

**RAPALA HAS COMPLETED THE ACQUISITION OF THE SUFIX BRAND AND
CONCLUDED AN EXCLUSIVE SUPPLY AGREEMENT WITH TAIWANSE YAO I**

Rapala VMC Corporation ("Rapala") and Yao I Co Ltd ("Yao I"), one of the leading manufacturers of fishing line in the world having its offices in Changhua, Taiwan, and fishing line factories in Taiwan and China, have concluded an exclusive supply agreement for the supply of fishing lines. In connection with this arrangement, Yao I has sold its Sufix brand, including all intangible assets relating to Sufix branded and other fishing line business (excluding manufacturing related), to Rapala. These transactions were closed today.

According to the terms of the exclusive supply agreement, after an interim period and under certain conditions, Rapala alone will be selling fishing lines manufactured by Yao I and Yao I will be manufacturing fishing lines for Rapala only, including subcontracted fishing lines for third party customers (OEM).

The consideration for the Sufix brand, including all intangible assets relating to Sufix branded and other fishing line business (excluding manufacturing related), is 10 MUSD and will be paid over the next seven years. In addition, Rapala will pay some 1.7 MUSD for Sufix fishing line inventories in the USA.

In the USA, the main market for Sufix fishing line, Sufix fishing lines will be distributed by Rapala's US distribution company, Normark Corporation, from the end of July onwards. After a short interim period, also all other Rapala's 27 distribution companies around the world will commence the distribution of Sufix branded fishing lines.

Rapala aims to expand its fishing line sales in the next few years to some 25-40 MEUR and gain a significant market share of the global fishing line business. In 2007, the fishing line sales of Rapala were some 7 MEUR.

This deal will have an immaterial effect on Rapala's 2008 net sales and profitability but it is expected to increase Rapala's fishing line sales close to 10 MEUR in 2009 compared to 2007.

RAPALA VMC CORPORATION

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Rapala 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 now also Suffix. The Group, with net sales of EUR 242 million in 2007, employs more than 4 000 people in 30 countries.