

**RAPALA BECOMES A GLOBAL MARKET LEADER IN ICE FISHING**

**Rapala has concluded three major strategic initiatives relating to ice fishing business: Acquisition of the assets of Strike Master Corporation in the United States, acquisition of Swedish Mora ICE brand and entering into an exclusive supply agreement with Mora of Sweden AB as well as entering into an exclusive supply agreement with Marcum Electronics in the United States**

Rapala VMC Corporation ("Rapala") has acquired the assets, including Mora trademark in North America, of Minnesota based Strike Master Corporation ("Strike Master"), the leading supplier of Ice Augers in the US. In perfect concert Rapala acquired the Mora ICE brand, which is Europe's leading and premium brand of ice augers and auger cutting blades, together with all intellectual property rights relating to the Mora ICE-products, from Mora of Sweden AB having its offices in Mora, Sweden. Rapala and Mora concluded also exclusive supply agreements for supply of ice augers and auger cutting blades. Already earlier Normark Corporation, Rapala's US distribution company concluded an exclusive supply agreement with Marcum Electronics Corporation having its offices in Minnesota, USA. Marcum Electronics is known as a premier supplier of ice fishing electronics such as under water cameras and fish finders used on ice.

These strategic initiatives will give Rapala the global leadership position in the ice fishing category. Rapala is well equipped to exploit this position as it is having strong distribution companies in all main arctic markets: US, Canada, Russia, East European and Nordic countries, Japan and China. The total acquisition price of these initiatives is some 7 MEUR.

The Strike Master brand is very well known in the US already for more than 50 years. The Mora and Mora ICE brands are well known in the world, and especially in Europe it has been the leading brand the last 50 years. The combination of these strategic initiatives positions Rapala as the overall leader in the ice fishing category with a product lineup that now includes lures, lines and accessories, motor and hand ice drills, shelters, fishing electronics and more to come.

"Rapala has already for a long time been one of the global leading companies in the 'soft water' side of sport fishing. Now we have the ability to reach anglers during all seasons. Also from a seasonal point of view these strategic initiatives fit perfectly into Rapala's distribution network as it means more work for our distribution companies during the winter season rounding our business and it is directly in line with our core competencies. These acquisitions are a great addition to the Rapala family of premium brands," said Jorma Kasslin, President and CEO of the Rapala VMC Group.

"The acquisitions of StrikeMaster and MORA ICE form a perfect marriage of two brands that have and continue to set the standard for premium products within the fishing industry. We are thrilled that Strike Master will be joining the Rapala family of brands," said Randy Havel, Executive Vice President of StrikeMaster Corporation.

“Mora of Sweden has very long traditions in ice auger manufacturing under the famous Mora and Mora ICE brands. To secure its position as a premium ice auger and cutting blade manufacturer and supplier, Mora of Sweden has entered into a strategic partnership with Rapala. This strategic partnership will secure that Mora ICE brand will continue to set the standard for premium products within the ice fishing industry. We are excited to be joining the Rapala family of brands and continuing to provide ice fishing anglers with the most advanced products on the market,” said Fredrik Skarp, Managing director of Mora of Sweden AB.

In 1946 StrikeMaster was the first to introduce the world-class MORA hand auger to North America. Since then, StrikeMaster has introduced an array of stand-out-of-the-crowd ice augers, including a new generation of electric ice augers. Most recently, the company introduced the Strike-Lite ice auger equipped with a patented composite cutting crown made by Mora of Sweden, which is the first composite ice auger powered by an environmentally friendly four-stroke engine.

Mora of Sweden AB is a merger between two classic knife companies from Mora, Sweden – KJ Eriksson and Frost’s Knife factory – founded in 1912 and 1891 respectively. By the merger in 2005 and changing the name to Mora of Sweden, the already existing strong association was strengthened nationally and internationally. Mora of Sweden supplies professionals with premium quality cutting tools as knives, ice augers and ice auger cutting blades.

Rapala aims to expand its sales in ice fishing category in the next few years to some 20–30 MEUR and to gain a significant market share of the global ice fishing business. In 2011, Rapala’s sales in the ice fishing category were some 7 MEUR.

These transactions are expected to be completed and closed before June 1, 2012. These transactions are expected to increase Rapala’s 2012 net sales some 10 MEUR and also improve Rapala’s profitability.

#### 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 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, Indonesia 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 279 million in 2011, employs some 2 000 people in 37 countries. Rapala's share is listed and traded on the NASDAQ OMX Helsinki stock exchange since 1998.