RAPALA VMC CORP.

INTERIM REPORT
Oct 22, 2015
at 2:00 p.m.

RAPALA VMC CORPORATION'S JANUARY TO SEPTEMBER 2015: MARKET CONDITIONS MIXED BUT STABLE. THIRD QUARTER SALES IMPACTED BY TIMING.

July-September in brief:

- Net sales were 64.5 MEUR, down 5% from previous year (67.8). With comparable exchange rates sales down also 5%.
- Comparable operating profit was 3.5 MEUR (4.7), down 26%.
- Cash flow from operations was 5.2 MEUR (4.3), up 21%.
- Earnings per share was -0.01 EUR (0.05).
- Full year guidance unchanged.

January-September in brief:

- Net sales were 218.6 MEUR, up 3% from previous year (211.7). With comparable exchange rates sales up 1%.
- Comparable operating profit was 24.1 MEUR (21.1), up 14%.
- Cash flow from operations was 15.9 MEUR (17.8), down 11%.
- Earnings per share was 0.17 EUR (0.25).

President and CEO Jorma Kasslin: "The overall market conditions in the third quarter were relatively stable and unsurprising, but varying from one market to another. The third quarter sales were behind last year, largely impacted by timing issues in the US market. On year to date basis we were ahead of last year.

Our comparable operating profit came down from last year following lower sales. The decline in reported operating profit was impacted by currency derivatives where we recognized big gains in latter part of last year. The positive profitability development trend of our lure manufacturing unit in Batam, Indonesia continued during third quarter.

Outlook for the full year remains unchanged and we expect some of the winter fishing sales to have transferred from third to fourth quarter, nevertheless fourth quarter winter product sales always depends on the weather conditions.

During third quarter we announced some changes in our management organization. The target of these changes is to accelerate the profitable growth strategy and improve the capital efficiency."

Key figures

MEUR	**III 2015**	III 2014	**change %**	**I-III 2015**	I-III 2014	**change %**	I-IV 2014
Net sales	**64.5**	67.8	**-5%**	**218.6**	211.7	**+3%**	273.2
Operating profit	**2.9**	5.7	**-49%**	**20.4**	21.7	**-6%**	22.9
% of net sales	**4.5%**	8.5%		**9.3%**	10.3%		8.4%
Comparable operating profit *	**3.5**	4.7	**-26%**	**24.1**	21.1	**+14%**	20.9
% of net sales	**5.4%**	7.0%		**11.0%**	9.9%		7.6%
Cash flow from operations**	**5.2**	4.3	**+21%**	**15.9**	17.8	**-11%**	21.7
Gearing %	**75.0%**	71.7%		**75.0%**	71.7%		73.2%
EPS, EUR	**-0.01**	0.05	**-120%**	**0.17**	0.25	**-32%**	0.24

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

Market environment

Business conditions during third quarter of the year were relatively stable, yet diverse with mixed performance around the globe. Summer weather conditions were favorable in some markets such as US and France whereas summer was overall cold in other markets such as Nordic countries. Although weather conditions in Nordic countries improved towards the end of the summer, Nordic countries were not able to fully recover the sales lost earlier in the season. Market situation in Russia and Ukraine continue to be difficult. Start of the sales of ice fishing products in North America was behind last year's strong opening, partly due to timing issues, shifting sales to the last quarter.

Business Review July-September 2015

The Group's net sales for the third quarter were down 5%. Changes in translation exchange rates increased sales by approximately 0.4 MEUR, US Dollar and Russian Ruble impact offsetting each other. Correspondingly also with comparable translation exchange rates quarterly net sales were down 5% from last year.

North America

North American sales decreased from last year's very strong third quarter both in the US and Canada. Favorable summer weather conditions advanced sales to the second quarter compared to last year, whereas ice fishing deliveries were partly postponed to the last quarter of the year. US economy remains good and retailers are looking for growth opportunities, while business conditions in Canada continue tougher. Stronger US Dollar is supporting the US performance, but hurting the Canadian business. North America sales were negatively impacted by termination a third party winter fishing equipment distribution agreement, which contributed ca. 5 MUSD sales during second half of last year.

Nordic

Nordic sales development was negative in third quarter compared to last year impacted by slower start of ice fishing sales, decrease in sales of hunting products in Denmark and Sweden as well as overall unfavorable summer weather. Sales in Finland were supported by a new hunting dealership. Pre-sales of winter sports products were slightly above last year's levels.

Rest of Europe

With comparable rates sales were slightly above last year level and showed a mixed picture with ups and downs around the region. Russian Ruble remains weak, negatively impacting the reported sales and causing uncertainties for the future. Although the market situation in Russia and Ukraine continue difficult, it has stabilized a bit and sales in these countries were at last year levels in local currency.

Rest of the World

Sales improved from last year supported by growth in nearly all Asian and Latin countries as well as Australia and South Africa. Sales suffered in Asia Pacific countries.

External Net Sales by Area

MEUR	III 2015	III 2014	change %	Comparable change %	I-IV 2014
North America	**21.8**	22.2	**-2%**	**-15%**	86.1
Nordic	**11.4**	12.5	**-9%**	**-7%**	54.9
Rest of Europe	**21.7**	24.1	**-10%**	**+2%**	98.7
Rest of the World	**9.7**	9.1	**+7%**	**+7%**	33.5
Total	**64.5**	67.8	**-5%**	**-5%**	273.2

Business Review January-September 2015

The Group net sales for the nine-month period were up 3%. Changes in translation exchange rates explain approximately 4.0 MEUR of the increase in net sales. With comparable translation exchange rates nine-month net sales were 1% ahead last year's level.

North America

Sales were above last year's level supported by solid first half of the year sales in the US. Good sales growth in the US was supported by strong US Dollar, good weather in the key fishing markets, successful launch of new Shadow Rap lure family and some shift of sales from last year's fourth quarter. Business conditions were tough in Canada.

Nordic

Nordic sales increased slightly from last year due to strong first quarter sales that were supported by improved winter weather conditions, earlier timing of sales of summer fishing products, on-time deliveries from suppliers and exchange gains on currency nominated accounts receivable. Nordic sales were hit by an overall cold and rainy summer. Despite improved fishing conditions towards the end of the summer, season's fishing tackle sales remained behind last year.

Rest of Europe

On comparable currencies sales were slightly below last year's level. 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 5% from last year with comparable rates driven by increased sales in France, Romania and Spain.

Rest of the World

Rest of the World sales increased from last year. Growth was steady in South Africa, Latin America and several Asian countries. Sales were suffering in Australia, Japan and Indonesia.

External Net Sales by Area

MEUR	**I-III 2015**	I-III 2014	change %	**Comparable change %**	I-IV 2014
North America	**73.4**	61.4	**+20%**	**+1%**	86.1
Nordic	**45.6**	45.2	**+1%**	**+3%**	54.9
Rest of Europe	**73.1**	81.4	**-10%**	**-1%**	98.7
Rest of the World	**26.5**	23.8	**+11%**	**+6%**	33.5
Total	**218.6**	211.7	**+3%**	**+1%**	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 nine-months but was behind last year for the quarter. Changes in translation exchange rates, especially weakening of Ruble, burdened quarterly comparable operating profit by approximately 0.4 MEUR and nine-month operating profit by approximately 1.0 MEUR. With comparable translation exchange rates comparable operating profit was 0.9 MEUR behind of last year's level for the quarter and 4.1 MEUR ahead of last year for the nine-month period.

Comparable operating profit margin was 5.4% (7.0) for the quarter and 11.0% (9.9) for the nine-month period. Decline in third quarter profitability was driven by lower sales and reduced gross margin impacted by clearance sales. Quarter and nine-month profitability were both supported by continuing recovery of Asian manufacturing operations' profitability, while negatively impacted by stronger US dollar lowering the margins of third party products. Nine-month profitability was further supported by stronger sales of Group branded products especially in the USA, while burdened by the negative sales development in Russia.

Reported operating profit was down for the quarter and nine-month period. Respectively reported operating profit margin was 4.5% (8.5) for the quarter and 9.3% (10.3) for the nine-month period. Reported operating profit included loss on non-recurring items of 0.1 MEUR (0.4) for the quarter and 1.3 MEUR (0.9) for the nine-month period related to the closing down of the manufacturing operations in China. Mark-to-market valuation of operative currency derivatives had a significant impact on the reported operating profit compared to last year, being 0.5 MEUR loss (1.5 gain) for the quarter and 2.4 MEUR loss (1.6 gain) for nine-months.

Total financial (net) expenses were 1.6 MEUR (2.3) for the quarter and 5.7 MEUR (5.7) for the nine-month period. Financial items were negatively impacted by the net foreign exchange expenses of 0.8 MEUR (1.2) for the quarter and 3.4 MEUR (2.7) for the nine-months. Net interest and other financing expenses decreased from last year's level to 0.8 MEUR (1.1) for the quarter and 2.3 MEUR (3.0) for the nine-months.

Net profit was behind last year for the quarter and nine-month period. Earnings per share were -0.01 EUR (0.05) for the quarter and 0.17 EUR (0.25) for the nine-months. 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 nine-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 0.4 MEUR (0.7) for the quarter and 1.5 MEUR (1.6) for the nine-months.

Key figures

MEUR	**III 2015**	III 2014	**change %**	**I-III 2015**	I-III 2014	**change %**	I-IV 2014
Net sales	**64.5**	67.8	**-5%**	**218.6**	211.7	**+3%**	273.2
Operating profit	**2.9**	5.7	**-49%**	**20.4**	21.7	**-6%**	22.9
Comparable operating profit *	**3.5**	4.7	**-26%**	**24.1**	21.1	**+14%**	20.9
Net profit	**-0.2**	2.7	**-107%**	**8.1**	11.1	**-27%**	10.2

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

Group Products

Third quarter sales of Group Products were supported by currency exchange rates but decreased from last year with comparable rates. Nine-month comparable sales were above last year due to the strong start in the first half of the year especially in the US. Third quarter ice fishing sales didn't reach last year's strong levels, impacted by change in some customers' pre-order behavior and some delays in shipments postponing sales to fourth quarter.

Operating profit for Group Products was above last year for the nine-month period supported by increased sales and improved profitability of Asian manufacturing operations. For the third quarter, operating profit was down from last year mainly due to lower sales volumes and negative gross margin impact from actions to reduce inventory levels.

Third Party Products

Third quarter and nine-month sales of Third Party Products decreased from last year and were further negatively impacted by currencies. Quarterly sales increased for outdoor products while third party fishing and especially ice fishing sales were lower than last year due to losing a distribution dealership in the US. Nine-month sales were affected by economical instabilities which impacted fishing products sales in Russia.

Operating profit for Third Party Products was down from last year both for the quarter and nine-months following the reduced sales, inventory clearance and unfavorable exchange rates impact on purchases.

Net Sales by Segment

MEUR	**III 2015**	III 2014	**change %**	**Comparable change %**	I-IV 2014
Group Products	**41.0**	41.0	**0%**	**-4%**	171.3
Third Party Products	**23.6**	26.9	**-12%**	**-8%**	102.0
Eliminations		0.0			0.0
Total	**64.5**	67.8	**-5%**	**-5%**	273.2

MEUR	**I-III 2015**	I-III 2014	**change %**	**Comparable change %**	I-IV 2014
Group Products	**144.5**	131.3	**+10 %**	**+3%**	171.3
Third Party Products	**74.0**	80.5	**-8 %**	**-2%**	102.0
Eliminations		0.0			0.0
Total	**218.6**	211.7	**+3 %**	**+1%**	273.2

Operating profit by Segment

MEUR	**III 2015**	III 2014	**change %**	**I-III 2015**	I-III 2014	**change %**	I-IV 2014
Group Products	**2.1**	3.7	**-43%**	**15.9**	13.3	**+20%**	15.0
Third Party Products	**0.9**	2.1	**-57%**	**4.5**	8.4	**-46%**	7.9
Total	**2.9**	5.7	**-49%**	**20.4**	21.7	**-6%**	22.9

Financial position

Cash flow from operations increased from last year for the quarter being 5.2 MEUR (4.3), but for nine-months decreased from last year's strong levels to 15.9 MEUR (17.8). Net change in working capital amounted to 2.5 MEUR (1.1) for the quarter and -4.3 MEUR (-1.5) for the nine-month period. Quarterly improvement was driven by positive development in working capital as especially receivables released more cash in the third quarter, but on year to date basis receivables still tie more cash driving the negative development in the net working capital.

Inventories increased slightly by 0.6 MEUR from last September amounting to 117.8 MEUR (117.2), of which -3.5 MEUR is related to change in translation exchange rates. Increase in inventories was driven by timing of shipments, transfer of production from China to Batam and lower than expected sales in various countries, which prevented the Group from achieving planned inventory reductions.

Net cash used in investing activities was at last year's level and totaled 2.1 MEUR (2.0) for the quarter and 6.3 MEUR (6.4) for the nine-months, 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. Increased net interest-bearing debt and lowered reported EBITDA has put some pressure on Group's capital management objectives.

Key figures

MEUR	**III 2015**	III 2014	**change %**	**I-III 2015**	I-III 2014	**change %**	I-IV 2014
Cash flow from operations *	**5.2**	4.3	**+21%**	**15.9**	17.8	**-11%**	21.7
Net interest-bearing debt at end of period	**104.1**	99.7	**+4%**	**104.1**	99.7	**+4%**	99.9
Gearing %	**75.0%**	71.7%		**75.0%**	71.7%		73.2%
Equity-to-assets ratio at end of period, %	**43.4%**	44.1%		**43.4%**	44.1%		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 third quarter strategy implementation continued in various areas.

During third quarter the Group announced changes in its management organization targeted to accelerate the profitable growth strategy and improve the capital efficiency. The new management structure will put more focus on managing and improving the end-to-end performance of Group's businesses, consolidate the reporting lines of geographical regions and increase the co-ordination between Group's brands. The role of global supply chain management is reinforced in order to achieve significant reductions in the Group's working capital levels.

The Group is putting a lot of attention 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. By putting focus on improving production efficiencies, capacity and quality and by implementing new modern manufacturing techniques, the performance of the 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, Blue Fox and Williamson branded lures.

Discussions and negotiations regarding acquisitions and business combinations continued during the third 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, which was also taken into account in the new organization by appointing Mr. Jari Kokkonen as a director to co-ordinate Group's lure product development and innovations on global basis.

Manufacturing of next season's Rapala lure novelties has already started and these will be introduced to North American markets early next year. In addition to Rapala, Group is also putting lot of focus on Storm lures, especially soft plastics, manufactured in the new Batam factory.

For the coming winter season Group will introduce to European markets new Finnish manufactured Mora Ice Chrome -ice drill series. Peltonen ski collection will be renewed and redesigned, including a new waxless skies with Skintech-technology.

Organization and Personnel

Average number of personnel for the third quarter was 3 209 (2 669) and 3 038 (2 672) for the nine-months, increase coming mainly from expansion of lure manufacturing operations in Batam and reduction of outsourcing in China. At the end of September, the number of personnel was 3 308 (2 714).

On September 24th, 2015 the Board of Directors made appointments and changes in the Group's Executive Committee with immediate effect. Jussi Ristimäki was appointed as Deputy Chief Executive Officer. Aku Valta and Cyrille Viellard were appointed as new members to Executive Committee.

Short-term Outlook and Risks

Outlook for the full year remains unchanged. Reduction in third quarter sales was impacted by timing and some of the winter fishing sales is expected to have transferred from third to fourth quarter. Pre-sales of winter sports equipment has been slightly better than last year, but like with winter fishing business, the final outcome of the season is dependent on the weather conditions.

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

Situation in Russia has stabilized to some extent, but is still causing concern and uncertainty. Actions to reduce the Group's inventory levels will continue, which together with stronger US Dollar will have some 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.

Fourth quarter interim report and annual accounts 2015 will be published on February 9th.

Helsinki, October 22, 2015

Board of Directors of Rapala VMC Corporation

For further information, please contact:

Jorma Kasslin, President and Chief Executive Officer, +358 9 7562 540
Jussi Ristimäki, Deputy CEO and CFO, +358 9 7562 540
Olli Aho, Investor Relations, +358 9 7562 540

A conference call on the quarter result will be arranged today at 4:00 p.m. Finnish time (3:00 p.m. CET). Please dial +44 (0)20 3367 9433 or +1 917 286 8056 or +358 (0)9 2310 1675 (pin code: 225813#) 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: 3737943). Financial information and teleconference replay facility are available at www.rapalavmc.com.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

STATEMENT OF INCOME	**III**	III	**I-III**	I-III	I-IV
MEUR	**2015**	2014	**2015**	2014	2014
Net sales	**64.5**	67.8	**218.6**	211.7	273.2
Other operating income	**0.1**	0.3	**0.4**	0.6	1.0
Materials and services	**31.7**	33.6	**102.3**	97.9	128.1
Personnel expenses	**15.7**	15.6	**51.0**	49.6	65.6
Other costs and expenses	**12.6**	11.6	**40.4**	38.3	50.8
Share of results in associates and joint ventures	**0.2**	0.2	**0.5**	0.4	0.2
EBITDA	**4.8**	7.5	**25.7**	27.0	30.0
Depreciation, amortization and impairments	**1.9**	1.8	**5.3**	5.2	7.1
Operating profit (EBIT)	**2.9**	5.7	**20.4**	21.7	22.9
Financial income and expenses	**1.6**	2.3	**5.7**	5.7	7.2
Profit before taxes	**1.3**	3.5	**14.6**	16.0	15.7
Income taxes	**1.5**	0.8	**6.5**	4.9	5.5
Net profit for the period	**-0.2**	2.7	**8.1**	11.1	10.2
Attributable to:					
Equity holders of the company	**-0.6**	2.0	**6.6**	9.5	9.2
Non-controlling interests	**0.4**	0.7	**1.5**	1.6	1.0
Earnings per share for profit attributable to the equity holders of the company:					
Earnings per share, EUR (diluted = non-diluted)	**-0.01**	0.05	**0.17**	0.25	0.24

STATEMENT OF COMPREHENSIVE INCOME	**III**	III	**I-III**	I-III	IV
MEUR	**2015**	2014	**2015**	2014	2014
Net profit for the period	**-0.2**	2.7	**8.1**	11.1	10.2
Other comprehensive income, net of tax					
Change in translation differences*	**-2.9**	4.7	**4.9**	5.7	4.7
Gains and losses on cash flow hedges*	**0.0**	0.0	**0.2**	0.1	0.2
Gains and losses on hedges of net investments*	**-1.4**	0.0	**-3.1**	0.1	0.1
Actuarial gains (losses) on defined benefit plan	**-**	-	**-**	-	-0.2
Total other comprehensive income, net of tax	**-4.3**	4.7	**2.0**	5.9	4.8
Total comprehensive income for the period	**-4.5**	7.3	**10.1**	16.9	15.1
Total comprehensive income attributable to:					
Equity holders of the Company	**-4.1**	6.9	**9.3**	15.6	15.3
Non-controlling interests	**-0.5**	0.4	**0.8**	1.3	-0.2

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

STATEMENT OF FINANCIAL POSITION	**Sep 30**	Sep 30	Dec 31
MEUR	**2015**	2014	2014
ASSETS			
Non-current assets			
Intangible assets	**77.0**	73.5	74.4
Property, plant and equipment	**31.6**	31.5	32.0
Non-current assets			
Interest-bearing	**4.2**	4.6	3.0
Non-interest-bearing	**11.9**	10.4	11.5
	124.7	120.0	120.8
Current assets			
Inventories	**117.8**	117.2	113.8
Current assets			
Interest-bearing	**1.1**	1.0	1.1
Non-interest-bearing	**65.4**	64.3	62.3
Cash and cash equivalents	**11.4**	12.8	12.2
	195.7	195.3	189.4
Total assets	**320.4**	315.3	310.3
EQUITY AND LIABILITIES			
Equity attributable to the equity holders of the company	**129.8**	129.2	128.3
Non-controlling interests	**9.0**	9.8	8.2
	138.8	138.9	136.5
Non-current liabilities			
Interest-bearing	**73.2**	81.8	72.3
Non-interest-bearing	**14.8**	12.8	13.3
	88.0	94.6	85.5
Current liabilities			
Interest-bearing	**47.5**	36.2	43.9
Non-interest-bearing	**46.0**	45.5	44.2
	93.5	81.8	88.2
Total equity and liabilities	**320.4**	315.3	310.3

	III	III	**I-III**	I-III	I-IV
KEY FIGURES	**2015**	2014	**2015**	2014	2014
EBITDA margin, %	**7.5%**	11.1%	**11.8%**	12.7%	11.0%
Operating profit margin, %	**4.5%**	8.5%	**9.3%**	10.3%	8.4%
Return on capital employed, %	**4.7%**	9.8%	**11.3%**	12.3%	9.8%
Capital employed at end of period, MEUR	**242.9**	238.6	**242.9**	238.6	236.5
Net interest-bearing debt at end of period, MEUR	**104.1**	99.7	**104.1**	99.7	99.9
Equity-to-assets ratio at end of period, %	**43.4%**	44.1%	**43.4%**	44.1%	44.1%
Debt-to-equity ratio at end of period, %	**75.0%**	71.7%	**75.0%**	71.7%	73.2%
Earnings per share, EUR (diluted = non-diluted)	**-0.01**	0.05	**0.17**	0.25	0.24
Equity per share at end of period, EUR	**3.38**	3.36	**3.38**	3.36	3.34
Average personnel for the period	**3 209**	2 669	**3 038**	2 672	2 716

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

STATEMENT OF CASH FLOWS MEUR	**III 2015**	III 2014 Restated**	**I-III 2015**	I-III 2014 Restated**	IV 2014 Restated**
Net profit for the period	**-0.2**	2.7	**8.1**	11.1	10.2
Adjustments to net profit for the period *	**5.5**	3.3	**19.5**	14.0	17.1
Financial items and taxes paid and received	**-2.6**	-2.8	**-7.5**	-5.8	-7.1
Change in working capital	**2.5**	1.1	**-4.3**	-1.5	1.5
Net cash generated from operating activities	**5.2**	4.3	**15.9**	17.8	21.7
Investments	**-2.2**	-2.1	**-5.6**	-5.8	-8.5
Proceeds from sales of assets	**0.1**	0.1	**0.2**	0.3	0.4
Sufix brand acquisition	**0.0**	0.0	**-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	**-2.1**	-2.0	**-6.3**	-6.4	-8.1
Dividends paid to parent company's shareholders	**-**	-	**-7.7**	-9.2	-9.2
Dividends paid to non-controlling interest	**-**	-3.6	**-**	-3.6	-3.6
Net funding	**-6.5**	-1.7	**-2.4**	-2.6	-4.2
Purchase of own shares	**-**	-0.1	**-0.2**	-0.4	-0.9
Net cash generated from financing activities	**-6.5**	-5.3	**-10.3**	-15.8	-17.9
Change in cash and cash equivalents	**-3.4**	-3.0	**-0.6**	-4.4	-4.2
Cash & cash equivalents at the beginning of the period	**15.4**	15.6	**12.2**	16.9	16.9
Foreign exchange rate effect	**-0.6**	0.2	**-0.2**	0.3	-0.5
Cash and cash equivalents at the end of the period	**11.4**	12.8	**11.4**	12.8	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	6.1	-	-	9.5	1.3	16.9
Purchase of own shares	-	-	-	-	-	-0.4	-	-	-0.4
Dividends	-	-	-	-	-	-	-9.2	-3.6	-12.8
Equity on Sep 30, 2014	**3.6**	**16.7**	**-1.2**	**-6.5**	**4.9**	**-4.7**	**116.4**	**9.8**	**138.9**
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	2.5	-	-	6.6	0.8	10.1
Purchase of own shares	-	-	-	-	-	-0.2	-	-	-0.2
Dividends	-	-	-	-	-	-	-7.7	-	-7.7
Equity on Sep 30, 2015	**3.6**	**16.7**	**-0.9**	**-4.0**	**4.9**	**-5.4**	**115.0**	**9.0**	**138.8**

* For the period, (net of tax)

SEGMENT INFORMATION*

MEUR **Net Sales by Operating Segment**	**III 2015**	III 2014	**I-III 2015**	I-III 2014	I-IV 2014
Group Products	**41.0**	41.0	**144.5**	131.3	171.3
Third Party Products	**23.6**	26.9	**74.0**	80.5	102.0
Eliminations		0.0		0.0	0.0
Total	**64.5**	67.8	**218.6**	211.7	273.2
Operating Profit by Operating Segment					
Group Products	**2.1**	3.7	**15.9**	13.3	15.0
Third Party Products	**0.9**	2.1	**4.5**	8.4	7.9
Total	**2.9**	5.7	**20.4**	21.7	22.9

Assets by Operating Segment MEUR	**Sep 30 2015**	Sep 30 2014	Dec 31 2014
Group Products	**237.5**	228.7	230.4
Third Party Products	**66.2**	68.2	63.6
Non-interest-bearing assets total	**303.7**	296.9	294.0
Unallocated interest-bearing assets	**16.7**	18.4	16.3
Total assets	**320.4**	315.3	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	**III 2015**	III 2014	**I-III 2015**	I-III 2014	I-IV 2014
North America	**21.8**	22.2	**73.4**	61.4	86.1
Nordic	**11.4**	12.5	**45.6**	45.2	54.9
Rest of Europe	**21.7**	24.1	**73.1**	81.4	98.7
Rest of the world	**9.7**	9.1	**26.5**	23.8	33.5
Total	**64.5**	67.8	**218.6**	211.7	273.2

KEY FIGURES BY QUARTERS MEUR	I 2014	II 2014	III 2014	IV 2014	I-IV 2014	I 2015	II 2015	**III 2015**
Net sales	66.2	77.7	67.8	61.5	273.2	73.9	80.1	**64.5**
EBITDA	9.1	10.4	7.5	3.0	30.0	10.8	10.1	**4.8**
Operating profit	7.4	8.6	5.7	1.2	22.9	9.1	8.3	**2.9**
Profit before taxes	5.5	7.0	3.5	-0.3	15.7	6.9	6.4	**1.3**
Net profit for the period	4.3	4.1	2.7	-0.8	10.2	4.3	4.0	**-0.2**

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-September 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 September 30, 2015, the book value of inventories included a provision for net realizable value of 5.1 MEUR (4.6 MEUR at September 30, 2014 and 4.1 MEUR at December 31, 2014).

Non-recurring income and expenses included in operating profit

MEUR	**III 2015**	III 2014	**I-III 2015**	I-III 2014	I-IV 2014
Closure of Chinese lure manufacturing *	**0.0**	-0.4	**-1.2**	-0.9	-1.7
Other restructuring costs	**-**	0.0	**-**	0.0	0.0
Other non-recurring items	**-**	0.0	**-**	0.0	-0.1
Total included in EBITDA and operating profit	**0.0**	-0.4	**-1.2**	-0.9	-1.8
Other non-recurring impairments	**-0.1**	-	**-0.1**	-	-
Total included in operating profit	**-0.1**	-0.4	**-1.3**	-0.9	-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	**Sep 30 2015**	Sep 30 2014	Dec 31 2014
Minimum future lease payments on operating leases	**14.9**	16.1	16.4

Related party transactions MEUR	Sales and other income	Pur-chases	Rents paid	Other expen-ses	Recei-vables	Paya-bles
I-III 2015						
Joint venture Shimano Normark UK Ltd	**3.2**	**-**	**-**	**0.0**	**0.5**	**-**
Associated company Lanimo Oü	**0.0**	**0.1**	**-**	**-**	**0.0**	**-**
Entity with significant influence over the Group*	**-**	**-**	**0.1**	**0.1**	**0.0**	**-**
Management	**-**	**-**	**0.2**	**0.0**	**-**	**0.0**
I-III 2014						
Joint venture Shimano Normark UK Ltd	2.8	-	-	-	0.4	-
Associated company Lanimo Oü	-	0.1	-	-	0.0	-
Entity with significant influence over the Group*	-	-	0.1	0.1	0.0	-
Management	-	-	0.2	-	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	**Sep 30 2015**		Sep 30 2014		Dec 31 2014	
MEUR	**Nominal Value**	**Fair Value**	Nominal Value	Fair Value	Nominal Value	Fair Value
Operative hedges						
Foreign currency derivatives	**36.4**	**1.3**	44.8	1.5	44.1	3.8
Monetary hedges						
Foreign currency derivatives	**57.4**	**1.4**	49.2	-1.1	30.6	-0.7
Interest rate derivatives	**103.2**	**0.7**	110.7	-0.4	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

	III 2015	III 2014	**I-III 2015**	I-III 2014	I-IV 2014
Included in operating profit	**-0.5**	1.5	**-2.4**	1.6	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		**Sep 30 2015**		Sep 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
Current non-interest-bearing assets (excl. derivatives)	**62.5**	**62.7**	63.0	63.0	58.8	58.8
Derivatives (level 2)	**5.3**	**5.3**	3.4	3.4	5.4	5.4
Total	**68.1**	**68.3**	66.7	66.7	64.5	64.5
Liabilities						
Non-current interest-bearing liabilities (excl. derivatives)	**73.2**	**73.4**	81.8	82.3	72.3	72.7
Derivatives (level 2)	**1.9**	**1.9**	3.4	3.4	3.1	3.1
Total	**75.1**	**75.3**	85.3	85.7	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.

Share related key figures	**Sep 30, 2015**	Sep 30, 2014
Number of shares	**39 000 000**	39 000 000
Number of shares, average	**39 000 000**	39 201 741
Number of treasury shares	**639 671**	506 807
Number of treasury shares, %	**1.6%**	1.3%
Number of outstanding shares	**38 360 329**	38 493 193
Number of shares traded, YTD	**1 763 813**	617 698
Share price	**4.85**	5.32
Highest share price, YTD	**5.85**	6.00
Lowest share price, YTD	**4.70**	4.95
Average price of treasury shares, all time	**4.87**	5.15
Acquired treasury shares, YTD	**32 864**	15 521

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. 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's 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, but increased leverage level may put pressure on Group's financing costs.

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 where uncertainties have increased during the past two years.