

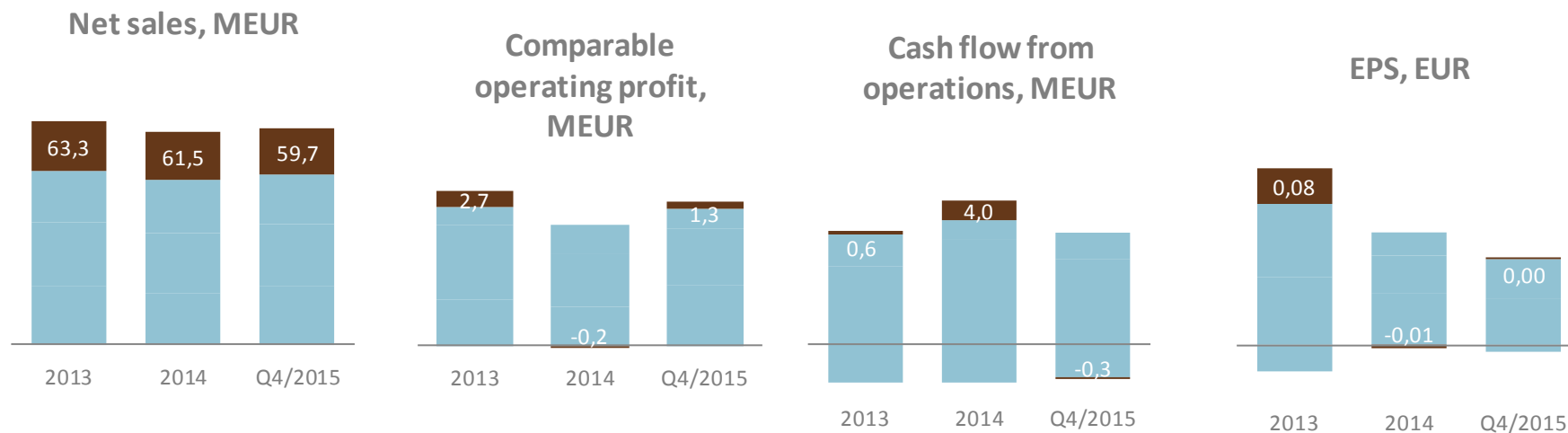
RAPALA VMC CORPORATION ANNUAL ACCOUNTS & Q4 2015

February 9, 2016

RAPALA VMC CORP.

Summary of Q4 2015

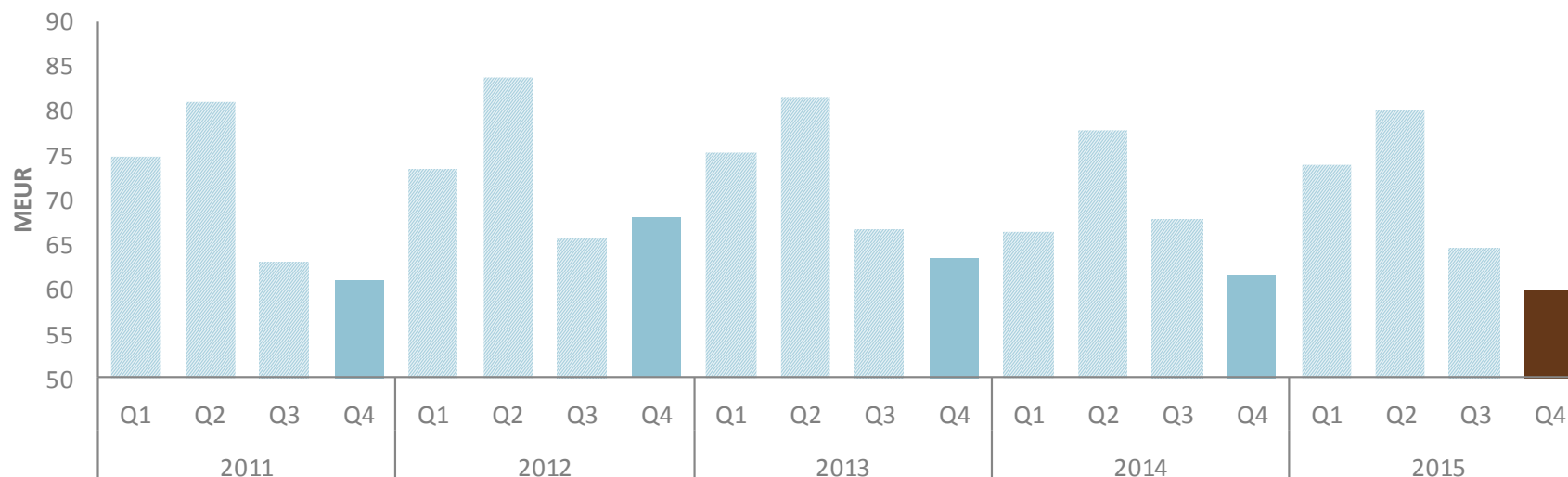
- NET SALES 59.7 MEUR (61.5)
 - With comparable exchange rates sales down 6%
- COMPARABLE OPERATING PROFIT 1.3 MEUR (-0.2)
 - Up from last year following better gross margin and stable fixed costs, recovery of Asian manufacturing operations
- REPORTED OPERATING PROFIT 0.7 MEUR (1.2)
 - Valuation of currency derivatives and non-recurring losses
- CASH FLOW FROM OPERATIONS -0.3 MEUR (4.0)
 - Burdened by change in working capital, mainly timing of payables
- EPS 0.00 EUR (-0.01)
 - Valuation of operative currency derivatives and taxes



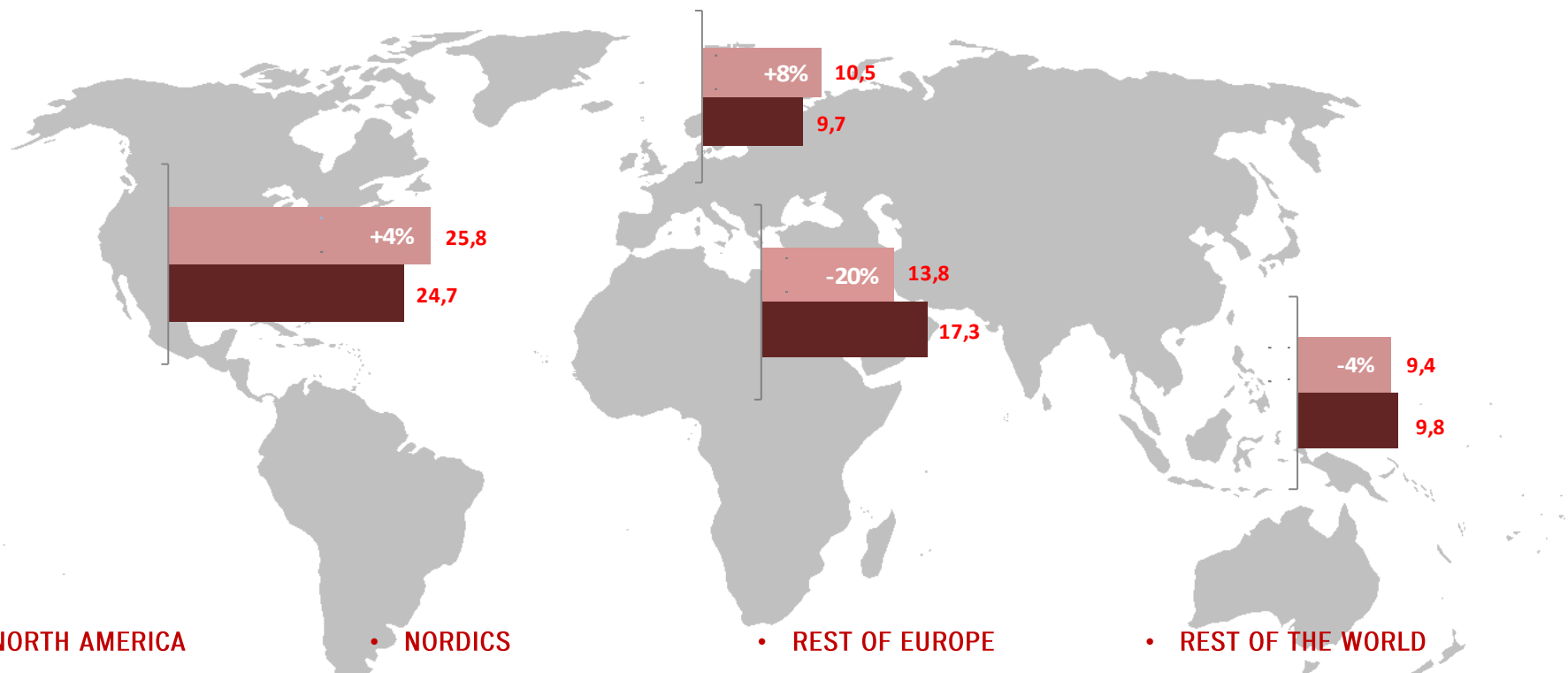
Net Sales

- Q4 NET SALES 59.7 MEUR (-3%)
 - Changes in FX rates explain approximately 2.3 MEUR. With comparable FX sales -6%
 - Unfavorable weather in the US and Nordics slowed ice fishing sales. Loss of distribution agency in the US (3 MUSD)
 - Market situation in Russia and Ukraine continue to be difficult but positive development in South Africa
- YTD NET SALES 278.2 MEUR (+2%)
 - Changes in FX rates explain approximately 6.2 MEUR. With comparable FX sales at last year's level
 - Group-branded lure and other fishing sales in the US, partially offset by loss of distribution agency (5 USD)
 - Difficulties in Russia affecting sales badly. Good performance in France

Net sales



Q4 Net Sales – Geographical Areas



• NORTH AMERICA

- Comparable net sales -7%
- Warm weather and late arrival of ice reduced ice fishing sales
- Loss of distribution agency
- US economy remains good, while Canada tougher

• NORDICS

- Comparable net sales +8%
- Improved winter sport sales
- Recovery of the hunting sales in Sweden
- Supported by new hunting dealership in Finland
- Slow ice fishing sales

• REST OF EUROPE

- Comparable net sales -17%
- Very challenging quarter in the whole region
- Ruble remain weak, causing uncertainties
- Spain and Portugal showed growth in sales

• REST OF THE WORLD

- Comparable net sales -3%
- Very positive development in South Africa
- Sales up also in Chile, Mexico and South Korea
- Sales suffered in majority of Asia Pacific countries

YTD Net Sales – Geographical Areas

- NORTH AMERICA

- Comparable net sales -1%
- Solid sales in the US supported by strong USD and good weather in key fishing markets. Loss of distribution agency (5 MUSD)
- Challenges in the Canadian market
- Successful launch of new Shadow Rap

- NORDICS

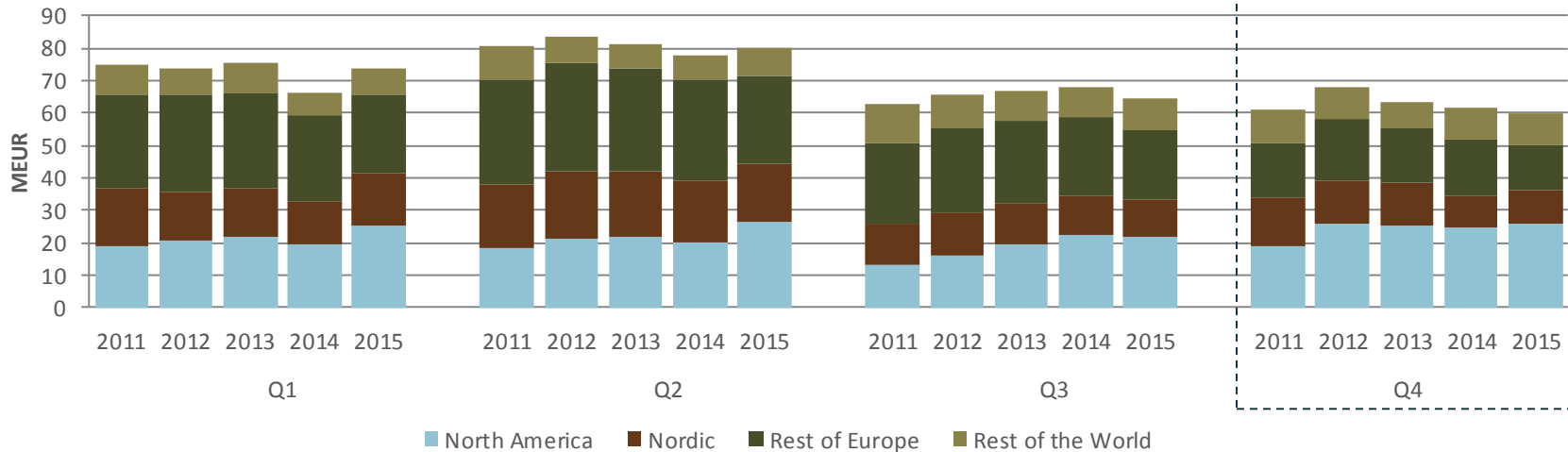
- Comparable net sales +4%
- Cold and rainy summer, impacting especially Norway
- Winter sports presales up, but ice fishing sales down
- New hunting dealership in Finland

- REST OF EUROPE

- Comparable net sales -4%
- Turbulence in Russia and Ukraine affected sales significantly. Russian volumes down in half in two years
- Excluding Russia and Ukraine, comparable sales +3%, driven by France and recovering Spain

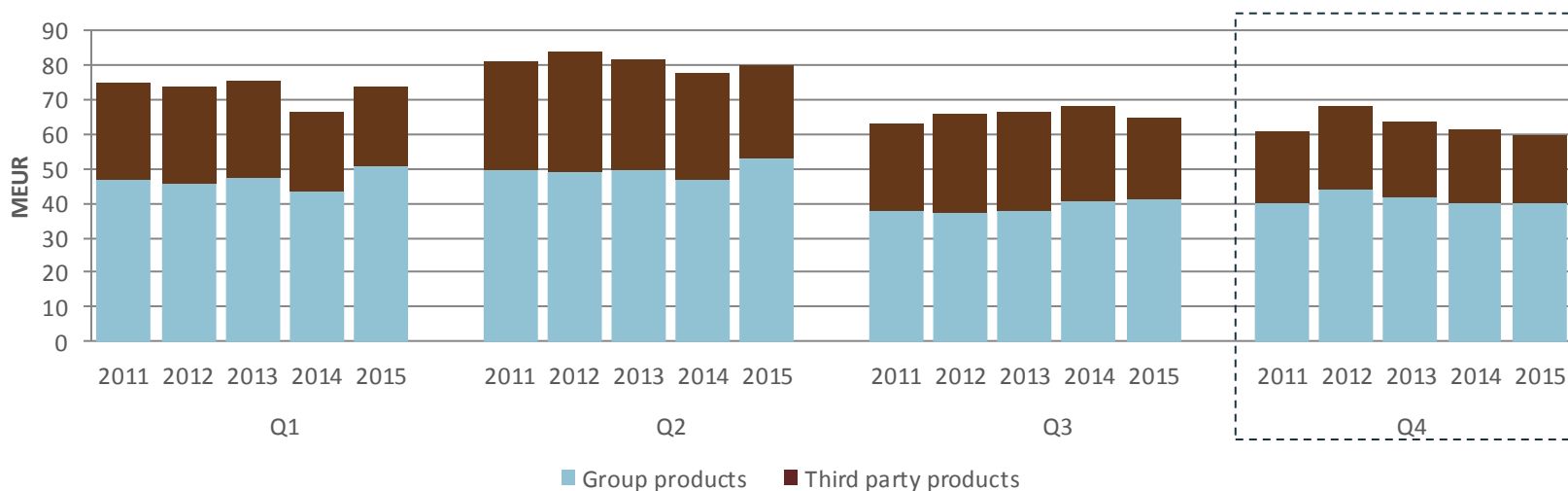
- REST OF THE WORLD

- Comparable net sales +3%
- Steady growth in South Africa and in some Latin American and Asian countries
- Sales suffered in Australia, Japan and Indonesia



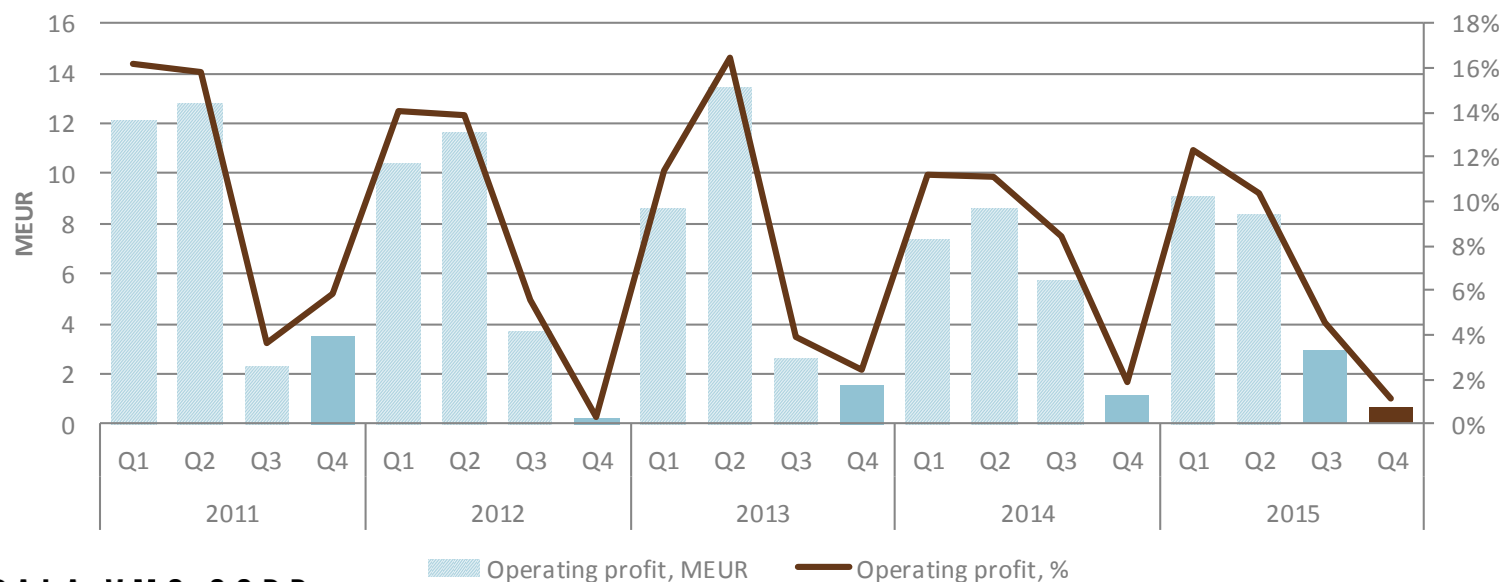
Net Sales – Product Segments

- **GROUP PRODUCTS 40.2 MEUR (+1%), YTD 184.7 MEUR (+8%)**
 - Comparable net sales -4%, YTD +2%
 - Strong sales especially in the US, Russian crises continues.
 - Q4 impacted by late winter, ice fishing sales down for QTD and YTD.
- **THIRD PARTY PRODUCTS 19.5 MEUR (-11%), YTD 93.5 MEUR (-8%)**
 - Comparable net sales -11%, YTD -4%
 - Third party fishing and especially ice fishing sales lower due to losing a distribution dealership in the US
 - YTD affected by economical instabilities which affected fishing product sales in Russia



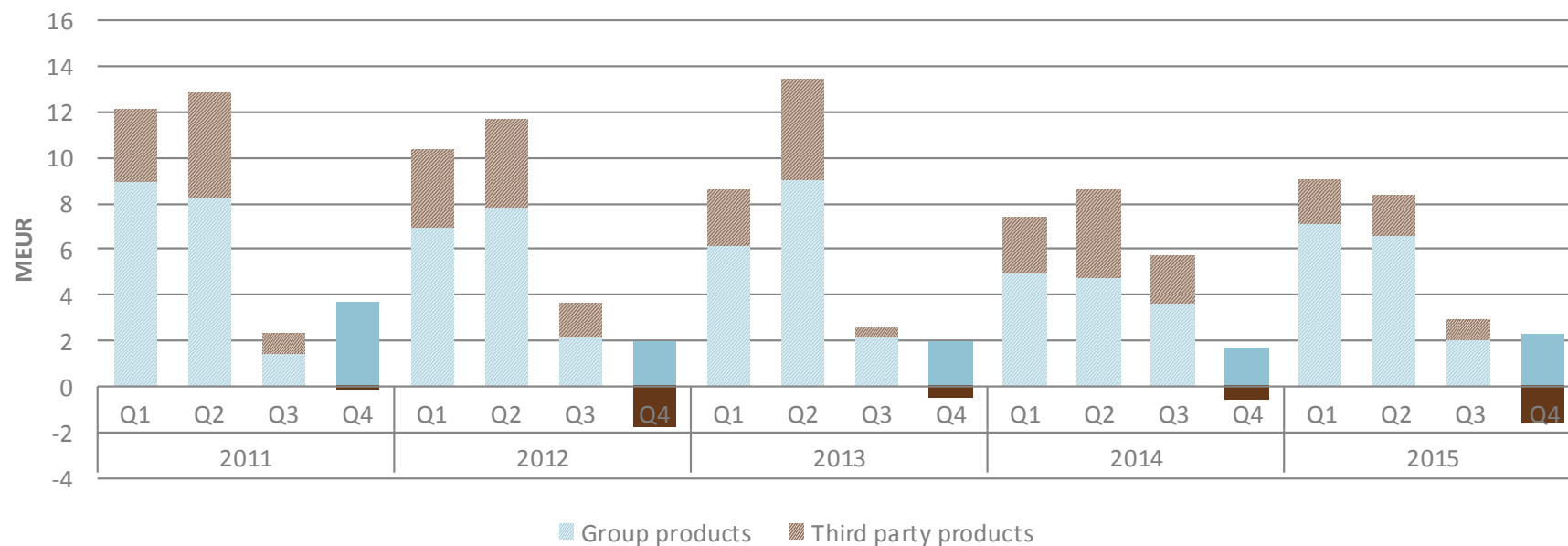
Operating Profit

- COMPARABLE OPERATING PROFIT 1.3 MEUR (+750%), YTD 25.3 MEUR (+21%)
 - Q4 supported by better gross margin and stable fixed costs
 - Q4 and YTD supported by continuing recovery of Asian manufacturing operations' profitability, while negatively impacted by stronger USD lowering the margins of third party products
 - YTD further supported by stronger sales of group-branded products especially in the US, while burdened by the negative sales development in Russia
- REPORTED OPERATING PROFIT 0.7 MEUR (-42%), YTD 21.0 MEUR (-8%)
 - Mark-to-market valuation of operative currency derivatives +0.4 MEUR (+2.3), YTD -2.1 MEUR (+3.8)
 - Non-recurring items -1.0 MEUR (-0.9), YTD -2.3 MEUR (-1.8), related to non-cash write-downs originating from transfer of manufacturing to Batam and Norwegian warehouse



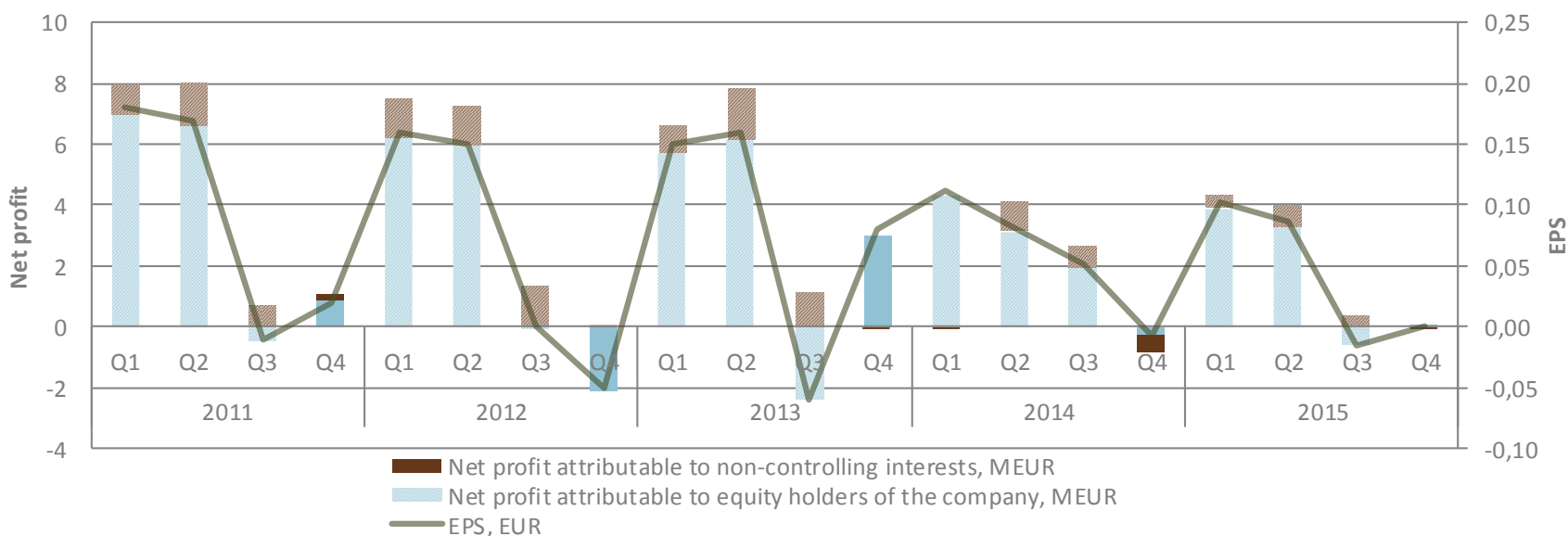
Operating Profit – Product segments

- GROUP PRODUCTS 2.3 MEUR (+35%), YTD 18.1 MEUR (+21%)
 - Q4 operating profit improvement driven by lures and hooks
 - YTD supported by increased sales and profitability especially in the US and by improved profitability of the Asian manufacturing operations
- THIRD PARTY PRODUCTS -1.6 MEUR (-167%), YTD 2.9 MEUR (-63%)
 - Reduced sales and unfavorable FX impact on purchases



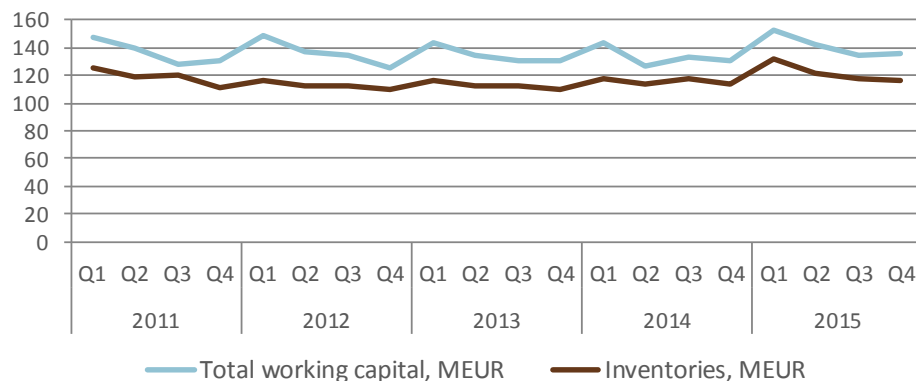
Net Profit and EPS

- FINANCIAL (NET) EXPENSES 1.1 MEUR (1.5), YTD 6.8 MEUR (7.2)
 - Impact of FX expenses of +0.2 MEUR (-0.6), YTD 3.3 MEUR (3.4)
 - Net interest and other financial expenses 1.2 MEUR (0.8), YTD 3.5 MEUR (3.8)
- NET PROFIT 0.0 MEUR (100%), YTD 8.1 MEUR (-21%)
 - Notable negative impact from change in mark-to-market valuation of operative currency derivatives
 - QTD taxed impacted by changes in deferred taxes while YTD income taxes burdened by loss making units
 - YTD last year includes a positive tax impact of 1.0 MEUR related to an agreement with Finnish tax authority
- SHARE OF NON-CONTROLLING INTEREST 0.0 MEUR (-0.6), YTD 1.4 MEUR (1.0)
- EPS 0.00 EUR (-0.01), YTD 0.17 EUR (0.24)

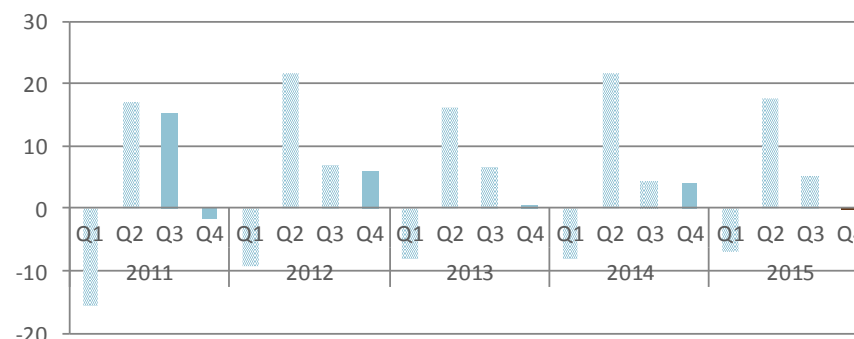


Cash Flow and Working Capital

- CASH FLOW FROM OPERATIONS -0.3 MEUR (4.0), YTD 15.6 MEUR (21.7)
 - Change in working capital 1.0 MEUR (2.9), YTD -3.3 MEUR (1.5)
 - Q4 and YTD cash flow was burdened by change in working capital driven by timing of payables
- INVENTORIES 116.2 MEUR (113.8)
 - Increased 2.4 MEUR from last year
 - Currency impact increased inventories by 0.5 MEUR
 - Increase driven by transfer of production from China to Batam and challenging trading conditions resulting in lower than expected sales in various countries
- INVESTING ACTIVITIES MAINLY NORMAL CAPITAL EXPENDITURE
 - QTD including annual installment related to disposal of gift business



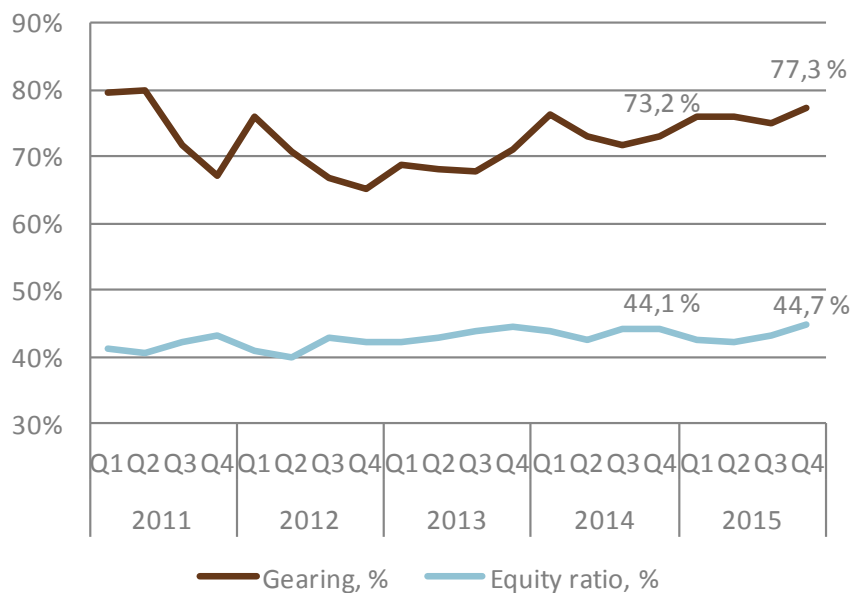
Cash flow from operations, MEUR *



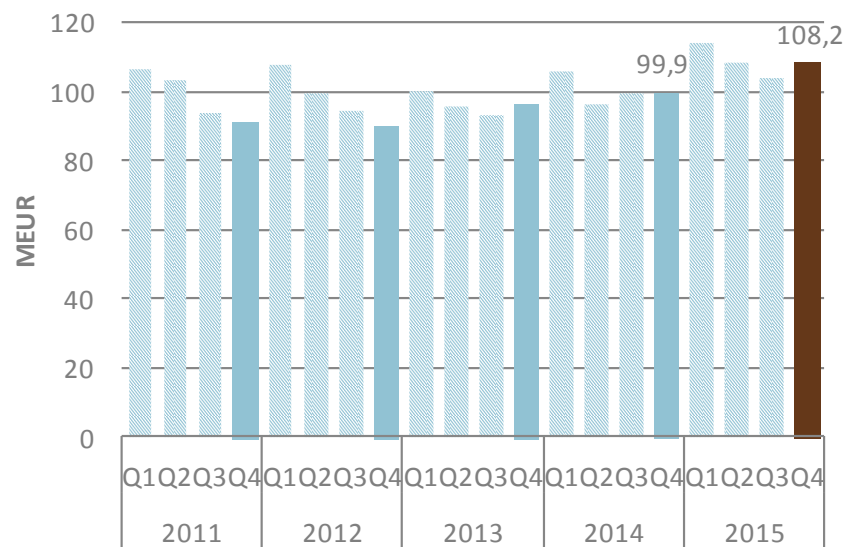
* 2015 and 2014 figures restated, see annual accounts & Q4 report for more information.

Financial Position

- LIQUIDITY POSITION OF THE GROUP WAS GOOD
 - Undrawn committed long-term credit facilities amounted to 79.9 MEUR
- GEARING AND NET INTEREST-BEARING DEBT INCREASED
 - Gearing at 77.3% (73.2%)
 - Equity-to-assets ratio slightly above last year level at 44.7% (44.1%)
 - Following, increased net interest-bearing debt and lowered reported EBITDA, Group agreed on a higher level of covenants fro Dec 31, 2015 and Mar 31, 2016. Group expects to comply with these convant levels.



Net interest-bearing debt, MEUR



Cornerstones of the Profitable Growth Strategy

BRANDS

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

Next season's Rapala novelties introduced to North American market early next year.

Lot of focus on Storm lures, especially soft plastics.

Mora Ice Chrome ice drill series to European markets.

Renewed Peltonen ski collection, including waxless Skintech skies.

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.

Norway and Sweden warehousing operations merged.



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.

Changes in management organization to accelerate the profitable growth strategy and improve the capital efficiency

MANUFACTURING

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

Attention and resources on Asian lure manufacturing in Batam

- Concentration on exploiting the strengths and capturing the benefits of manufacturing.
- Clear performance improvement compared to last year
- Room for considerable improvement
- Solid basis for future growth of Storm, Luhr Jensen and Williamson branded lures.

2015

2015

2015

2015

RAPALA VMC CORP.

Short-term Outlook

- The Group's outlook for 2016 is stable.
 - New product introductions and low fuel prices are expected to support consumer spending on fishing tackle in the biggest market in the USA. Simultaneously the outlook for the Russian market is very uncertain. In Europe competition is expected to tighten.
 - The sales of winter sports and ice fishing products are partly dependent on weather conditions and 2015/2016 season has started with somewhat unfavorable conditions.
 - The 80 year anniversary of Rapala Lures will be celebrated with special sales and marketing campaigns.
 - The operations of the Batam manufacturing unit have stabilized and are expected to further support Group's profitability. Inventory and fixed cost management will be in the Group's focus in 2016.
 - Assuming comparable translation exchange rates, 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 2015 levels.
-
- Annual General Meeting planned for April 1, 2016
 - 0.15 EUR dividend per share proposed to the AGM
 - Financial Statements for 2015 and Corporate Governance Statement published in week 10
 - Q1 Trading Report will be published on April 28, 2016



END OF PRESENTATION

RAPALA VMC CORP.

APPENDICES

RAPALA VMC CORP.

QRT Key figures

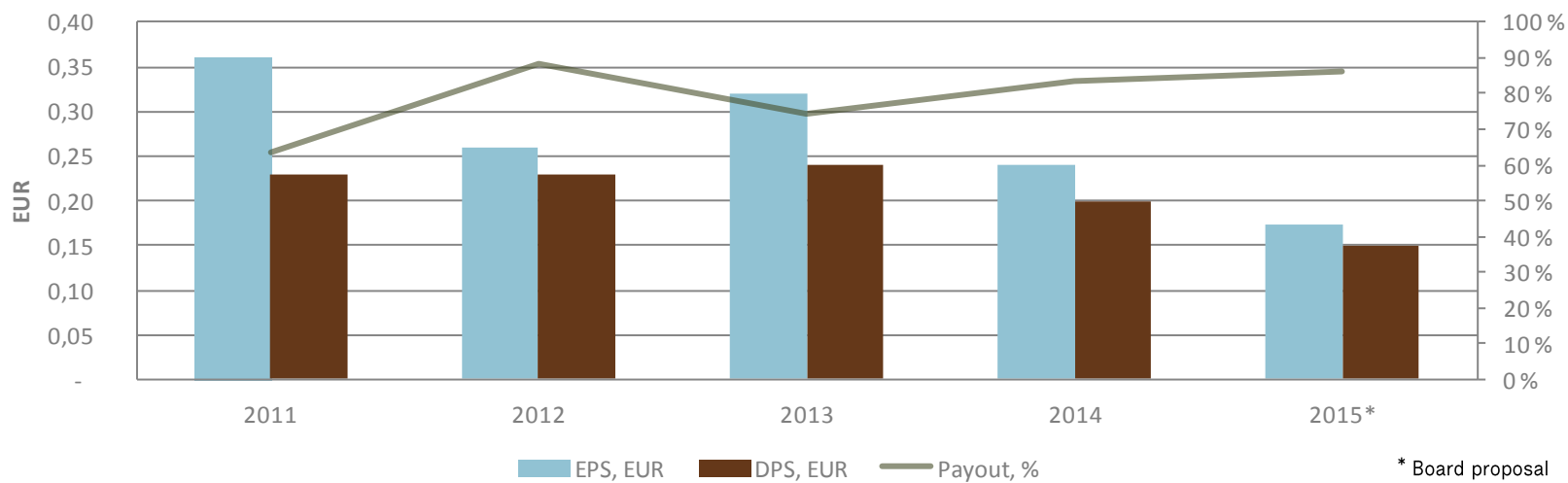
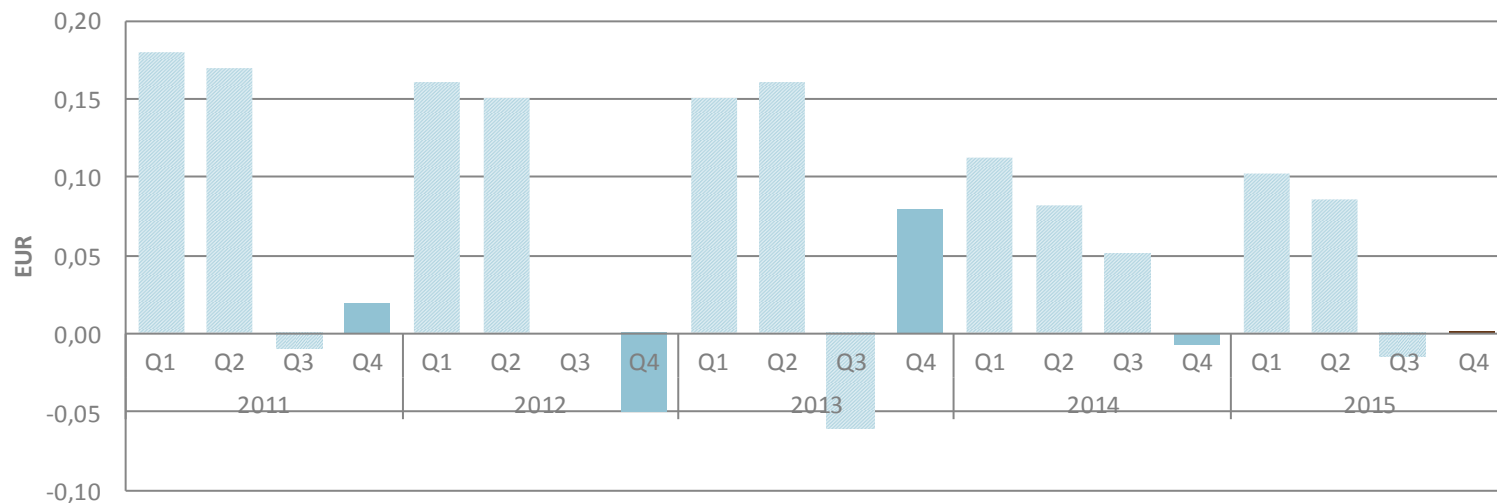
MEUR	Q4/2015	Q4/2014
Net sales	59.7	61.5
Operating profit	0.7	1.2
Operating profit margin, %	1.1%	1.9%
Comparable operating profit	1.3	-0.2
Comparable operating profit margin, %	2.1%	-0.3%
Net profit for the period	0.0	-0.8
EPS (basic), EUR	0.00	-0.01
Cash flow from operations	-0.3	4.0
Net interest-bearing debt	108.2	99.9
ROCE, %	1.1%	2.0%
Gearing, %	77.3%	73.2%
Equity to assets, %	44.7%	44.1%

YTD Key figures

MEUR	Q1-Q4/2015	Q1-Q4/2014
Net sales	278.2	273.2
Operating profit	21.0	22.9
Operating profit margin, %	7.6%	8.4%
Comparable operating profit	25.3	20.9
Comparable operating profit margin, %	9.1%	7.6%
Net profit for the period	8.1	10.2
EPS (basic), EUR	0.17	0.24
Cash flow from operations	15.6	21.7
Net interest-bearing debt	108.2	99.9
ROCE, %	8.7%	9.8%
Gearing, %	77.3%	73.2%
Equity to assets, %	44.7%	44.1%

EPS

EPS, EUR



Profit and loss account

MEUR	Q4 2015	Q4 2014	Q1-Q4/2015	Q1-Q4/2014
Net sales	59.7	61.5	278.2	273.2
Other operating income	0.6	0.4	1.0	1.0
Materials and services	28.5	30.2	130.9	128.1
Personnel expenses	17.3	16.0	68.4	65.6
Other costs and expenses	11.9	12.5	52.3	50.8
Share of results in associates and joint ventures	-0.1	-0.1	0.4	0.2
EBITDA	2.4	3.0	28.1	30.0
Depreciation, amortization and impairments	1.7	1.9	7.1	7.1
Operating profit (EBIT)	0.7	1.2	21.0	22.9
Financial income and expenses	1.1	1.5	6.8	7.2
Profit before taxes	-0.4	-0.3	14.2	15.7
Income taxes	-0.4	0.6	6.1	5.5
Net profit for the period	0.0	-0.8	8.1	10.2

Balance sheet

MEUR	Q1-Q4 2015	Q1-Q4 2014
ASSETS		
Non-current assets		
Intangible assets	78.2	74.4
Property, plant and equipment	33.9	32.0
Non-current assets		
Interest-bearing	2.8	3.0
Non-interest-bearing	11.8	11.5
	126.7	120.8
Current assets		
Inventories	116.2	113.8
Current assets		
Interest-bearing	1.0	1.1
Non-interest-bearing	58.1	62.3
Cash and cash equivalents	11.4	12.2
	186.7	189.4
Total assets	313.4	310.3
EQUITY AND LIABILITIES		
Equity		
Equity attributable to the equity holders of the company	131.5	128.3
Non-controlling interests	8.5	8.2
	140.0	136.5
Non-current liabilities		
Interest-bearing	58.6	72.3
Non-interest-bearing	13.4	13.3
	72.0	85.5
Current liabilities		
Interest-bearing	64.8	43.9
Non-interest-bearing	36.6	44.3
	101.5	88.2
Total equity and liabilities	313.4	310.3

Shares and Shareholders

SHARE RELATED DATA (12/2015)

- Market capitalization 181.8 MEUR
- 12-month high/low 5.85/4.57 EUR
- All-time high/low 8.40/2.50 EUR

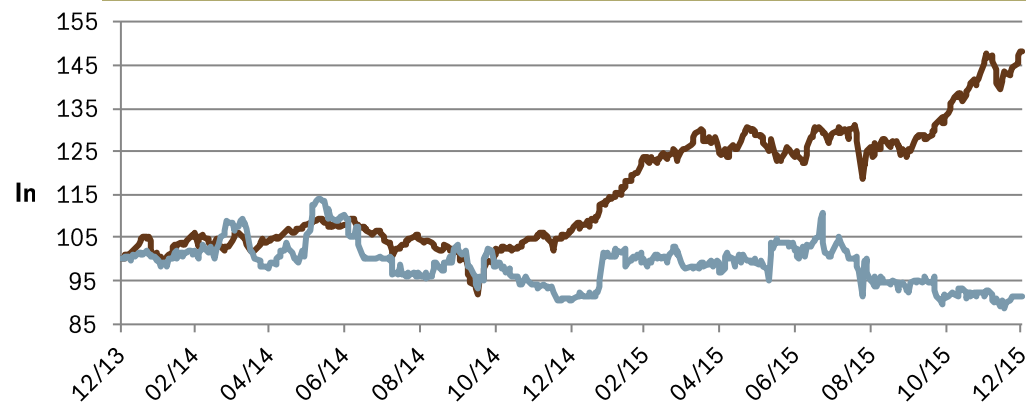
MAJOR SHAREHOLDERS (12/2015)

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

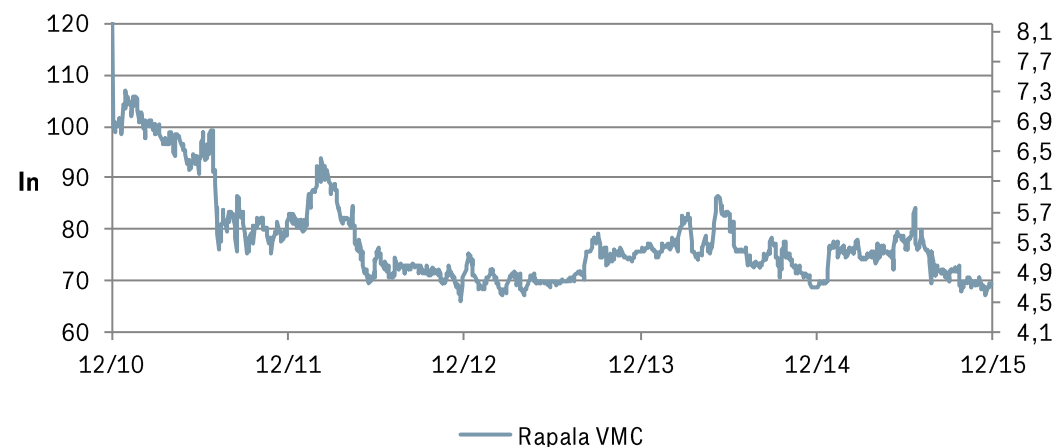
Own shares: 639 671 shares (1.6%)

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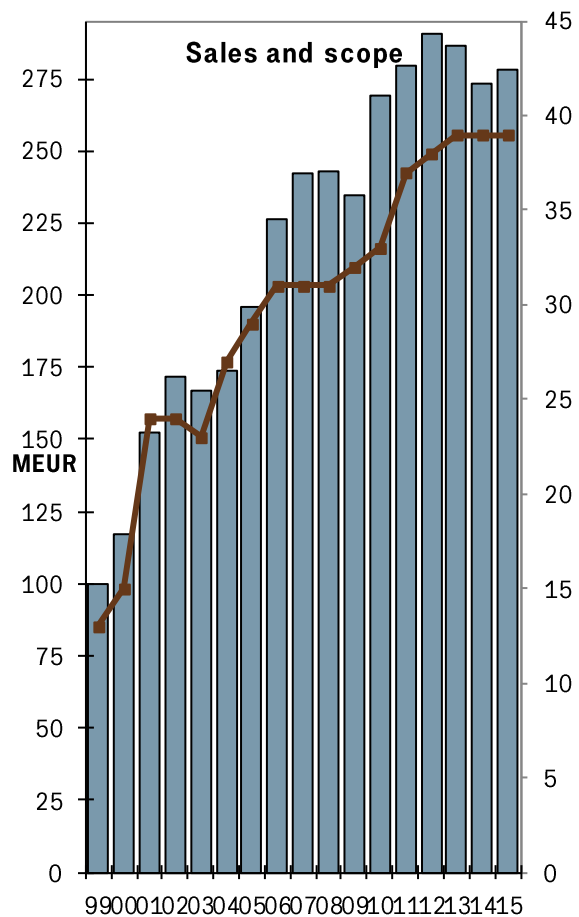
Share price index performance from Jan 2014 – Dec 2015



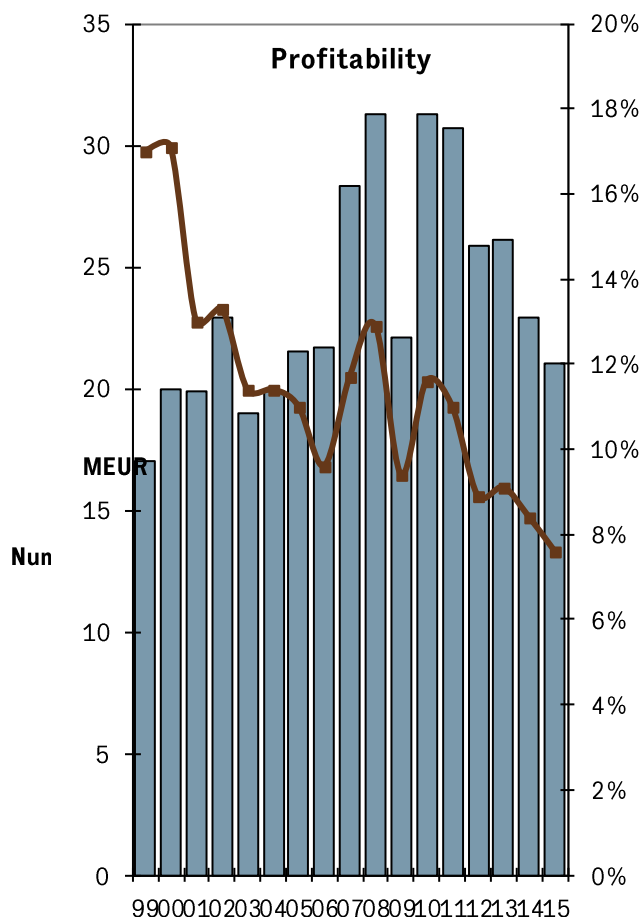
Share price performance from Jan 2011 – Dec 2015



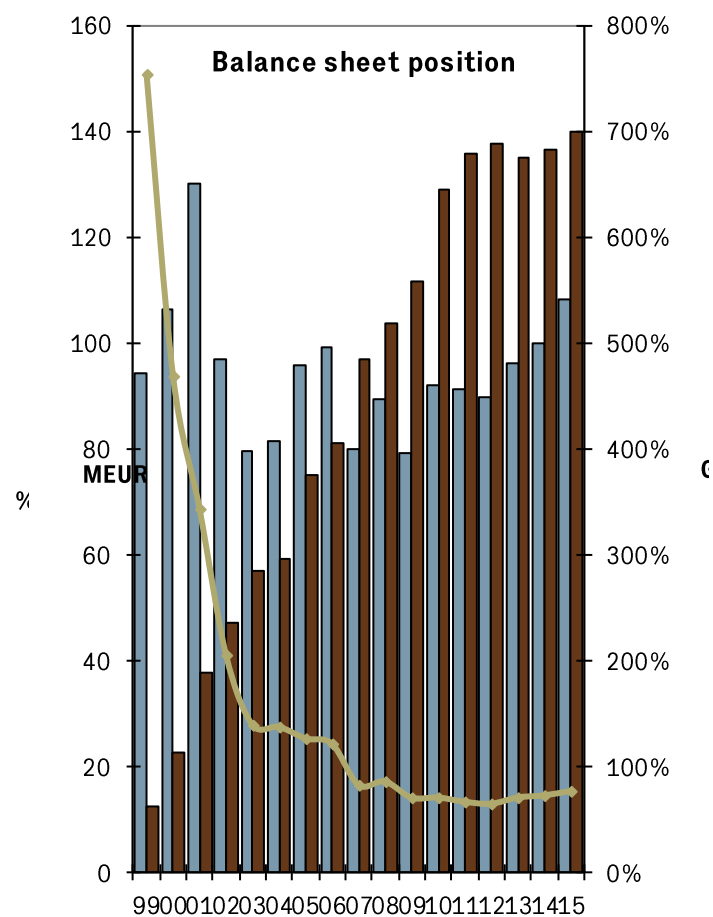
Financial Trends



■ Sales — # countries where own operations



■ Operating Profit — Operating Margin



■ Net debt ■ Equity — Debt / Equity