RAPALA VMC CORP.

INTERIM REPORT Q2/2015

JULY 23, 2015

RAPALA VMC CORPORATION'S JANUARY TO JUNE 2015: SALES AND PROFITABILITY IMPROVEMENT CONTINUED

April-June in brief:

- Net sales were 80.1 MEUR, up 3% from previous year (77.7). With comparable exchange rates sales up 1%.
- Comparable operating profit was 9.9 MEUR (9.7), up 2%.
- Cash flow from operations was 17.6 MEUR (21.5).
- Earnings per share was 0.09 EUR (0.08).
- Full year guidance unchanged.

January-June in brief:

- Net sales were 154.0 MEUR, up 7% from previous year (143.9). With comparable exchange rates sales up 4%.
- Comparable operating profit was 20.6 MEUR (16.3), up 26%.
- Cash flow from operations was 10.7 MEUR (13.5).
- Earnings per share was 0.19 EUR (0.19).

President and CEO Jorma Kasslin: "In the second quarter our sales and comparable profitability continued to improve from last year and after the first six months we are ahead of last year. In the second quarter sales continued strong in the USA supported with the good momentum created by new product introductions and favorable fishing conditions. Also several Rest of the World markets had good sales performance in the second quarter. However business conditions in Russia were very challenging, which was having negative impact to our sales, profitability and inventory figures compared to last year.

While strengthening of US Dollar was increasing our top line and Group Products' profitability, it was also burdening our profitability here in Europe especially on Third Party Products.

The operative performance of our lure manufacturing unit in Batam, Indonesia is improving all the time. The unit was having positive impact on our profitability also in second quarter and this positive trend is expected to continue.

The outlook for the full year remains positive. During second half of the year, we'll be following closely the developments in winter fishing and winter sports sales, situation in Russia as well as our gross margin."

Key figures

MEUR	**II 2015**	II 2014	**change %**	**I-II 2015**	I-II 2014	**change %**	I-IV 2014
Net sales	**80.1**	77.7	**+3%**	**154.0**	143.9	**+7%**	273.2
Operating profit	**8.3**	8.6	**-3%**	**17.4**	16.0	**+9%**	22.9
% of net sales	**10.4%**	11.1%		**11.3%**	11.1%		8.4%
Comparable operating profit *	**9.9**	9.7	**+2%**	**20.6**	16.3	**+26%**	20.9
% of net sales	**12.4%**	12.4%		**13.4%**	11.4%		7.6%
Cash flow from operations**	**17.6**	21.5	**-18%**	**10.7**	13.5	**-21%**	21.7
Gearing %	**75.9%**	73.2%		**75.9%**	73.2%		73.2%
EPS, EUR	**0.09**	0.08	**+13%**	**0.19**	0.19	**0%**	0.24

* Excluding non-recurring items and mark-to-market valuations of operative currency derivatives.
**Comparative periods restated, see notes.

Market environment

Overall the business conditions during second quarter of the year remained relatively stable and unchanged. Summer weather conditions has supported sales of fishing tackle in certain markets such as the US and France, whereas abnormal and cold weather conditions had an adverse impact on the peak season of summer fishing sales in some markets such as Nordic countries. Situation in Russia continues to be very challenging, which is impacting the whole Group.

Business Review April-June 2015

The Group's net sales for the second quarter were up 3%. Changes in translation exchange rates explain approximately 2.0 MEUR of the increase in net sales. With comparable translation exchange rates quarterly net sales grew 1% from last year.

North America

North America continued with solid growth in second quarter supported by good fishing conditions boosting replenishment orders of Group branded fishing tackle. Customer activity and confidence have strengthened in the US, while business conditions in Canada are tougher. Strengthening of US Dollar is supporting the US performance, but hurting the Canadian business.

Nordic

Nordic sales development was negative, hit by cold and rainy summer as well as earlier timing of summer fishing sales which advanced sales to the first quarter. Sales in Finland were supported by a new hunting dealership.

Rest of Europe

Sales declined from last year. The situation in Russia and Ukraine continued to be very difficult, seriously impacting the consumer demand. This combined with weakening of Ruble is heavily burdening the sales of Rest of Europe. Excluding Russia and Ukraine, Rest of Europe sales improved 6% from last year with comparable rates supported by strong sales growth in France.

Rest of the World

Sales improved from last year. Sales were growing in South Africa, Thailand and several other markets, while the business conditions were tough in Australia and Japan. Sales were supported by a favorable currency impact.

External Net Sales by Area

MEUR	**II 2015**	II 2014	**change %**	**Comparable change %**	I-IV 2014
North America	**26.6**	19.8	**+34%**	**+11%**	86.1
Nordic	**17.7**	19.5	**-9%**	**-8%**	54.9
Rest of Europe	**27.0**	30.7	**-12%**	**-5%**	98.7
Rest of the World	**8.8**	7.6	**+16%**	**+6%**	33.5
Total	**80.1**	77.7	**+3%**	**+1%**	273.2

Business Review January-June 2015

The Group net sales for the first half of the year were up 7%. Changes in translation exchange rates explain approximately 3.6 MEUR of the increase in net sales. With comparable translation exchange rates six-month net sales were 4% ahead last year's level. Summer season shipments started early in many markets weighting the sales growth to the first quarter.

North America

First half of the year was solid in the US. Good sales growth in the US was supported by currencies, improving economy, successful launch of new Shadow Rap lure family having a positive impact throughout the first half of the year and some shift of sales from last year's fourth quarter.

Nordic

Nordic sales increased from last year despite weak second quarter sales. Strong first quarter sales were positively impacted by improved winter weather conditions, earlier timing of sales of summer fishing products, on-time deliveries of suppliers and exchange gains on currency nominated accounts receivable.

Rest of Europe

Sales decreased from last year. Political and economic turbulence in Russia and Ukraine continued to have adverse impact on sales in these countries. Currencies, mainly Ruble, had a clear negative impact on sales in the Rest of Europe compared to last year. Excluding Russia and Ukraine the sales improved 6% from last year with comparable rates driven by sales in France, Hungary, Romania and Poland.

Rest of the World

Rest of the World sales increased from last year in local currency terms and currencies impacted sales further positively. Growth was steady in South Africa, Thailand, Malaysia, Chile and Korea. Sales were suffering in Australia, Japan and Indonesia.

External Net Sales by Area

MEUR	**I-II 2015**	I-II 2014	**change %**	**Comparable change %**	I-IV 2014
North America	**51.6**	39.2	**+32%**	**+10%**	86.1
Nordic	**34.2**	32.7	**+5%**	**+7%**	54.9
Rest of Europe	**51.4**	57.3	**-10%**	**-2%**	98.7
Rest of the World	**16.8**	14.7	**+14%**	**+4%**	33.5
Total	**154.0**	143.9	**+7%**	**+4%**	273.2

Financial Results and Profitability

Comparable (excluding non-recurring items and mark-to-market valuations of operative currency derivatives) operating profit increased from last year for the second quarter and for the first half of the year. Changes in translation exchange rates, especially weakening of Ruble, burdened quarterly and six-month operating profit by approximately 0.7 MEUR. With comparable translation exchange rates comparable operating profit was 1.0 MEUR ahead of last year's level for the quarter and 4.9 MEUR for the first half of the year.

Comparable operating profit margin was 12.4% (12.4) for the quarter and 13.4% (11.4) for the six-month period. Second quarter profitability was supported by stronger sales of Group branded products especially in the USA and continuing recovery of Asian manufacturing operations' profitability. Profitability was burdened by the unfavorable US dollar impact on purchases impacting the margins as well negative sales development in Russia.

Reported operating profit increased for the six-month period, but was down for the second quarter. Respectively reported operating profit margin was 10.4% (11.1) for the quarter and 11.3% (11.1) for the six-month period. Reported operating profit included loss on non-recurring items of 0.0 MEUR (0.5) for the quarter and 1.2 MEUR (0.4) for the first half of the year related to the closing down of the manufacturing operations in China. Mark-to-market valuation of operative currency derivatives included in the reported operating profit was 1.6 MEUR loss (0.6 loss) for the quarter and 2.0 MEUR loss (0.1 gain) for six-months.

Total financial (net) expenses were 2.0 MEUR (1.6) for the quarter and 4.1 MEUR (3.5) for the first half. Financial items were negatively impacted by the (net) foreign exchange expenses of 1.2 MEUR (0.5) for the quarter and 2.7 MEUR (1.5) for the six-months. Net interest and other financing expenses decreased from last year's level to 0.8 MEUR (1.0) for the quarter and 1.5 MEUR (1.9) for the first half.

Net profit was at last year's level and earnings per share were 0.09 EUR (0.08) for the quarter and 0.19 EUR (0.19) for the first half of the year. Change in mark-to-market valuation of operative currency derivatives was having notable negative impact on Group's net profit and EPS compared to last year. Last year six-month net profit included a positive tax impact of 1.0 MEUR related to an agreement with the Finnish tax authority. The share of non-controlling interest in net profit decreased from last year and totaled 0.7 MEUR (1.0) for the quarter and 1.1 MEUR (0.9) for the first half of the year.

Key figures

MEUR	**II 2015**	II 2014	**change %**	**I-II 2015**	I-II 2014	**change %**	I-IV 2014
Net sales	**80.1**	77.7	**+3%**	**154.0**	143.9	**+7%**	273.2
Operating profit	**8.3**	8.6	**-3%**	**17.4**	16.0	**+9%**	22.9
Comparable operating profit *	**9.9**	9.7	**+2%**	**20.6**	16.3	**+26%**	20.9
Net profit	**4.0**	4.1	**-2%**	**8.3**	8.4	**-1%**	10.2

* Excluding non-recurring items and mark-to-market valuations of operative currency derivatives.

Segment Review

Group Products

Second quarter and six-month sales increased from last year. Quarterly and year-to-date sales were supported by favorable currency impact, strong start of summer fishing season and very successful launch of the new Rapala Shadow Rap lure in the US as well as overall solid summer fishing tackle sales in the US. On the other hand Group product sales were slower in Russia and in the Nordic countries impacted by the economic crisis and cold summer weather respectively.

Operating profit for Group Products improved notably compared to last year. Operating profit was supported by stronger sales and by improved profitability of Batam operations.

Third Party Products

Sales of Third Party Products were down for the quarter and first half of the year. Sales of Third Party Hunting products were strong in the Nordic, whereas economical instabilities continue to negatively affect Third Party Fishing products sales in Russia. Sales were burdened by foreign exchange rates, mainly weaker Ruble.

Operating profit for Third Party Products was down from last year level burdened by unfavorable exchange rates on purchases and decline of sales and profitability in Russia.

Net Sales by Segment

MEUR	II 2015	II 2014	change %	Comparable change %	I-IV 2014
Group Products	**52.7**	47.0	**+12%**	**+3%**	171.3
Third Party Products	**27.3**	30.7	**-11%**	**-5%**	102.0
Eliminations					0.0
Total	**80.1**	77.7	**+3%**	**+1%**	273.2

MEUR	I-II 2015	I-II 2014	change %	Comparable change %	I-IV 2014
Group Products	**103.5**	90.3	**+15 %**	**+6%**	171.3
Third Party Products	**50.5**	53.6	**-6 %**	**+1%**	102.0
Eliminations					0.0
Total	**154.0**	143.9	**+7 %**	**+4%**	273.2

Operating profit by Segment

MEUR	II 2015	II 2014	change %	I-II 2015	I-II 2014	change %	I-IV 2014
Group Products	**6.6**	4.7	**+40%**	**13.8**	9.7	**+42%**	15.0
Third Party Products	**1.7**	3.9	**-56%**	**3.6**	6.4	**-44%**	7.9
Total	**8.3**	8.6	**-3%**	**17.4**	16.0	**+9%**	22.9

Financial position

Cash flow from operations decreased from last year's record levels to 17.6 MEUR (21.5) for the second quarter and 10.7 MEUR (13.5 MEUR) for the first half of the year. Decline was driven by negative development in the net working capital as especially receivables tied more cash, following the increased sales. Net change in working capital amounted to 9.6 MEUR (13.0) for the quarter and -6.7 MEUR (-2.6) for the six-month period. Inventories increased in line with the sales by 7.9 MEUR from last June amounting to 121.8 MEUR (113.9), of which 1.8 MEUR is related to change in translation exchange rates. Increase in inventories was driven primarily by transfer of production from China to Batam and slowdown in sales in Russia and Scandinavia, which prevented the Group from achieving planned inventory reductions.

Net cash used in investing activities was at last year's level and totaled 2.7 MEUR (2.4) for the quarter and 4.1 MEUR (4.5) for the first half of the year, for the most part consisting of normal operative capital expenditure.

Liquidity position of the Group was good. Undrawn committed long-term credit facilities amounted to 78.2 MEUR at the end of the period. Gearing and net interest-bearing debt increased from last year and equity-to-assets was slightly below last year's level. The Group fulfils all financial covenants related to its credit facilities.

Key figures

MEUR	**II 2015**	II 2014	**change %**	**I-II 2015**	I-II 2014	**change %**	I-IV 2014
Cash flow from operations *	**17.6**	21.5	**-18%**	**10.7**	13.5	**-21%**	21.7
Net interest-bearing debt at end of period	**108.8**	96.4	**+13%**	**108.8**	96.4	**+13%**	99.9
Gearing %	**75.9%**	73.2%		**75.9%**	73.2%		73.2%
Equity-to-assets ratio at end of period, %	**42.3%**	42.6%		**42.3%**	42.6%		44.1%

* Comparative periods restated, see notes.

Strategy Implementation

Execution of the Rapala Group's strategy is based on three cornerstones: brands, manufacturing and distribution, supported by strong corporate culture. During the second quarter strategy implementation continued in various areas.

The Group is putting a lot of focus and resources to its Asian lure manufacturing unit in Batam, to develop the business and operations in order to exploit the strengths and capture the benefits of this unit. The performance of the manufacturing operations has already clearly improved from last year and there is still room for considerable improvement in the future. This unit forms solid basis for future growth of the Group's Storm, Luhr Jensen and Williamson branded lures.

Reducing the amount of inventories, largely driven by the Group's business model, is high on the agenda of the Group and new initiatives to achieve permanent inventory reductions through structural changes are being investigated.

Discussions and negotiations regarding acquisitions and business combinations continued during the second quarter of the year, as the Group continues to seek also non-organic growth opportunities.

Product Development

Continuous product development and consistent innovation are core competences for the Group and major contributor to the value and commercial success of the brands.

The launch of the new Rapala Shadow Rap to the US market earlier this year has been extremely successful. This lure also was commenced as Runner Up in the Best New Hard Bait category at the 2015 European Fishing Tackle Trade Exhibition (EFTTEX), where Group's Rapala and Sufix branded products also received other awards, including Best New Bag Award for Rapala Urban Hip Bag.

In addition to Rapala, Group is also putting lot of product development and sales and marketing focus on Storm lures, manufactured in the new Batam factory.

Organization and Personnel

Average number of personnel for the second quarter was 3 006 (2 672) and 2 943 (2 666) for the first half of the year, increase coming mainly from expansion of lure manufacturing operations in Batam and reduction of outsourcing in China. At the end of June, the number of personnel was 3 156 (2 692).

Short-term Outlook and Risks

Following the increase in sales and comparable profitability after first six months, the outlook for the whole year is positive. In USA presales of winter fishing equipment has progressed well and is expected to be close to last year's level, despite termination of a third party winter fishing equipment distribution agreement, which contributed ca. 5 MUSD sales during latter part of last year.

Improvement in performance of the manufacturing unit in Batam is supporting the profitability of the Group this year.

The biggest concern and uncertainly concerning latter part of the year is the development in Russia, where the situation is currently very challenging. Actions to reduce the Group's inventory levels as well as strengthening of US Dollar may put further pressure on Group's profit margins.

The Group expects full year net sales and comparable operating profit (excluding non-recurring items and mark-to-market valuations of operative currency derivatives) to be above 2014 levels.

Short term risks and uncertainties and seasonality of the business are described in more detail in the end of this interim report.

Third quarter interim report will be published on October 22.

Helsinki, July 23, 2015

Board of Directors of Rapala VMC Corporation

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A conference call on the quarter result will be arranged today at 2:00 p.m. Finnish time (1:00 p.m. CET). Please dial +44 (0)20 3364 5719 or +1 212 444 0096 or +358 (0)9 2310 1675 (pin code: 736596#) five minutes before the beginning of the event. A replay facility will be available for 14 days following the teleconference. The number to dial is +44 (0)20 3427 0598 (pin code: 2096709#). Financial information and teleconference replay facility are available at www.rapalavmc.com.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

STATEMENT OF INCOME MEUR	II 2015	II 2014	I-II 2015	I-II 2014	I-IV 2014
Net sales	**80.1**	77.7	**154.0**	143.9	273.2
Other operating income	**0.2**	0.2	**0.3**	0.3	1.0
Materials and services	**37.3**	35.8	**70.6**	64.3	128.1
Personnel expenses	**17.9**	17.1	**35.3**	34.0	65.6
Other costs and expenses	**15.3**	14.8	**27.8**	26.7	50.8
Share of results in associates and joint ventures	**0.2**	0.2	**0.3**	0.2	0.2
EBITDA	**10.1**	10.4	**20.9**	19.5	30.0
Depreciation, amortization and impairments	**1.7**	1.8	**3.5**	3.5	7.1
Operating profit (EBIT)	**8.3**	8.6	**17.4**	16.0	22.9
Financial income and expenses	**2.0**	1.6	**4.1**	3.5	7.2
Profit before taxes	**6.4**	7.0	**13.3**	12.5	15.7
Income taxes	**2.3**	2.9	**5.0**	4.1	5.5
Net profit for the period	**4.0**	4.1	**8.3**	8.4	10.2
Attributable to:					
Equity holders of the company	**3.3**	3.1	**7.2**	7.5	9.2
Non-controlling interests	**0.7**	1.0	**1.1**	0.9	1.1
Earnings per share for profit attributable to the equity holders of the company:					
Earnings per share, EUR (diluted = non-diluted)	**0.09**	0.08	**0.19**	0.19	0.24

STATEMENT OF COMPREHENSIVE INCOME MEUR	II 2015	II 2014	I-II 2015	I-II 2014	I-IV 2014
Net profit for the period	**4.0**	4.1	**8.3**	8.4	10.2
Other comprehensive income, net of tax					
Change in translation differences*	**-2.6**	2.2	**7.8**	1.0	4.7
Gains and losses on cash flow hedges*	**0.2**	0.0	**0.2**	0.1	0.2
Gains and losses on hedges of net investments*	**-0.5**	-0.5	**-1.7**	0.1	0.1
Actuarial gains (losses) on defined benefit plan	**-**	-	**-**	-	-0.2
Total other comprehensive income, net of tax	**-2.8**	1.6	**6.3**	1.2	4.8
Total comprehensive income for the period	**1.2**	5.8	**14.6**	9.6	15.1
Total comprehensive income attributable to:					
Equity holders of the Company	**0.7**	4.5	**13.4**	8.8	15.3
Non-controlling interests	**0.5**	1.3	**1.3**	0.9	-0.2

* Item that may be reclassified subsequently to the statement of income

STATEMENT OF FINANCIAL POSITION	**Jun 30**	Jun 30	Dec 31
MEUR	**2015**	2014	2014
ASSETS			
Non-current assets			
Intangible assets	**78.1**	70.7	74.4
Property, plant and equipment	**32.0**	30.9	32.0
Non-current assets			
Interest-bearing	**5.1**	3.8	3.0
Non-interest-bearing	**12.0**	9.6	11.5
	127.2	115.0	120.8
Current assets			
Inventories	**121.8**	113.9	113.8
Current assets			
Interest-bearing	**1.1**	1.0	1.1
Non-interest-bearing	**74.0**	64.2	62.3
Cash and cash equivalents	**15.4**	15.6	12.2
	212.4	194.7	189.4
Total assets	**339.5**	309.7	310.3
EQUITY AND LIABILITIES			
Equity			
Equity attributable to the equity holders of the company	**133.8**	122.4	128.3
Non-controlling interests	**9.5**	9.3	8.2
	143.3	131.7	136.5
Non-current liabilities			
Interest-bearing	**73.7**	40.1	72.3
Non-interest-bearing	**14.5**	12.3	13.3
	88.2	52.4	85.5
Current liabilities			
Interest-bearing	**56.6**	76.6	43.9
Non-interest-bearing	**51.3**	49.0	44.2
	108.0	125.6	88.2
Total equity and liabilities	**339.5**	309.7	310.3

	II	II	**I-II**	I-II	I-IV
KEY FIGURES	**2015**	2014	**2015**	2014	2014
EBITDA margin, %	**12.6%**	13.4%	**13.6%**	13.5%	11.0%
Operating profit margin, %	**10.4%**	11.1%	**11.3%**	11.1%	8.4%
Return on capital employed, %	**12.9%**	14.6%	**14.3%**	13.9%	9.8%
Capital employed at end of period, MEUR	**252.1**	228.1	**252.1**	228.1	236.4
Net interest-bearing debt at end of period, MEUR	**108.8**	96.4	**108.8**	96.4	99.9
Equity-to-assets ratio at end of period, %	**42.3%**	42.6%	**42.3%**	42.6%	44.1%
Debt-to-equity ratio at end of period, %	**75.9%**	73.2%	**75.9%**	73.2%	73.2%
Earnings per share, EUR (diluted = non-diluted)	**0.09**	0.08	**0.19**	0.19	0.24
Equity per share at end of period, EUR	**3.49**	3.18	**3.49**	3.18	3.34
Average personnel for the period	**3 006**	2 672	**2 943**	2 666	2 716

Definitions of key figures are consistent with those in the financial statement 2014.

STATEMENT OF CASH FLOWS MEUR	**II 2015**	II 2014 Restated**	**I-II 2015**	I-II 2014 Restated**	IV 2014 Restated**
Net profit for the period	**4.0**	4.1	**8.3**	8.4	10.2
Adjustments to net profit for the period *	**6.8**	6.8	**14.0**	10.7	17.1
Financial items and taxes paid and received	**-2.7**	-2.4	**-4.9**	-3.0	-7.1
Change in working capital	**9.6**	13.0	**-6.7**	-2.6	1.5
Net cash generated from operating activities	**17.6**	21.5	**10.7**	13.5	21.7
Investments	**-1.9**	-1.8	**-3.4**	-3.8	-8.5
Proceeds from sales of assets	**0.1**	0.1	**0.1**	0.2	0.4
Sufix brand acquisition	**-0.9**	-0.7	**-0.9**	-0.7	-0.8
Acquisition of other subsidiaries, net of cash	**-**	-	**-**	-0.2	-0.2
Proceeds from disposal of subsidiaries, net of cash	**-**	-	**-**	-	1.0
Change in interest-bearing receivables	**0.0**	0.0	**0.0**	0.0	0.0
Net cash used in investing activities	**-2.7**	-2.4	**-4.1**	-4.5	-8.1
Dividends paid to parent company's shareholders	**-7.7**	-9.2	**-7.7**	-9.2	-9.2
Dividends paid to non-controlling interest	**-**	-	**-**	-	-3.6
Net funding	**-1.8**	-5.4	**4.1**	-0.9	-4.2
Purchase of own shares	**-**	-0.1	**-0.2**	-0.3	-0.9
Net cash generated from financing activities	**-9.4**	-14.8	**-3.8**	-10.5	-17.9
Change in cash and cash equivalents	**5.5**	4.3	**2.8**	-1.4	-4.2
Cash & cash equivalents at the beginning of the period	**10.3**	11.0	**12.2**	16.9	16.9
Foreign exchange rate effect	**-0.4**	0.2	**0.5**	0.1	-0.5
Cash and cash equivalents at the end of the period	**15.4**	15.6	**15.4**	15.6	12.2

* Includes reversal of non-cash items, income taxes and financial income and expenses.
**Comparative periods restated, see notes

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the company								
MEUR	Share capital	Share premium fund	Fair value reserve	Cumul. translation differences	Fund for invested non-restricted equity	Own shares	Retained earnings	Non-controlling interests	Total equity
Equity on Jan 1, 2014	**3.6**	**16.7**	**-1.4**	**-12.5**	**4.9**	**-4.4**	**116.2**	**12.0**	**135.1**
Comprehensive income *	-	-	0.1	1.2	-	-	7.5	0.9	9.6
Purchase of own shares	-	-	-	-	-	-0.3	-	-	-0.3
Dividends	-	-	-	-	-	-	-9.2	-3.6	-12.8
Equity on Jun 30, 2014	**3.6**	**16.7**	**-1.3**	**-11.3**	**4.9**	**-4.6**	**114.5**	**9.3**	**131.7**
Equity on Jan 1, 2015	**3.6**	**16.7**	**-1.1**	**-6.5**	**4.9**	**-5.2**	**116.0**	**8.2**	**136.5**
Comprehensive income *	-	-	0.2	6.0	-	-	7.2	1.3	14.6
Purchase of own shares	-	-	-	-	-	-0.2	-	-	-0.2
Dividends	-	-	-	-	-	-	-7.7	-	-7.7
Equity on Jun 30, 2015	**3.6**	**16.7**	**-1.0**	**-0.5**	**4.9**	**-5.4**	**115.5**	**9.5**	**143.3**

* For the period, (net of tax)

SEGMENT INFORMATION*

MEUR **Net Sales by Operating Segment**	**II 2015**	II 2014	**I-II 2015**	I-II 2014	I-IV 2014
Group Products	**52.7**	47.0	**103.5**	90.3	171.3
Third Party Products	**27.3**	30.7	**50.5**	53.6	102.0
Eliminations	**0.0**	0.0	**0.0**	0.0	0.0
Total	**80.1**	77.7	**154.0**	143.9	273.2

Operating Profit by Operating Segment

Group Products	**6.6**	4.7	**13.8**	9.7	15.0
Third Party Products	**1.7**	3.9	**3.6**	6.4	7.9
Total	**8.3**	8.6	**17.4**	16.0	22.9

Assets by Operating Segment MEUR	**Jun 30 2015**	Jun 30 2014	Dec 31 2014
Group Products	**243.5**	218.3	230.4
Third Party Products	**74.5**	71.1	63.6
Non-interest-bearing assets total	**317.9**	289.4	294.0
Unallocated interest-bearing assets	**21.6**	20.4	16.3
Total assets	**339.5**	309.7	310.3

* Segments are consistent with those in the financial statements 2014. Segments are described in detail in note 2 of the financial statements 2014.

External Net Sales by Area MEUR	**II 2015**	II 2014	**I-II 2015**	I-II 2014	I-IV 2014
North America	**26.6**	19.8	**51.6**	39.2	86.1
Nordic	**17.7**	19.5	**34.2**	32.7	54.9
Rest of Europe	**27.0**	30.7	**51.4**	57.3	98.7
Rest of the world	**8.8**	7.6	**16.8**	14.7	33.5
Total	**80.1**	77.7	**154.0**	143.9	273.2

KEY FIGURES BY QUARTERS MEUR	I 2014	II 2014	III 2014	IV 2014	I-IV 2014	I 2015	**II 2015**
Net sales	66.2	77.7	67.8	61.5	273.2	73.9	**80.1**
EBITDA	9.1	10.4	7.5	3.0	30.0	10.8	**10.1**
Operating profit	7.4	8.6	5.7	1.2	22.9	9.1	**8.3**
Profit before taxes	5.5	7.0	3.5	-0.3	15.7	6.9	**6.4**
Net profit for the period	4.3	4.1	2.7	-0.8	10.2	4.3	**4.0**

NOTES TO THE INCOME STATEMENT AND FINANCIAL POSITION

The financial statement figures included in this release are unaudited.

This report has been prepared in accordance with IAS 34. Accounting principles adopted in the preparation of this report are consistent with those used in the preparation of the Financial Statements 2014, except for the adoption of the new or amended standards and interpretations.

Adoption of the amended standard IAS 19 did not result in any changes in the accounting principles that would have affected the information presented in this interim report.

Change in presentation of statement of cash flows

Presentation of statement of cash flows has been updated from the beginning of 2015 to better distinguish the three types of financial activities. Previously unrealized foreign exchange impact from elimination of internal transactions was presented separately under Adjustments. Also the cash flow from derivative instruments was included fully in Net cash generated from operating activities.

After the change the unrealized foreign exchange impact related to the elimination of internal transactions and cash flow from derivative instruments are presented according to their nature. This resulted in changes between the three financial activities.

Comparative periods have been restated and changes to previously reported figures were disclosed in the first quarter interim report.

Use of estimates and rounding of figures

Complying with IFRS in preparing financial statements requires the management to make estimates and assumptions. Such estimates affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the amounts of revenues and expenses. Although these estimates are based on the management's best knowledge of current events and actions, actual results may differ from these estimates.

All figures in these accounts have been rounded. Consequently, the sum of individual figures can deviate from the presented sum figure. Key figures have been calculated using exact figures.

Events after the end of the interim period

The Group has no knowledge of any significant events after the end of the interim period that would have a material impact on the financial statements for January-June 2015. Material events after the end of the interim period, if any, have been discussed in the interim review by the Board of Directors.

Inventories

On June 30, 2015, the book value of inventories included a provision for net realizable value of 5.4 MEUR (4.7 MEUR at June 30, 2014 and 4.1 MEUR at December 31, 2014).

Non-recurring income and expenses included in operating profit MEUR	**II 2015**	II 2014	**I-II 2015**	I-II 2014	I-IV 2014
Closure of Chinese lure manufacturing *	**0.0**	-0.5	**-1.2**	-0.5	-1.7
Other restructuring costs	**-**	-	**-**	0.1	0.0
Other non-recurring items	**-**	-	**-**	-	-0.1
Total included in EBITDA and operating profit	**0.0**	-0.5	**-1.2**	-0.4	-1.8
Other non-recurring impairments	**-**	-	**-**	-	-
Total included in operating profit	**0.0**	-0.5	**-1.2**	-0.4	-1.8

* The Group classifies all exceptional income and expenses related to the closure of China manufacturing that are not related to normal business operation as non-recurring, primarily consisting of write-offs and one-off costs related to restructuring.

Commitments **MEUR**	**Jun 30 2015**	Jun 30 2014	Dec 31 2014
Minimum future lease payments on operating leases	**15.5**	16.5	16.4

Related party transactions MEUR	Sales and other income	Pur-chases	Rents paid	Other expen-ses	Recei-vables	Paya-bles
I-II 2015						
Joint venture Shimano Normark UK Ltd	**1.9**	**-**	**-**	**0.0**	**-**	**-**
Associated company Lanimo Oü	**0.0**	**0.1**	**-**	**-**	**0.0**	**-**
Entity with significant influence over the Group*	**-**	**-**	**0.1**	**0.1**	**0.0**	**-**
Management	**-**	**-**	**0.1**	**0.0**	**-**	**0.0**
I-II 2014						
Joint venture Shimano Normark UK Ltd	1.6	-	-	0.0	0.5	-
Associated company Lanimo Oü	-	-	-	-	0.0	-
Entity with significant influence over the Group*	-	-	0.1	0.1	0.0	-
Management	-	-	0.1	-	0.0	0.0
I-IV 2014						
Joint venture Shimano Normark UK Ltd	3.2	-	-	-	0.1	0.0
Associated company Lanimo Oü	0.0	0.1	-	-	0.0	-
Entity with significant influence over the Group*	-	-	0.2	0.1	0.0	0.0
Management	-	-	0.3	-	0.0	0.0

* Lease agreement for the real estate for the consolidated operations in France and a service fee.

Open derivatives		**Jun 30 2015**		Jun 30 2014		Dec 31 2014
MEUR	**Nominal Value**	**Fair Value**	Normal Value	Fair Value	Nominal Value	Fair Value
Operative hedges						
Foreign currency derivatives	**34.9**	**1.8**	45.1	0.1	44.1	3.8
Monetary hedges						
Foreign currency derivatives	**57.9**	**1.3**	39.7	-0.8	30.6	-0.7
Interest rate derivatives	**103.3**	**1.6**	69.6	-1.2	101.4	-0.7

The changes in the fair values of derivatives that are designated as hedging instruments but do not qualify for hedge accounting are recognized based on their nature either in operative costs, if the hedged item is an operative transaction, or in financial income and expenses if the hedged item is a monetary transaction. Some derivatives designated to hedge monetary items are accounted for according to hedge accounting. Financial risks and hedging principles are described in detail in the financial statements 2014.

Changes in unrealized mark-to-market valuations for operative foreign currency derivatives

	II 2015	II 2014	**I-II 2015**	I-II 2014	I-IV 2014
Included in operating profit	**-1.6**	-0.6	**-2.0**	0.1	3.8

Operative foreign currency derivatives that are marked-to-market on reporting date cause timing differences between the changes in derivatives' fair values and hedged operative transactions. Changes in fair values for derivatives designated to hedge future cash flow but are not accounted for according to the principles of hedge accounting impact the Group's operating profit for the accounting period. The changes in unrealized valuations include both valuations of derivatives that will realize in the future periods as well as reversal of previously accumulated value of derivatives that realized in the accounting period.

Fair values of financial instruments		**Jun 30 2015**		Jun 30 2014		Dec 31 2014
MEUR	**Carrying value**	**Fair value**	Carrying value	Fair value	Carrying value	Fair value
Assets						
Available-for-sale financial assets (level 3)	**0.3**	**0.3**	0.3	0.3	0.3	0.3
Derivatives (level 2)	**6.7**	**6.7**	1.2	1.2	5.4	5.4
Total	**7.0**	**7.0**	1.4	1.4	5.7	5.7
Liabilities						
Non-current interest-bearing liabilities (excl. derivatives)	**73.7**	**74.1**	40.1	40.6	72.3	72.7
Derivatives (level 2)	**2.0**	**2.0**	3.1	3.1	3.1	3.1
Total	**75.7**	**76.1**	43.3	43.7	75.3	75.8

Fair values of other financial instruments do not differ materially from their carrying value.

Shares and share capital

On March 27, 2015 The Annual General Meeting (AGM) updated Board's authorization on repurchase of shares. A separate stock exchange release on the decisions of the AGM was given, and up to date information on the Board's authorizations and other decision of the AGM are available also on the corporate website.

In the beginning of the financial year, the share capital fully paid and reported in the Trade Register was 3.6 MEUR and the total number of shares was 39 000 000. The average number of shares during the financial year was 39 000 000.

During the financial year, the company bought back a total of 32 864 own shares. At the end of the period the company held 639 671 own shares, representing 1.6% of the total number of shares and the total voting rights. The amount of outstanding shares at the end of the period was 38 360 329. The average share price of all repurchased own shares held by the company was 4.87 EUR.

During the reporting period, 1 483 777 shares (425 993) were traded at a high of 5.55 EUR and a low of 4.72 EUR. The closing share price at the end of the period was 5.31 EUR.

Short term risks and uncertainties

The objective of Rapala VMC Corporation's risk management is to support the implementation of the Group's strategy and execution of business targets. The importance of risk management has increased as Rapala VMC Corporation has continued to expand its operations. Accordingly, Group management continuously develops its risk management practices and internal controls. Detailed updated descriptions of the Group's strategic, operative and financial risks as well as risk management principles are included in the Financial Statements 2014.

Due to the nature of the fishing tackle business and the geographical scope of the Group's operations, the business has traditionally been seasonally stronger in the first half of the year compared to the second half. Weathers impact consumer demand and may have impact on the Group's sales for current and following seasons. The Group is more affected by winter weathers after the expansion into winter fishing business, while the weather risk is diversified due to the wide geographical footprint of the Group.

The biggest deliveries for both summer and winter seasons are concentrated into relatively short time periods, and hence a well functioning supply chain is required. The uncertainties in future demand as well as the length of the Group's supply chain increases the challenges in supply chain management. Delays in shipments from internal or external suppliers or unexpected changes in customer demand upwards or downwards may lead to shortages and lost sales or excess inventories and subsequent clearance sales with lower margins.

The Group rearranged its main credit facilities in September 2014. These credit facilities include some profitability, net debt and equity related financial covenants, which are actively monitored. The Group's liquidity and refinancing risks are well under control.

The fishing tackle business has traditionally not been strongly influenced by increased uncertainties and downturns in the general economic climate. They may however influence, at least for a short while, the sales of fishing tackle, when retailers reduce their inventory levels and face financial challenges. Also quick and strong increases in living expenses, sudden fluctuations in foreign exchange rates and governmental austerity measures may temporarily affect consumer spending. However, the underlying consumer demand has historically proven to be fairly solid. Political tensions, such as the conflict between Russia and Ukraine, may have negative effects on the Group's business. The development in geopolitical situation is followed closely by the Group.

The truly global nature of the Group's sales and operations spreads the market risks caused by the current uncertainties in the global economy. The Group is cautiously monitoring the development both in the global macro economy as well as in the various local markets it operates in.

Cash collection and credit risk management is high on the agenda of local management and this may affect sales to some customers. Quality of the accounts receivables is monitored closely and write-downs are initiated if needed.

The Group's sales and profitability are impacted by the changes in foreign exchange rates and the risks are monitored actively. To fix the exchange rates of future foreign exchange denominated sales and purchases as well as financial assets and liabilities, the Group has entered into several currency hedging agreements according to the foreign exchange risk management policy set by the Board of Directors. As the Group is not applying hedge accounting in accordance to IAS 39, the unrealized mark-to-market valuations of operative currency hedging agreements have an impact on the Group's reported operating profit. Some of Group’s currency positions are not possible or feasible to be hedged, and therefore may have impact on the Group’s net result. The Group is closely monitoring market development as well as its cost structure and considering possibility and feasibility of price increases, hedging actions and cost rationalization.

No significant changes are identified in the Group's strategic risks or business environment, except in Russia were uncertainties have increased.