SUMMARY OF YEAR 2009 AND Q4

- Results from major actions in working capital management started to capitalize and cash flow from operations improved from 5.4 MEUR to 24.6 MEUR for 2009.
- Net sales and profitability were affected by worldwide economic recession with negative effects on currency movements and sales of more expensive items like fishing electronics and rods & reels but sales of Fishing Lines were up 142% and Lures 4%.
- Board’s dividend proposal for 2009 is 0.19 euro.

<table>
<thead>
<tr>
<th>EUR million</th>
<th>IV/09</th>
<th>IV/08</th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Sales</td>
<td>51.4</td>
<td>50.9</td>
<td>234.6</td>
<td>243.0</td>
</tr>
<tr>
<td>Operating Profit - Reported</td>
<td>0.7</td>
<td>3.2</td>
<td>22.1</td>
<td>31.3</td>
</tr>
<tr>
<td>Operating Profit - Comparable</td>
<td>1.1</td>
<td>3.2</td>
<td>23.5</td>
<td>30.5</td>
</tr>
<tr>
<td>Net Profit for the Period</td>
<td>-0.8</td>
<td>1.0</td>
<td>14.3</td>
<td>19.2</td>
</tr>
<tr>
<td>EPS (basic), EUR</td>
<td>-0.02</td>
<td>0.05</td>
<td>0.31</td>
<td>0.45</td>
</tr>
<tr>
<td>Cash flow from Operations</td>
<td>6.0</td>
<td>1.6</td>
<td>24.6</td>
<td>5.4</td>
</tr>
<tr>
<td>Net Interest-bearing Debt</td>
<td>79.4</td>
<td>89.5</td>
<td>79.4</td>
<td>89.5</td>
</tr>
</tbody>
</table>
Net sales were 51.4 MEUR (50.9) for Q4 and 234.6 MEUR (243.0) for 2009.

Comparable net sales increased 4% for Q4 and decreased 1% for 2009.

In addition to FX effects, sales of gift products, subcontracting services and higher price category products in fishing and hunting were down.

Net sales of Group Fishing Products +6%, Other Group Products -27% & Third Party Products -9%.

Net sales in North America +6%, Rest of the World +2%, Nordics -4% and Rest of Europe -11%.

Positive signs during the second half of the year especially in North America and in Lures – lure factories running at full speed since Q3.

Due to good winter weather, good sales of winter sports equipment in Q4.
ANALYSIS OF OPERATING PROFIT

• Q4 reported operating profit was 0.7 MEUR (3.2) and 22.1 MEUR (31.3) for 2009.
• Non-recurring costs and impairment losses of 1.9 MEUR and a non-recurring gain of 0.5 MEUR from the sale of office premises in Hong Kong (0.8 MEUR net gain from one-offs in 2008).
• Q4 reported operating margin was 1.3% (6.4%) and 9.4% (12.9%) for 2009.
• Return on capital employed was 11.5% (16.9%).
• Operating profit was strongly affected by reduction of sales and weakened FX.
• Profitability was also affected by liquidation campaigns arranged in several countries to reduce inventories as part of the ongoing working capital project.
• Fixed costs were down 3% as a result of several performance improvement initiatives.
• Q4 comparable operating profit was 1.1 MEUR (3.2) and 23.5 MEUR (30.5) for 2009.
• Comparable operating margin was 2.1% (6.3%) for Q4 and 10.0% (12.6%) for 2009.
ANALYSIS OF BUSINESS SEGMENTS

• Net sales of **Group Fishing Products**, boosted by Sufix line sales, were up 6%.

• Net sales of **Other Group Products** -27% (reduced sales of gift products and subcontracting services, Peltonen xc-skis up), **Third Party Products** -9% (weakening of FX in East Europe & Scandinavia and fall in higher price category products).

• Operating profit of **Group Fishing Products** decreased to 15.7 MEUR (19.5) as a result of currency movements and stock-clearance sales.

• Operating profit of **Other Group Products** fell to 0.5 MEUR (1.6) (strong fall in sales) and **Third Party Products** decreased to 5.8 MEUR (10.3) (FX and reduced sales).

• Net sales in **North America** increased 6% supported by the stronger USD.

• Net sales in **Nordic countries** decreased 4% as a result of reduced distribution volumes of especially hunting products and weakening of Swedish and Norwegian crowns.

• Net sales in **Rest of Europe** were down 11% due to weaker currencies and recession.

• Net sales in **Rest of the World** increased 2% as a result of the new sales of Sufix products and strengthening of USD while the sales of Gift products fell strongly.
**NET RESULT AND CASH FLOW**

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Net profit for the period</td>
<td>-0.8</td>
<td>1.0</td>
<td>14.3</td>
<td>19.2</td>
</tr>
<tr>
<td>Adjustments (reversal of non-cash items)</td>
<td>2.9</td>
<td>2.8</td>
<td>14.7</td>
<td>13.0</td>
</tr>
<tr>
<td>Financial items and taxes paid/received</td>
<td>-1.6</td>
<td>-4.7</td>
<td>-7.4</td>
<td>-14.0</td>
</tr>
<tr>
<td>Change in working capital</td>
<td>5.6</td>
<td>2.5</td>
<td>3.0</td>
<td>-12.7</td>
</tr>
<tr>
<td><strong>Net cash from operating activities</strong></td>
<td>6.0</td>
<td>1.6</td>
<td>24.6</td>
<td>5.4</td>
</tr>
</tbody>
</table>

- Financial (net) expenses were 2.1 MEUR (4.8) & earnings per share 0.31 EUR (0.45).
- Results of WCM project started to materialize and further results are expected in 2010.
- Strong execution of working capital management decreased inventories 5.6 MEUR and non-interest bearing assets, mainly trade receivables, 6.6 MEUR.
- Accordingly, cash from operating activities increased markedly to 24.6 MEUR (5.4).
- Net interest bearing debt decreased to 79.4 MEUR (89.5 MEUR).
- Equity to assets ratio reached 42.8% (38.0%) and gearing 71.1% (86.4%).
STRATEGY IMPLEMENTATION

• Implementation of the groups strategy continued in 2009.

• High emphasis on making a positive turnaround in cash flow and finalizing the new operating model in the Chinese manufacturing operations.

• A major supply chain and logistics initiative to shorten the lead-times, lower the inventories and further improve the service levels to customers was started in 2009 including a worldwide implementation of a common logistics software.

• As a result of new operating model in China, production capacity can be adjusted quicker and more accurately to meet the market requirements. Improvements are expected also in lead-times and service level.

• Integration of Sufix fishing line business was completed in 2009.


• It is expected that new distribution companies in Belarus (fishing) and China (gift) will start their operations during Q1.

• Ultrabite pheromone brand acquisition and exclusive agreement to commercialize this patented pheromone technology was closed in December. Substantial sales growth expected in this area in the future (currently less than 2 MEUR).
SHORT-TERM OUTLOOK

• In general, the short-term outlook is cautiously optimistic.

• General uncertainty may continue in the world economy and will most likely continue to affect the ordering behavior of many customers and maintain the need for quick deliveries and short lead-times.

• Orders for Group branded lures and winter sports equipment have recently been on a record level. Accordingly, the Group lure manufacturing facilities and the Peltonen cross country ski factory are currently running at full capacity.

• Good winter weather conditions have boosted the sales of winter sports equipment.

• At the end of 2009, the Group’s order backlog was up 13% at 43.8 MEUR (38.6).

• It is expected that net sales and operating profit, excluding the non-recurring items, will increase from 2009 even if the Group continues to reduce its inventories.

• Reducing working capital and increasing cash flow continue to be the top priority for 2010 with strong emphasis on innovation and development of new products.

• Annual Report will be published on week 11 and Q1 Report 2010 on April 27, 2010.
FINANCIAL TRENDS IN RAPALA

- Top line growth expected to continue after the fall-back (world recession) in 2009.
- Also positive development in profitability expected to continue after 2009.
- Financial position getting even stronger allowing headroom for new acquisitions.
SHARES AND SHAREHOLDERS

SHARE RELATED DATA (12/2009)

- Market capitalization 196.2 MEUR
- 2009 high/low 5.16/3.50 EUR
- All-time high/low 8.40/2.50 EUR

MAJOR SHAREHOLDERS

- VMC Holdings 28 %
- Sofina 19 %
- Odin Funds 8 %
- William Ng 4 %
- Utavia 4 %
- State Pension fund 3 %
- Shimano 2 %
Q1 Results 2010 Published
On April 27, 2010