AGENDA

• Business Organisation – Latest Changes
• Q3 and 9-month 2007 in Brief
• Sales Analysis
• Profitability and Analysis
• Cashflow & Working Capital
• Strategy Implementation
• Outlook for 2007
• Rapala share performance and owner
Group Organization & Cornerstones of Our Strategy

MANUFACTURING AND R&D
- HARDBAITS
  - RAPALA
  - FINLAND, IRELAND
  - ESTONIA, RUSSIA
- SOFTBAITS
  - STORM
  - OTHER LURES
  - BLUE FOX
  - WILLIAMSON
  - LUHR JENSEN
- HOOKS TERMINAL TACKLE
- KNIVES TERMINATOR LINERS
- ACCESSORIES RODS & REELS
- XC-SKIS & POLES
- FINLAND, SWEDEN

SOURCING AND R&D
- VMC
  - FRANCE
  - WILLTECH
  - CHINA
  - MARTTIINI
  - FINLAND, ESTONIA & CHINA
  - PELTONEN
  - FINLAND

Supply Source Product
- OWN R&D AND MANUFACTURING OR SOURCING
- THIRD PARTY SUPPLIERS

Group Brands
- Rapala
- Storm
- VMC
- Blue Fox
- Williamson
- Luhr Jensen
- Ultrabite

Distribution
- USA
- CANADA
- JAPAN
- MALAYSIA
- AUSTRALIA
- CHINA
- THAILAND
- SOUTH AFRICA
- FINLAND
- SWEDEN
- DENMARK
- NORWAY
- FRANCE
- SPAIN
- SWITZERLAND
- PORTUGAL
- ESTONIA
- POLAND
- LATVIA
- CZECH REPUBLIC
- SOUTH KOREA

Group Organization & Cornerstones of Our Strategy
- OWN DISTRIBUTION
- SHIMANO
- LOCAL IMPORTERS
- REST OF EUROPE
- REST OF WORLD

MANUFACTURING AND R&D
- SHIMANO
- RUSSIA (50/50)
- UKRAINE (50/50)
- HUNGARY (57/33/10)
- UK
- GERMANY
- FRANCE
- NETHERLAND
- BELGIUM
- USA
- CANADA
- JAPAN
- BRAZIL
- AUSTRALIA
- CHINA
- THAILAND
- REST OF WORLD

Group Organization & Cornerstones of Our Strategy
- OWN GROUP BRANDS
- THIRD PARTY SUPPLIERS
- SHIMANO
- OTHER FISHING
- HUNTING
- WINTER SPORTS
- OUTDOOR

THE NEXT LEVEL
Location of Business Operations – Latest Updates

Latest additions (07):
- Lure factory in Russia
- Terminator lures in USA
- LJS painting shop in US
- New sales co in S-Korea
- Shimano sales in S-EE
- Shimano 33,4% in S-EE
- Rapala-Shimano 50/50 JV in Russia and Ukraine

2006 additions:
- T&P sales co in S-Africa
- Tortue lines in France
- New sales co in China
Restructuring of European Operations

- **Consolidation of French operations**
  - Move from Bretagne in progress
  - Move from Central France next summer
  - New leased premises ready in Morvillars

- **Development of lure manufacturing**
  - Sortavala ramp-up continues on plan
  - Inverin down-sizing continues
  - Production transfers between factories

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**Inverin**
- Focus on final assembly of Rapala lures for US market
- 30 employees

**Vääksy**
- Knife manufacturing
- 200 employees

**Sortavala**
- Lure assembly
- Start-up 2007
- 40 employees

**Pärnu**
- Focus on assembly with high manual labor content
- 270 employees

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**Morvillars**
- Manufacture of treble hooks
- 150->250 employees
- Location for consolidated operations

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**THE NEXT LEVEL**
Enhancement of Chinese Manufacturing Operations

- Major operational changes and improvements to enhance production efficiencies and shorten lead times
- International task force established to support the development of manufacturing and supply chain management in China

### Guangzhou
- Rapala sourcing office
- 15 employees
- Local sourcing, design/development, quality control etc.

### Shenzhen
- Willtech manufacturing facility
- 3,500 employees
- Lures
- Gift products
- Hook manufacturing
- Knife manufacturing
- Consolidated shipments

### Hong Kong
- Head office of Willtech
- Sales, R&D and administration
- 40 employees
**Competition and Major Players in the Industry**

<table>
<thead>
<tr>
<th>Company</th>
<th>Worldwide sales MUSD*</th>
<th>Major product categories</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jarden Pure Fishing + Shakespeare</td>
<td>450</td>
<td>Rods, reels, combos, line, soft plastics</td>
<td>US sales ca. 60% of sales</td>
</tr>
<tr>
<td>Daiwa</td>
<td>450</td>
<td>Rods, reels, lures</td>
<td>Japan ca. 80% of total sales</td>
</tr>
<tr>
<td>Shimano</td>
<td>380</td>
<td>Rods, reels, accessories</td>
<td>Japan almost 50% of sales</td>
</tr>
<tr>
<td>Rapala VMC</td>
<td>300</td>
<td>Lures, hooks, accessories</td>
<td>3rd party products 1/3 of sales</td>
</tr>
<tr>
<td>Zebco</td>
<td>90</td>
<td>Rods &amp; reels</td>
<td>USA</td>
</tr>
<tr>
<td>Gamakatsu</td>
<td>80</td>
<td>Hooks, rods, reels, accessories</td>
<td>Japan</td>
</tr>
<tr>
<td>Eagle Claw</td>
<td>60</td>
<td>Hooks, rods, reels, accessories</td>
<td>USA</td>
</tr>
<tr>
<td>Mustad</td>
<td>55</td>
<td>Hooks &amp; accessories</td>
<td>Norway</td>
</tr>
<tr>
<td>Pradco</td>
<td>50</td>
<td>Lures</td>
<td>USA</td>
</tr>
<tr>
<td>Okuma</td>
<td>40</td>
<td>Rods &amp; reels</td>
<td>Taiwan</td>
</tr>
</tbody>
</table>

* 2006 figures, partly estimated if published information not available
Financial Position Healthy – Fuelled for Growth

- **Rapid growth** in last few years from €100m to ca. €230m
- **Healthy profitability** together with strong balance sheet and cash flow
- Management promised to **turnaround the declining trend in margins** in 2007

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**Slide 8**

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THE NEXT LEVEL
Q3 AND 9-MONTH 2007 IN BRIEF

<table>
<thead>
<tr>
<th>EUR million</th>
<th>III/07</th>
<th>III/06</th>
<th>I-III/07</th>
<th>I-III/06</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>52.0</td>
<td>49.8</td>
<td>188.8</td>
<td>177.4</td>
<td>226.6</td>
</tr>
<tr>
<td>EBITDA</td>
<td>4.6</td>
<td>4.4</td>
<td>29.5</td>
<td>25.6</td>
<td>28.0</td>
</tr>
<tr>
<td>Operating Profit (EBIT)</td>
<td>2.9</td>
<td>2.8</td>
<td>25.9</td>
<td>21.0</td>
<td>21.7</td>
</tr>
<tr>
<td>Profit Before Taxes</td>
<td>1.4</td>
<td>1.0</td>
<td>22.2</td>
<td>14.9</td>
<td>14.6</td>
</tr>
<tr>
<td>Net Profit for the Period</td>
<td>1.1</td>
<td>0.4</td>
<td>15.5</td>
<td>10.5</td>
<td>11.0</td>
</tr>
<tr>
<td>EPS (basic), EUR</td>
<td>0.03</td>
<td>0.01</td>
<td>0.40</td>
<td>0.27</td>
<td>0.28</td>
</tr>
<tr>
<td>Equity-to-assets, %</td>
<td>36.2</td>
<td>34.4</td>
<td>36.2</td>
<td>34.4</td>
<td>33.4</td>
</tr>
<tr>
<td>Net Interest-bearing Debt</td>
<td>89.5</td>
<td>98.4</td>
<td>89.5</td>
<td>98.4</td>
<td>99.3</td>
</tr>
</tbody>
</table>

- New record for Q3 sales, comparable 9-month sales up 11% from last year
- Markedly improved profitability, comparable operating margin from 11.8% to 13.4%
- Strategy implementation proceeded with a big step: Rapala-Shimano joint venture to Russia & Ukraina creates above 10 MEUR more sales in 2008, 4.8 MEUR non-recurring gain, 5 MEUR capital injection in Rapala, increased opportunities in East Europe, …
Q3 sales increased to 52.0 MEUR (49.8).
Net sales for 9 months were up 6% to 188.8 MEUR (177.4).
Weakening of USD & other currencies decreased 9-month net sales 8.0 MEUR. With comparable exchange rates, 9-month net sales were up 11%.
1 %-point from Terminator acquisition, the rest was organic growth.
All product lines except Fishing Accessories increased their sales for Q3 & 9-month
Market situation was quite good in many areas during Q3 despite of the fact that summer season did not last as long as in 2006.
Sales in the seasonally important markets like Australia and South Africa continued to grow during Q3. Growth continued also in Rest of Europe. In Nordic countries, sales were close to last year levels for Q3 and 4% up for 9 months.
In North America, sales decreased 15% for Q3 due to weakening of USD, bad weather in September and timing of certain deliveries. For 9 months, reported net sales were down 4% while with comparable FX rate the sales increased 4%.
Q3 traditionally the slowest quarter due to the seasonality of fishing tackle business.
• Q3 operating profit up to 2.9 MEUR (2.8).
• Restructuring provision related to French consolidation cannot yet be booked but Q3 includes 0.1 MEUR related costs.
• Q3 includes 0.4 MEUR provision for downsizing of lure manufacturing in Ireland.
• FX-impact for Q3 was -0.6 MEUR.
• Operating profit margin for Q3 was 5.6% (5.7) and ROCE 6.4% (6.4).
• Operating profit for 9 months was up 23% and amounted to 25.9 MEUR (21.0).
• Improvement mainly from increased sales of fishing tackle, Terminator neg. goodwill (1.2 MEUR) and performance improvement initiatives
• 9-month operating profit was negatively affected by the weakening of US dollar and some other currencies (-1.2 MEUR).
• Result of currency hedging of operating profit (+0.8 MEUR) booked in financial items.
• 9-month operating margin increased to 13.7% (11.8) and ROCE to 19.1% (15.9).
• Comparable operating profit & operating margin, excluding non-recurring items and using comparable FX rates, improved clearly.
• Comparable operating profit was 4.0 MEUR (2.9) for Q3 & 26.3 MEUR (21.0) for 9-month.
• Comparable operating profit margins were 7.5% (5.8) and 13.4% (11.8).
• All geographical segments but Rest of the world improved their operating profit for 9 months. Largest improvement came from Rest of Europe while Rest of the world suffered from the increased raw material prices and personnel costs.
• Financial expenses were down as a result of decreased net debt and FX gains. Interest expenses were 1.3 MEUR (1.4) for Q3 and 4.2 MEUR (4.0) for 9 months. Currency exchange loss for Q3 was 0.2 MEUR (loss of 0.3) and a gain of 0.7 MEUR (loss of 2.0) for 9 months.
• Net result for Q3 was 1.1 MEUR (0.4) and 15.5 MEUR (10.5) for 9 months. EPS was 0.03 EUR (0.01) for Q3 and 0.40 EUR (0.27) for 9 months.

<table>
<thead>
<tr>
<th></th>
<th>III</th>
<th>III</th>
<th>I-III</th>
<th>I-III</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating profit - reported</td>
<td>2.9</td>
<td>2.8</td>
<td>25.9</td>
<td>21.0</td>
</tr>
<tr>
<td>Terminator acquisition</td>
<td>0.0</td>
<td>0.0</td>
<td>1.2</td>
<td>0.0</td>
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<tr>
<td>Other non-recurring items, net</td>
<td>-0.5</td>
<td>0.0</td>
<td>-0.4</td>
<td>0.0</td>
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<tr>
<td>Effect of currencies vs. 2006</td>
<td>-0.6</td>
<td>0.0</td>
<td>-1.2</td>
<td>0.0</td>
</tr>
<tr>
<td>Operating profit – comparable</td>
<td>4.0</td>
<td>2.9</td>
<td>26.3</td>
<td>21.0</td>
</tr>
<tr>
<td>Operating margin – comparable</td>
<td>7.5%</td>
<td>5.8%</td>
<td>13.4%</td>
<td>11.8%</td>
</tr>
</tbody>
</table>
CASHFLOW AND WORKING CAPITAL

<table>
<thead>
<tr>
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<tr>
<td>EUR million</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net profit for the period</td>
<td>1.1</td>
<td>0.4</td>
<td>15.5</td>
<td>10.5</td>
<td>11.0</td>
</tr>
<tr>
<td>Adjustments</td>
<td>-0.1</td>
<td>-0.4</td>
<td>6.1</td>
<td>7.8</td>
<td>7.1</td>
</tr>
<tr>
<td>Change in working capital</td>
<td>11.2</td>
<td>10.2</td>
<td>-3.2</td>
<td>-8.3</td>
<td>-8.1</td>
</tr>
<tr>
<td>Net cash from operating activities</td>
<td>12.2</td>
<td>10.2</td>
<td>18.4</td>
<td>10.1</td>
<td>10.0</td>
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<tr>
<td>Net cash used in investing activities</td>
<td>-1.5</td>
<td>-3.0</td>
<td>-6.5</td>
<td>-10.3</td>
<td>-14.7</td>
</tr>
<tr>
<td>Cash flow before financing activities</td>
<td>10.7</td>
<td>7.2</td>
<td>11.9</td>
<td>-0.2</td>
<td>-4.6</td>
</tr>
</tbody>
</table>

- Cash flow from operating activities improved in Q3 from last year and 9-month cash flow increased markedly from 2006.
- Working capital decreased clearly from June (trade receivables down).
- Q3 capex was 1.5 MEUR (3.0) & 9-month capex 6.5 MEUR (10.3) including Terminator deal (January), Hungarian distribution centers ownership restructuring (May), first settlement of the final payment of Freetime acquisition (2005) and final payment of Guigo acquisition (2004).
- Net interest-bearing debt decreased from June to 89.5 MEUR (Dec: 99.3).
- From June, equity-to-asset up to 36.2% (Dec: 33.4%) & gearing down to 98.1% (Dec: 122.2%).
Rapala’s strategic objective is profitable growth.

During Q3, management continued discussions and negotiations regarding acquisitions and business combinations to further implement the strategy for profitable growth.

These discussions resulted in a major business combination when Rapala and Shimano agreed to join forces in East European distribution.

Group has consistently aimed at developing and deepening its fishing tackle distribution alliance with Shimano. South East European distribution center established with Shimano earlier in 2007 has already proven to be a success.

Latest addition to this cooperation between Rapala and Shimano was announced in October, when the companies decided to establish a joint venture company to manage and develop their distribution in the fastest growing market area in the fishing tackle business including Russia and Ukraine. The joint venture company, Rapala Shimano East Europe Oy, will be owned 50/50 by the parties and controlled by Rapala.

This transaction is expected to be completed by year-end and it will create a capital gain of some 4.8 MEUR for Rapala. In 2008, this joint venture is expected to increase Rapala’s net sales more than 10 MEUR.

After this expansion, Rapala distributes Shimano rods and reels in South Africa and in 22 countries in Europe. In Russia, the new joint venture will also distribute bicycle parts.
In Q3, focus on performance improvement initiatives continued with the target to turn around the declining trend in operating profit margin.

Consolidation of French operation into one location is proceeding on plan. New premises have been prepared and move of the distribution unit in Bretagne has just started. Move of the distribution unit located in Central France is planned for next summer. Q3 included some costs related to this consolidation but the actual restructuring provision will be booked in Q4 when discussions with personnel and trade unions have been completed. Full effect of the changes will be seen from the latter half of 2008 onwards.

Development of the European lure manufacturing proceeded on plan. In Russia, the number of personnel and assembling volumes increase each quarter. While assembling work from Estonia is allocated to Russia, Estonian factory receives more work in finalizing, testing and packaging the products as a result of the down-sizing of operations in Ireland. This strengthens the Group’s position as the world’s leading manufacturer of hard-bodied lures and increase production efficiencies and capacity.

Major operational changes and improvements in China proceed on plan. Target is to enhance production efficiencies and shorten lead times to restore the profitability of the operations burdened by the increased raw material prices and personnel costs.

Most of the other performance improvement and cost cutting initiatives have been completed. Results of these initiatives have started to materialize gradually but the full impact of these will be seen from the beginning of 2008 onwards.
As part of the strengthening of the long-term distribution alliance, Rapala issued 889,680 new shares to Shimano in October.

Subscription price was 5.62 EUR per share, which represents a three-month weighted average trading price for the share.

These new shares will not give right to dividend paid from financial year 2007.

These shares have a lock-up period of 12 months.

For Rapala this means a capital injection of 5 MEUR.

The funds generated through the share issue are intended to be used to strengthen the sales and marketing of Rapala’s and Shimano’s products in Europe.

Shimano now owns 2.3% of Rapala’s shares.
OUTLOOK FOR 2007

– Shipments of the new fishing tackle products for 2008 season are about to start. Fishing tackle market in 2008 is expected to remain quite stable in North America and Western Europe while the markets continue to grow in East Europe, Asia and Africa. Distribution of winter sports equipment to retail stores has just started in Scandinavia while Australia and South Africa are in the middle of their high season for fishing tackle sales.

– It is expected that the Group’s net sales for 2007 will increase 7-12% assuming comparable exchange rates.

– Performance improvement and cost cutting initiatives are being implemented to further improve the Group profitability. Business development and integration expenses and start-up costs, excluding non-recurring costs for the consolidation of operations in France, are not expected to exceed the comparable costs in 2006.

– With comparable exchange rates and excluding non-recurring items, full year operating profit margin is expected to improve from 2006.

– Investments and development initiatives implemented since 2005 will continue to capitalize during the coming months and full effect will be seen from the latter half of 2008 onwards.

– Group management continues planning and negotiations regarding further acquisitions and business combinations to implement the Group’s strategy.

– The project to manage working capital will also continue.

– Q4 interim report and Annual Accounts for 2007 will be published on February 5, 2008.
Share Price Performance

Share Related Data (October 2007)
- Market Cap: 225 MEUR
- 12-month high: 6.39 EUR
- 12-month low: 5.40 EUR
- All-time high: 8.40 (2/99)
- All-time low: 2.50 (11/01)

Major Shareholders
- VMC: 27 %
- Sofina: 19 %
- Odin Funds: 9 %
- Utavia: 4 %
- William Ng: 2 %
- Shimano: 2 %

Share price performance for last 3 months

Share price performance for 2002-2006 (5 years)