and comparable operating profit (excluding non-recurring items and mark-to-market valuations of operative currency derivatives) to be above 2014 levels

- Q2 interim report published on July 23, 2015



END OF PRESENTATION

RAPALA VMC CORP.

APPENDICES

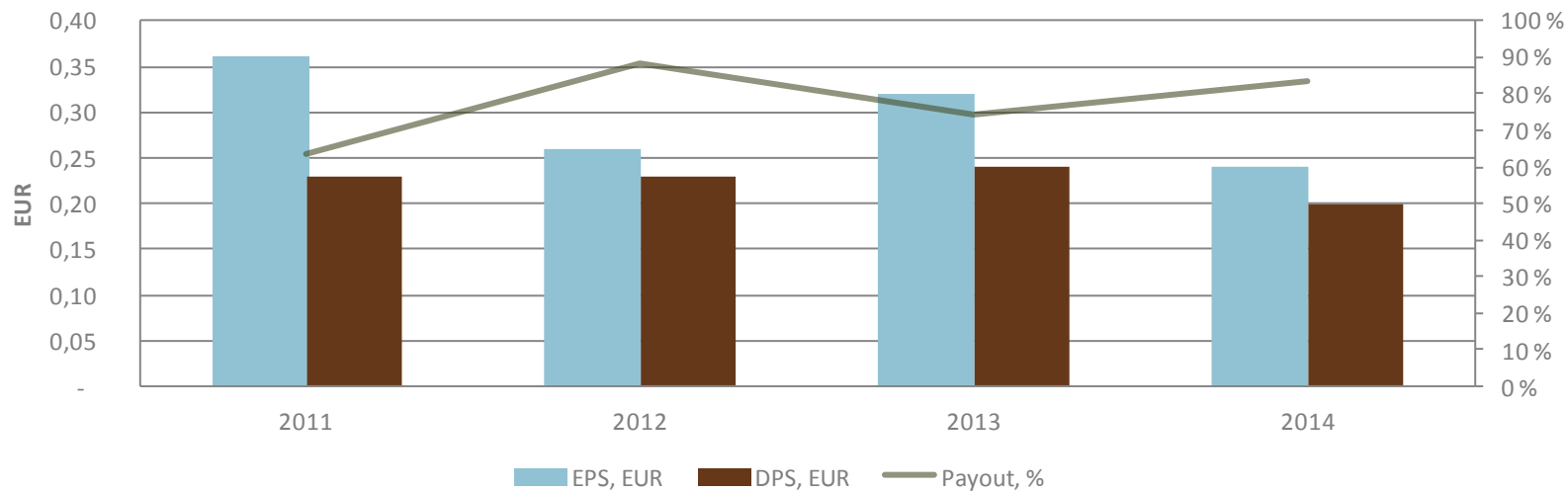
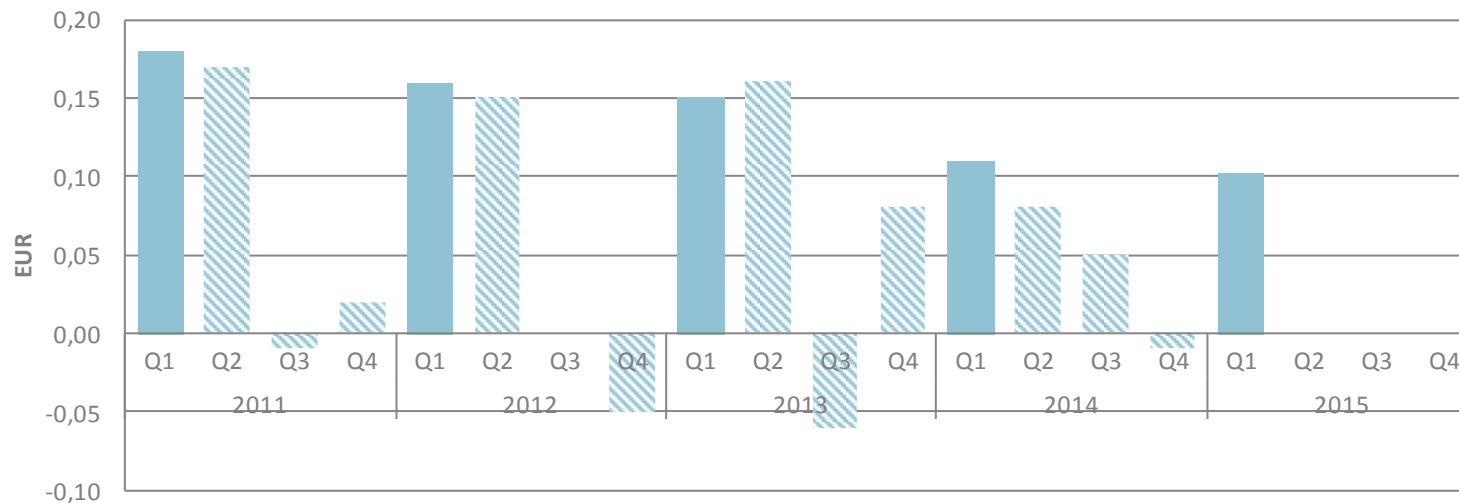
RAPALA VMC CORP.

QRT Key figures

MEUR	Q1/2015	Q1/2014	Q1-Q4/2014
Net sales	73.9	66.2	273.2
Operating profit	9.1	7.4	22.9
Operating profit margin, %	12.3%	11.2%	8.4%
Comparable operating profit	10.7	6.7	20.9
Comparable operating profit margin, %	14.4%	10.1%	7.6%
Net profit for the period	4.3	4.3	10.2
EPS (basic), EUR	0.10	0.11	0.24
Cash flow from operations	-7.0	-8.0	21.7
Net interest-bearing debt	114.1	106.2	99.9
ROCE, %	14.5%	12.4%	9.8%
Gearing, %	76.2%	76.5%	73.2%
Equity to assets, %	42.5%	43.9%	44.1%

EPS

EPS, EUR



Profit and loss account

MEUR	Q1 2015	Q1 2014	Q1-Q4 2014
Net sales	73.9	66.2	273.2
Other operating income	0.1	0.1	1.0
Materials and services	33.4	28.5	128.1
Personnel expenses	17.4	16.9	65.6
Other costs and expenses	12.5	11.8	50.8
Share of results in associates and joint ventures	0.1	0.0	0.2
EBITDA	10.8	9.1	30.0
Depreciation, amortization and impairments	1.7	1.7	7.1
Operating profit (EBIT)	9.1	7.4	22.9
Financial income and expenses	2.2	1.9	7.2
Profit before taxes	6.9	5.5	15.7
Income taxes	2.6	1.2	5.5
Net profit for the period	4.3	4.3	10.2

Balance sheet

MEUR	Q1 2015	Q1 2014	Q1-Q4 2014
ASSETS			
Non-current assets			
Intangible assets	79.1	70.1	74.4
Property, plant and equipment	32.7	31.0	32.0
Non-current assets			
Interest-bearing	4.6	3.0	3.0
Non-interest-bearing	13.0	10.1	11.5
	129.4	114.3	120.8
Current assets			
Inventories	132.2	118.2	113.8
Current assets			
Interest-bearing	1.1	1.0	1.1
Non-interest-bearing	79.9	72.1	62.3
Cash and cash equivalents	10.3	11.0	12.2
	223.5	202.3	189.4
Total assets	352.9	316.6	310.3
EQUITY AND LIABILITIES			
Equity			
Equity attributable to the equity holders of the company	140.8	127.2	128.3
Non-controlling interests	9.0	11.6	8.2
	149.8	138.9	136.5
Non-current liabilities			
Interest-bearing	76.2	39.4	72.3
Non-interest-bearing	14.7	12.8	13.3
	91.0	52.2	85.5
Current liabilities			
Interest-bearing	53.9	81.8	43.9
Non-interest-bearing	58.2	43.7	44.2
	112.0	125.5	88.2
Total equity and liabilities	352.9	316.6	310.3

RAPALA VMC CORP.

Shares and Shareholders

SHARE RELATED DATA (3/2015)

- Market capitalization 196.0 MEUR
- 12-month high/low 6.00/4.69 EUR
- All-time high/low 8.40/2.50 EUR

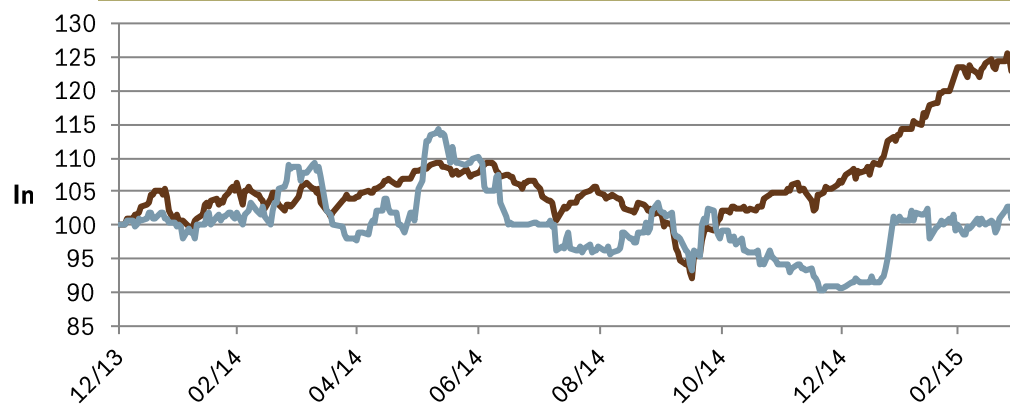
MAJOR SHAREHOLDERS (3/2015)

- VMC Holdings 34%
- Sofina 19%
- Nordea Funds 11%
- Odin Funds 3%
- State Pension fund 3%
- Shimano 2%
- Evli Funds 1%
- Tapiola Funds 1%
- Ilmarinen 1%
- Evli Funds 1%

Own shares: 639 671 shares (1.6%)

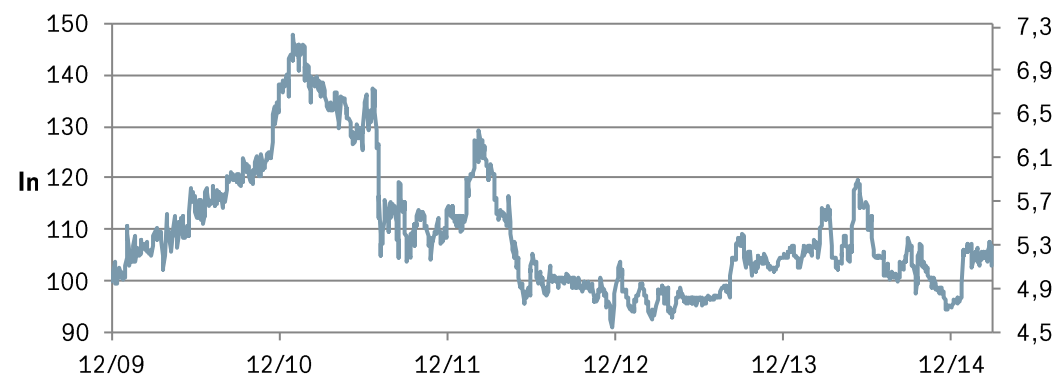
RAPALA VMC CORP.

Share price index performance from Jan 2014 –



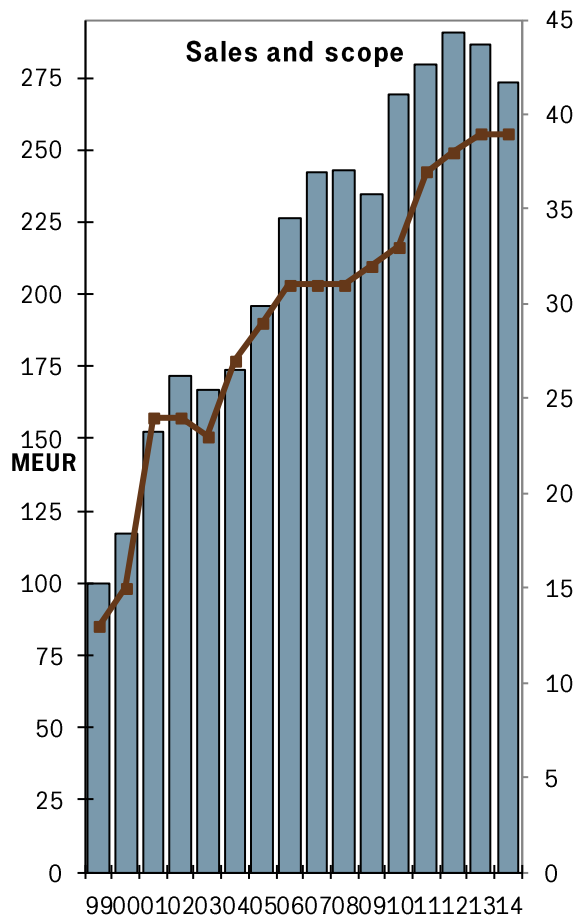
— OMX Nordic Mid Cap — Rapala VMC

Share price performance from Jan 2010 –

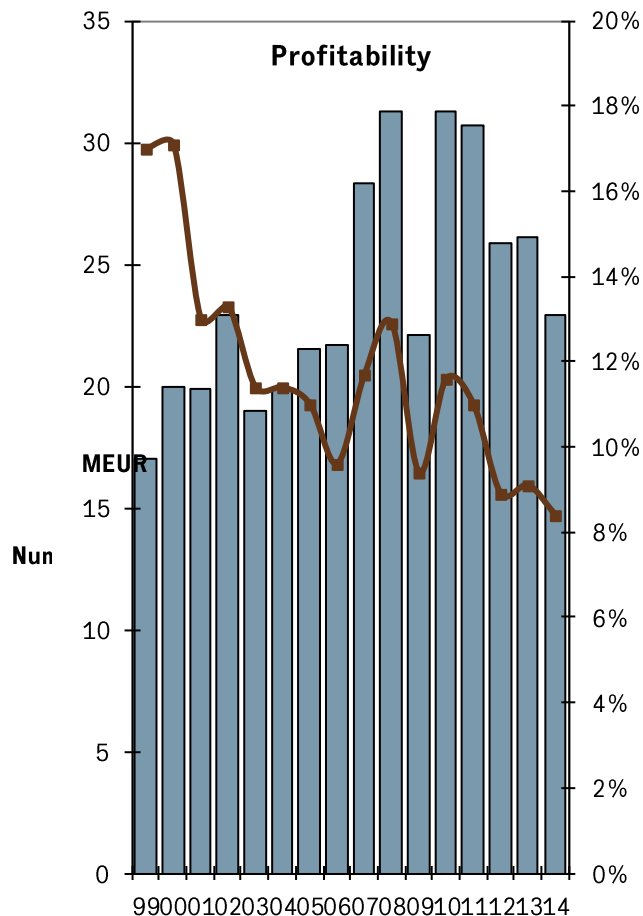


— Rapala VMC

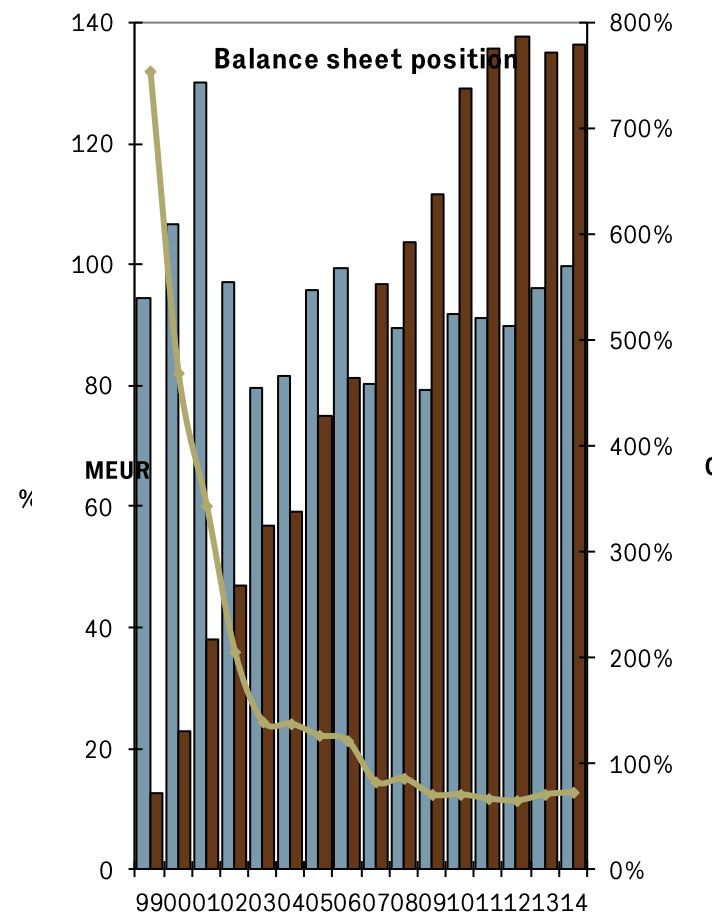
Financial Trends



■ Sales — # countries where own operations



■ Operating Profit — Operating Margin



■ Net debt ■ Equity — Debt / Equity

RAPALA VMC CORP.