

RAPALA SELLS NON-CORE GIFT BUSINESS**Sale and purchase agreement relating to Willtech Gift (HK) Ltd closed**

Rapala VMC Corporation ("Rapala") and Pylones SAS. ("Pylones"), French based designer and retailer of premium gift items worldwide, have closed the sale and purchase agreement relating to Willtech Gift (HK) Ltd ("Willtech Gift"), the Rapala unit engaged in manufacturing of gift items in China.

According to this agreement Rapala will sell and Pylones will purchase 100 % of the shares of Willtech Gift. All Rapala's gift item manufacturing and distribution activities were transferred under Willtech Gift before this transaction. This transaction has no effect to Rapala's fishing tackle business.

Rapala acquired the Willtech gift and lure manufacturing business in 2001. The origin of Willtech's gift manufacturing was to offset the seasonality of the fishing tackle manufacturing. Today Willtech manufactures fishing tackle under several Group brands throughout the year in its facilities in China and Indonesia. "During the past 10 years Willtech's gift business has developed very positively into an independent business of its own together with its main customer Pylones. We believe that as a member of Pylones group Willtech Gift will fully enjoy the benefits of being part of a group fully devoted to premium gift business, outperforming the competition", says Jorma Kasslin, CEO of Rapala. "We are very happy to exploit full synergies of design, manufacturing, distribution and retail businesses through this acquisition of the main sourcing partner of Pylones. This acquisition will also strengthen the retail businesses of Pylones in China, which is the fastest growing gift business market in the world", says Jacques Guillemet, Managing Director of Pylones.

The divestment of Willtech Gift will slightly lower Rapala's 2012 net sales and operating profit and it will lower Rapala's gearing. Willtech Gift has represented some 3-4 % of Rapala's net sales, while its profitability has been lower than in Group's core fishing tackle business. The parties have agreed not to disclose the consideration of the transaction. The consideration will partly be settled by a guaranteed interest bearing promissory note during years 2012-2016.

RAPALA VMC CORPORATION

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Rapala VMC Corporation (Rapala) is a leading fishing tackle company and the global market leader in fishing lures, treble hooks and fishing related knives and tools. The Group also has a strong global position in other fishing categories and it is one of the leading
Rapala VMC Corporation



STOCK EXCHANGE RELEASE

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distributors of outdoor, hunting and winter sport products in the Nordic countries. The Group has the largest distribution network in the industry. The main manufacturing facilities are located in Finland, France, Estonia, Russia, China and the UK. The Group brand portfolio includes the leading brand in the industry, Rapala, and other global brands like VMC, Sufix, Storm, Blue Fox, Luhr Jensen, Williamson, Dynamite Baits, Marttiini and Peltonen. The Group, with net sales of EUR 269 million in 2010, employs more than 2 000 people in 33 countries. Rapala's share is listed and traded on the NASDAQ OMX Helsinki stock exchange since 1998.