

July 25, 2008 at 1.45 pm

VMC AND UTAVIA HAVE BEEN GRANTED EXEMPTION BY THE FINNISH FINANCIAL SUPERVISION AUTHORITY FROM THE OBLIGATION TO LAUNCH A MANDATORY BID FOR ALL SECURITIES IN RAPALA

Rapala VMC Corporation ("Rapala") has today received notification from Viellard Migeon & Cie ("VMC") that VMC and Utavia s.à.r.l. ("Utavia") have been granted exemption by the Finnish financial supervision authority from the obligation to launch a mandatory bid for all securities in Rapala.

VMC has yesterday July 24, 2008 been notified by the Finnish Financial Supervision Authority (the "FFSA") that the FFSA has granted VMC and Utavia, a company owned by certain managers of Rapala, an exemption from the obligation to launch a mandatory bid for all securities in Rapala pursuant to Chapter 6, Section 10 of the Finnish Securities Market Act (495/1989) (the "SMA") and the implementing provision of the amendment 442/2006 to the SMA. The FFSA has further confirmed that VMC may increase its direct holding above 30 per cent of the voting rights in Rapala without triggering the obligation to make a mandatory bid provided, however, that VMC's proportion of the voting rights in Rapala calculated in accordance with Chapter 6, Section 10 of the SMA has at no time fallen back to 30 per cent or less.

It is hereby recalled that:

- VMC, together with its subsidiary de Pruines Industries, has been the largest shareholder in Rapala since November 2005, when its holding exceeded 30 per cent of the total voting rights in Rapala.
- On June 29, 2006, de Pruines Industries sold 1,610,000 shares in Rapala to Utavia. These shares represented approximately 4.17 per cent of the issued shares and voting rights in Rapala.
- Simultaneously, VMC and Utavia entered into an Investment and Shareholders' Agreement (the "Shareholders' Agreement", secured by an Investment and Shareholders' Agreement between Utavia and certain managers of Rapala, and a unilateral undertaking given to VMC by said managers of Rapala). The Shareholders' Agreement provides, amongst other things, decision-making in Rapala and any transfers of Rapala securities. Rapala has published information on the Shareholders' Agreement in a stock exchange announcement of 29 June 2006 and in its financial statements for 2006 and 2007.
- As a consequence of the share transaction between Utavia and de Pruines Industries and the entry into of the Shareholders' Agreement, the direct holding of the VMC group decreased on 29 June 2006 to approximately 27.3 per cent of the issued shares and voting rights in Rapala, but the joint holding and voting rights of VMC and Utavia (which, together with Utavia's shareholders are considered as acting in concert for the purposes of exercising control over Rapala as stipulated in the SMA), remained above 30 per cent.



STOCK EXCHANGE RELEASE

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As the combined voting rights of VMC and Utavia has exceeded 30 per cent of the total voting rights of Rapala shares as of June 29, 2006, VMC would, based on the provision on the entry into force of amendment 442/2006 to the SMA, be under an obligation to launch a mandatory bid, in accordance with Chapter 6, Section 10 of the SMA unless the combined voting rights in Rapala of VMC and Utavia fall to 30 per cent or less before July 1, 2009.

Considering that VMC's holding in Rapala has, however, based on the provisions of the Shareholders' Agreement, effectively exceeded 30 per cent of the voting rights since November 2005, the FFSA has granted an exemption from the obligation to make a mandatory bid.

RAPALA VMC CORPORATION

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Rapala VMC Corporation is a leading fishing tackle company and the global market leader in the fishing lures, treble hooks and fishing related knives and tools. The Group also has a strong global position in other fishing categories. The Group has its own distribution companies in all the main markets and the largest distribution network in the industry. The main manufacturing facilities are located in Finland, France, Estonia, Russia and China. The Group brand portfolio includes the leading brand in the industry, Rapala, and other global brands like VMC, Storm, Blue Fox, Luhr Jensen, Williamson, Marttiini and Sufix. The Group, with net sales of EUR 242 million in 2007, employs more than 4 000 people in 30 countries.