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, MEUR

<table>
<thead>
<tr>
<th>Year</th>
<th>2013</th>
<th>2014</th>
<th>Q4/2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>63.3</td>
<td>61.5</td>
<td>59.7</td>
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</table>

Comparable operating profit, MEUR

<table>
<thead>
<tr>
<th>Year</th>
<th>2013</th>
<th>2014</th>
<th>Q4/2015</th>
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<tbody>
<tr>
<td>Profit</td>
<td>2.7</td>
<td>-0.2</td>
<td>1.3</td>
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</table>

Cash flow from operations, MEUR

<table>
<thead>
<tr>
<th>Year</th>
<th>2013</th>
<th>2014</th>
<th>Q4/2015</th>
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<tr>
<td>Flow</td>
<td>0.6</td>
<td>4.0</td>
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EPS, EUR

<table>
<thead>
<tr>
<th>Year</th>
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<th>2014</th>
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<tr>
<td>EPS</td>
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</tbody>
</table>

RAPALA VMC CORP.
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
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

Annual accounts & Q4 2015
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.

RAPALA VMC CORP.

Annual accounts & Q4 2015
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.
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.

Rapala VMC Corp.

Annual accounts & Q4 2015
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
APPENDICES
# QRT Key figures

<table>
<thead>
<tr>
<th>MEUR</th>
<th>Q4/2015</th>
<th>Q4/2014</th>
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<tr>
<td>Net sales</td>
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<td>61.5</td>
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<td>Operating profit</td>
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<td>Operating profit margin, %</td>
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<td>Net interest-bearing debt</td>
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<td>ROCE, %</td>
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### YTD Key figures

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<th>Q1-Q4/2014</th>
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<td>Net sales</td>
<td>278.2</td>
<td>273.2</td>
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<td>Operating profit</td>
<td>21.0</td>
<td>22.9</td>
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<td>Operating profit margin, %</td>
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<td>8.4%</td>
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<td>20.9</td>
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<td>Net interest-bearing debt</td>
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<td>99.9</td>
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<tr>
<td>ROCE, %</td>
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<td>73.2%</td>
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<tr>
<td>Equity to assets, %</td>
<td>44.7%</td>
<td>44.1%</td>
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EPS

EPS, EUR

-0,10
-0,05
0,00
0,05
0,10
0,15
0,20
Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4

2011 2012 2013 2014 2015

EUR

DPS, EUR

Payout, %

0 %
10 %
20 %
30 %
40 %
50 %
60 %
70 %
80 %
90 %
100 %

-0,05   
0,10   
0,15   
0,20   
0,25   
0,30   
0,35   
0,40   
2011 2012 2013 2014 2015*

* Board proposal

Annual accounts & Q4 2015
## Profit and loss account

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<td>Other operating income</td>
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<td>Materials and services</td>
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<td>Personnel expenses</td>
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<td>16.0</td>
<td>68.4</td>
<td>65.6</td>
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<td>Other costs and expenses</td>
<td>11.9</td>
<td>12.5</td>
<td>52.3</td>
<td>50.8</td>
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<td>Share of results in associates and joint ventures</td>
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<td>-0.1</td>
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<td>EBITDA</td>
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<td>3.0</td>
<td>28.1</td>
<td>30.0</td>
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<td>Depreciation, amortization and impairments</td>
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<td>1.9</td>
<td>7.1</td>
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<td>Operating profit (EBIT)</td>
<td>0.7</td>
<td>1.2</td>
<td>21.0</td>
<td>22.9</td>
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<td>Financial income and expenses</td>
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<td>Profit before taxes</td>
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<td>-0.3</td>
<td>14.2</td>
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<td>Income taxes</td>
<td>-0.4</td>
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<td>6.1</td>
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<td>Net profit for the period</td>
<td>0.0</td>
<td>-0.8</td>
<td>8.1</td>
<td>10.2</td>
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</tbody>
</table>
# Balance Sheet

## MEUR

### ASSETS

#### Non-current assets

<table>
<thead>
<tr>
<th></th>
<th>Q1-Q4 2015</th>
<th>Q1-Q4 2014</th>
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</thead>
<tbody>
<tr>
<td>Intangible assets</td>
<td>78.2</td>
<td>74.4</td>
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<tr>
<td>Property, plant and equipment</td>
<td>33.9</td>
<td>32.0</td>
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#### Current assets

<table>
<thead>
<tr>
<th></th>
<th>Q1-Q4 2015</th>
<th>Q1-Q4 2014</th>
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<tbody>
<tr>
<td>Inventories</td>
<td>116.2</td>
<td>113.8</td>
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#### Total assets

<p>| | | |</p>
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<tr>
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<td>313.4</td>
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### EQUITY AND LIABILITIES

#### Equity

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<tr>
<td>Equity attributable to the equity holders of the company</td>
<td>131.5</td>
<td>128.3</td>
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<tr>
<td>Non-controlling interests</td>
<td>8.5</td>
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<p>| | | |</p>
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<tbody>
<tr>
<td></td>
<td>140.0</td>
<td>136.5</td>
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#### Non-current liabilities

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<td>Interest-bearing</td>
<td>58.6</td>
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<tr>
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<td>13.3</td>
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<tbody>
<tr>
<td></td>
<td>72.0</td>
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#### Current liabilities

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<tr>
<td></td>
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#### Total equity and liabilities

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<tbody>
<tr>
<td></td>
<td>313.4</td>
<td>310.3</td>
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</table>
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%)

RAPALA VMC CORP.
Financial Trends

Sales and scope
- MEUR: 0 to 275
- 99000 to 2015
- Sales

Profitability
- MEUR: 0 to 35
- 99000 to 2015
- Operating Profit
- Operating Margin

Balance sheet position
- MEUR: 0 to 160
- 99000 to 2015
- Net debt
- Equity
- Debt / Equity

RAPALA VMC CORP.
Annual accounts & Q4 2015